

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Years (% p.a.)	3 Years (% p.a.)	Since Inception ^A (% p.a.)	Since Inception Cumulative ^A (%)
Perennial Better Future Trust (Net)	+3.9	-0.1	+6.7	-16.4	-0.7	+4.6	+7.8	+43.6
S&P/ASX Small Ordinaries Accumulation Index	+4.9	-0.8	+11.2	-14.0	+0.9	+2.6	+4.0	+20.6
Value Added	-1.0	+0.7	-4.5	-2.4	-1.6	+2.0	+3.8	+23.0

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

Overview

The benchmark rose 4.9% in November as economic data suggested the medium-term interest rate outlook may be better than expected. The Trust finished the month up 3.9% after fees, underperforming the benchmark by 1.0%. Positive contributors to relative performance this month included Immutep (+27.6%), Alpha HPA (+42.9%), Janison Education (+26.9%) and Fisher & Paykel Healthcare (+22.8%).

Negative contributors this month included PEXA Group (-5.9%), 4D Medical (-25.6%), IPH Ltd (-8.4%) and City Chic Collective (-39.1%).

Better Future Highlight

During November, portfolio holding Meridian Energy announced that the company had selected a preferred partner to move forward to the development stage of the proposed Southern Green Hydrogen project in New Zealand.

The project is expected to produce green hydrogen using electricity from hydro generation. The hydrogen produced will be used to provide heat energy for industrial processes such as the production of ammonia. The ammonia production process is a difficult to abate industrial process and currently accounts for around 2% of global carbon dioxide emissions with the traditional process using either coal or gas to provide heat energy. Ammonia is most commonly used as an ingredient in fertiliser, which improves crop yields.

The primary partner in the project will be Woodside Energy and Mitsui is likely to join the project as the ammonia offtake partner. These companies have significant financial resources and expertise to assist with the project. While the project still needs to complete a detailed design and financing process, the economics are improved by the fact that part of the renewable electricity required for the project is currently being supplied at low prices to the New Zealand Aluminium Smelter and that the proposed plant will be flexible in terms of its operation so that it is able to provide up to 40% of New Zealand's "dry year" flexibility needs for power generation.

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

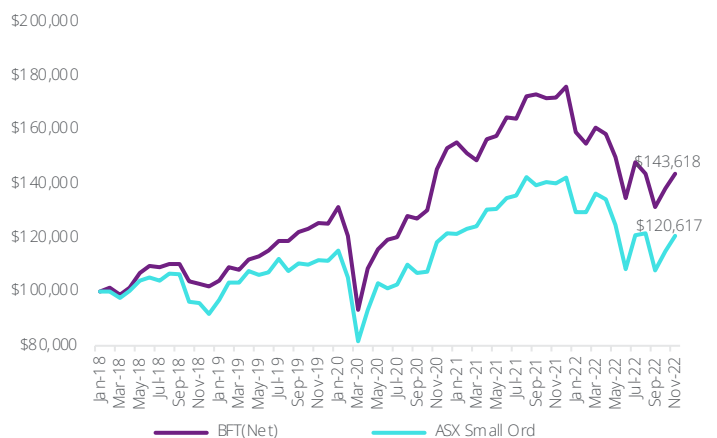
Trust Inception Date

1 February 2018

Fees

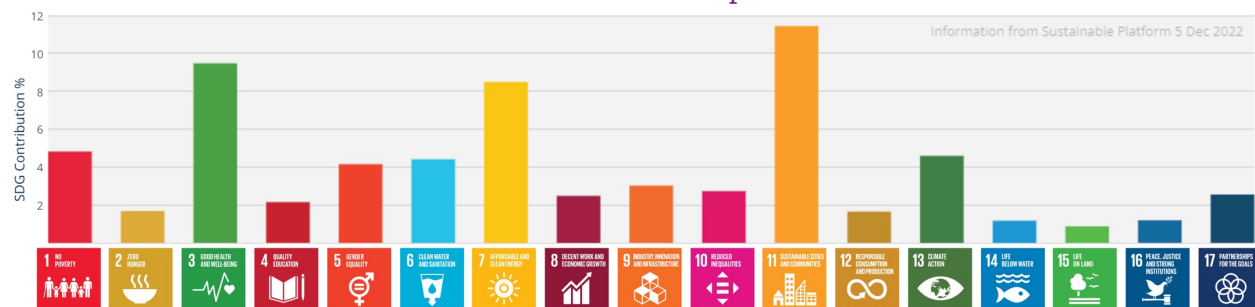
1.20% p.a. + Performance fee

Growth of \$100,000 Since Inception



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: 66.87%

(equal to 54.59% social impact contribution and 12.28% environmental impact contribution)

Source: Data provided by the Sustainable Platform 5 December 2022; based on company revenues

Trust Review

The benchmark rose 4.9% in November as economic data suggested the medium-term interest rate outlook may be better than previously expected. The Trust finished the month up 3.9% after fees, underperforming the benchmark by 1.0%. It is almost five 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 +7.8% p.a. return net of fees, outperforming the benchmark by +3.8% p.a.

Positive contributors to relative performance this month included Immutep (+27.6%), Alpha HPA (+42.9%), Janison Education (+26.9%) and Fisher & Paykel Healthcare (+22.8%). Negative contributors this month included PEXA Group (-5.9%), 4D Medical (-25.6%), IPH Ltd (-8.4%) and City Chic Collective (-39.1%).

