

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Years (% p.a.)	3 Years (% p.a.)	Since Inception [^] (% p.a.)	Since Inception Cumulative [^] (%)
Perennial Better Future Trust (Net)	-2.8	-4.1	+6.8	-16.6	+6.0	+6.6	+8.3	+43.8
S&P/ASX Small Ordinaries Accumulation Index	+0.6	-2.6	+12.1	-14.7	+5.1	+4.1	+4.4	+21.6
Value Added	-3.4	-1.5	-5.3	-1.9	0.9	+2.5	+3.9	+22.2

[^]Since inception: 1 February 2018. Past performance is not a reliable indicator of future performance.

Overview

The benchmark rose by 0.6% in August, consolidating the bounce in July. The Trust finished the month down 2.8%, underperforming the benchmark by 3.4%.

The underperformance was impacted by our positioning in the current environment. During August, the Resources component of the benchmark - which we are underweight - performed strongly, while the Healthcare component of the benchmark - which we are overweight - was weak. The Resources component of the benchmark finished up 6.0%, while the Healthcare component finished down 6.3%. We are comfortable with our position given the medium-term prospects of the stocks in these sectors, however, it held us back in August.

Positive contributors to relative performance this month included Nitro Software (+37.4%), AUB Group (+14.7%), Spark NZ (+6.6%) and NIB Holdings (+13.0%).

Negative contributors this month included Telix Pharmaceuticals (-16.1%), Immutep (-16.2%), Bendigo Bank (-12.2%), Smartgroup (-13.7%) and Pacific Edge (-39.4%).

Better Future Highlight

During August, portfolio holding 4D Medical announced the preliminary results of a clinical trial of the company's XV lung function scanning technology. The trial, which was conducted by Vanderbilt University Medical Center in Nashville, Tennessee, examined whether the technology is able to detect the presence of constrictive bronchiolitis ("CB") in US veterans who had been exposed to "burn pits" which were widely used by US Forces in the Middle East.

It is estimated that up to 3.5 million US veterans were exposed to harmful toxins from burn pits while deployed in operations post-2001. Preliminary analysis of data from the trial shows that 4D Medical's technology can detect CB in Veterans where traditional methods such as pulmonary function tests and CT scans failed to do so. Until now, highly invasive surgical biopsy has been the only way to diagnose CB. The US President recently signed into law a broad expansion of healthcare benefits for veterans exposed to toxic burn pits, including access to an additional US\$280 billion healthcare commitment over ten years. 4D Medical's technology has the potential to accelerate the diagnosis and treatment of the condition in these veterans.

Perennial Better Future Trust

The aim of the Trust is to grow the value of your investment over the long term by investing in companies predominantly outside the S&P/ASX Top 50 Index that conduct business taking into account environmental, social and governance ("ESG") considerations and/or businesses that are making a positive contribution to creating a better future. The Trust seeks to provide a total return (after fees) that exceeds the S&P/ASX Small Ordinaries Accumulation Index measured on a rolling three-year basis.

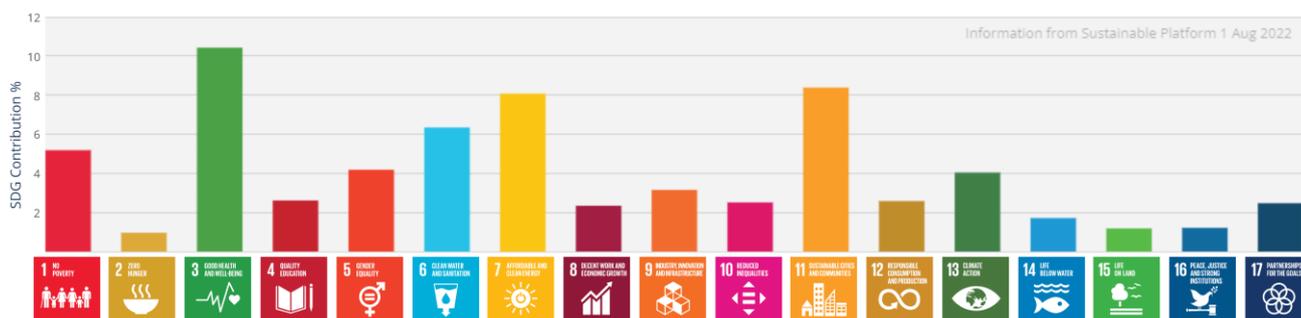
Portfolio Manager Damian Cottier	APIR Code WPC5600AU
Distribution Frequency Annually (if any)	Minimum Initial Investment \$25,000
Trust Inception Date 1 February 2018	Fees 1.20% p.a. + Performance fee



Value of A\$100,000 since inception (1 February 2018) of the Better Future Trust as at 31 August 2022.

Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Portfolios Contribution to the UN Sustainable Development Goals



Total Contribution: 67.33%
(equal to 54.83% social impact contribution and 12.5% environmental impact contribution)

Trust Review

The benchmark rose by 0.6% in August, consolidating the bounce in July. The Trust finished the month down 2.8%, underperforming the benchmark by 3.4%.

This outcome resulted from our positioning in the current environment. During August, the Resources component of the benchmark - which we are overweight - performed strongly while the Healthcare component of the benchmark - which we are overweight - was weak. The Resources component of the benchmark finished up 6.0%, while the Healthcare component finished down 6.3%. We are comfortable with our position given the medium-term prospects of the stocks in these sectors, however, it held us back in August.

It is over four years since the inception of the Trust. It is a key goal of the Trust to demonstrate that there is no performance trade-off to invest for shaping a better future. Since inception, the Trust has delivered a +8.3% p.a. return net of fees, outperforming the benchmark by +3.9% p.a.

Positive contributors to relative performance this month included Nitro Software (+37.4%), AUB Group (+14.7%), Spark NZ (+6.6%) and NIB Holdings (+13.0%).

Negative contributors this month included Telix Pharmaceuticals (-16.1%), Immutep (-16.2%), Bendigo Bank (-12.2%), Smartgroup (-13.7%) and Pacific Edge (-39.4%).

Nitro Software received an indicative proposal from a private equity consortium led by Potentia Capital to acquire the company at a 40% premium to the prior closing price.

AUB Group, Spark NZ and NIB Holdings each delivered a stronger than expected full year result and outlook statement.

Telix Pharmaceuticals was weaker after a strong performance last month and in the context of a result where cost growth was higher than expected as the company's commercial operations ramp up following the launch of the Illucix product.

Immutep was caught up in the weakness in the healthcare sector more broadly, while Bendigo Bank's outlook for net interest margin was weaker than the market's relatively high expectations. The Smartgroup result and outlook were also weaker than expected.

Pacific Edge announced that it had been notified of unexpected draft changes to aspects of the US Medicare reimbursement system which would result in the company's Cxbladder product not qualifying for US Medicare coverage. The changes do not impact other US clients such as Kaiser Permanente. While any implementation of the proposed changes would impact Pacific Edge's near-term progress, we continue to hold a small position in the company given the medium-term opportunity.

At month end, the portfolio held 47 stocks and cash of 8.7%.

At August end, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Trust was 7.3 which is 28% higher than the benchmark ESGE Score of 5.7.

Zenith

RECOMMENDED



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ESG Activity

Our ESG activity during the month included:

- Published the first Perennial Reconciliation Action Plan - Reflect RAP - the first stage of Reconciliation Australia's RAP framework. Read here: <https://perennial.net.au/perennial-launches-first-reconciliation-action-plan/>
- Met with HealthCo Healthcare & Wellness REIT and discussed GHG emissions and modern slavery, including key areas of risk.
- Discussed with Netwealth their Reconciliation journey, GHG emission disclosure (which they have now reported following engagement on the topic), cyber security, gender pay gap, employee share plans & turnover and cash fee rates.
- Engaged with APM Human Services on the details following their first Social Loan Linked corporate debt facility in Australia.
- Published a number of podcast episodes including: "Small Caps and ESG", "Sustainable Investment Flows" and "Greenwashing". Listen here: <https://perennial.net.au/perennial-better-podcast-series/>

Top 5 Active Positions

Trust (%)	Index (%)	
Meridian Energy	4.5	0.0
Spark New Zealand	4.1	0.5
Sims Ltd	4.7	1.1
Integral Diagnostics	3.9	0.3
KMD Brands	3.5	0.0

Better Future and ESG Team

Damian Cottier
Portfolio Manager

Emilie O'Neill
Co-Head of ESG &
Equities Analyst



CERTIFIED BY RIAA



The Perennial Better Future Trust has been certified by the Responsible Investment Association Australasia according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsiblereturns.com.au for details¹.

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