Immutep announced promising data for the company's Phase II trial in which the company's "efti" therapy is used in combination with existing treatments in 1st line non-small-cell lung cancer. The efti therapy seeks to engage the immune system to enhance the impact of existing treatments. The trial suggested that efti showed improved results, particularly in patients who typically respond poorly to existing treatments. Immutep also announced that it would be collaborating with Merck KGaA and Pfizer for a new Phase 1 clinical study in patients with urothelial cancer, a type of bladder cancer and the 6th most common cancer in the US.

Alpha HPA had an eventful month. It announced first production of high purity alumina at Stage 1 of its manufacturing plant in Gladstone, Queensland. It also announced a strategic partnership with Orica under which Orica acquired a 5% interest in the company. The investment is a significant validation of the project as Orica is a key stakeholder in the project, with by-products from Orica being used as inputs to the Alpha HPA process, and the chemical by-products from that process being returned to Orica for use in other processes thereby creating "circularity" between the operations. The funds raised will be used to advance feasibility studies to build an additional manufacturing facility in Canada. High purity alumina is used in the lithium-ion battery and LED lighting industries. The Alpha HPA process results in up to 70% lower total emissions compared to traditional processes.

PEXA was weaker after Link sold down a 4% stake in the company and announced an in-specie distribution of the balance of Link's stake. Importantly, PEXA's AGM update was in line with expectations and the expansion to the UK appears to be progressing well. IPH and City Chic were lower after announcing weaker than expected trading updates. In the case of City Chic, weakness in the US and UK business more than offset the benefits of re-opening in Australia and resulted in margin guidance being well below expectations. The impact on the portfolio was limited by the relatively small size of the position.

In other portfolio news, Calix (+23.3%) announced that its LEILAC business is working with CEMEX to progress three Front End Engineering (FEED) studies to scale Carbon Capture, Utilisation and Storage projects at Cemex plants in Germany, Poland and the US. CEMEX is a significant global cement company. In CEMEX's media release it stated the proposed license agreement "...enables CEMEX to leverage Leilac's highly efficient direct separation technology, to capture CO2 at a low cost in its operations." Calix also announced that it had received a \$1m grant from the Australian Renewable Energy Agency (ARENA) to help fund a feasibility study for a renewably powered demonstration plant for its Zero Emissions Steel Technology (ZESTY).

At month end, the portfolio held 46 stocks and cash of 9.0%.

At November 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.

ESG Activity

Our ESG activity during the month included:

- Meeting with Charter Hall Group on Indigenous Heritage, Modern Slavery, Gender Diversity, Cyber Security
- Engaged with a number of portfolio companies on their approach to Cyber Security including NIB Holdings, PEXA, Janison Education and Spark NZ
- Presenting at Morgan Stanley Adelaide Advisor Symposium on Better Future Investing
- 40:40 Vision Working Group Meeting
- Discussed board gender diversity with Arena REIT
- Collected data for our 4th annual Better Future Survey and received record participation
- Discussed ESG & sustainability issues including safety, renewable energy use, remuneration and modern slavery with companies (unheld) during a Melbourne site visit

Top 5 Active Positions	Trust (%)	Index (%)
Meridian Energy	4.8	0.0
Telix Pharmaceuticals	4.8	0.8
Spark New Zealand	4.1	0.5
Immutep	3.5	0.0
Integral Diagnostics	3.6	0.2



Emilie O'Neill (left) and Damian Cottier (right)

Invest Online Now



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 <http://www.responsiblereturns.com.au/> for details¹.

1. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

Contact us



Level 27, 88 Phillip Street
Sydney NSW 2000



1300 730 032



invest@perennial.net.au



www.perennial.net.au

Signatory of:



Issued by Perennial Value Management Limited (ABN 22 090 879 904, AFSL No. 247293) as the Investment Manager. The Responsible Entity is Perennial Investment Management Limited (ABN 13 108 747 637, AFSL No. 275101), Perennial Partners Limited (ABN 90 612 829 160) is a Corporate Authorised Representative (1293138) of Perennial Value Management Limited. Both the Investment Manager and Responsible Entity form part of Perennial Partners. This promotional statement is provided for information purposes only. Accordingly, reliance should not be placed on this promotional statement as the basis for making an investment, financial or other decision. This promotional statement does not take into account your investment objectives, particular needs or financial situation and is not intended to constitute advertising or advice of any kind and you should not construe the contents of promotional statement as legal, tax, investment or other advice. This promotional statement does not constitute an offer or inducement to engage in an investment activity nor does it form part of any offer documentation, offer or invitation to purchase, sell or subscribe for interests in any type of investment product or service. You should read and consider any relevant offer documentation applicable to any investment product or service and consider obtaining professional investment advice tailored to your specific circumstances before making any investment decision. While every effort has been made to ensure the information in this promotional statement is accurate; its accuracy, reliability or completeness is not guaranteed. Past performance is not a reliable indicator of future performance. Gross performance does not include any applicable management fees or expenses. Net performance is based on redemption price for the period and assumes that all distributions are reinvested. Fees indicated reflect the maximum applicable. Contractual arrangements, including any applicable management fee, may be negotiated with certain large investors. Investments in the Trusts must be accompanied by an application form. The current relevant product disclosure statements, additional information booklet, application forms and target market determination can be found on Perennial's website www.perennial.net.au. Use of the information on our website is governed by Australian law and is subject to the terms of use. No distribution of this material will be made in any jurisdiction where such distribution is not authorised or is unlawful.