

	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)	-1.2	+7.9	+5.4	-19.4	-3.8	+4.2	+7.4	+41.9
S&P/ASX Small Ordinaries Accumulation Index	-3.7	+7.5	+7.0	-18.4	-2.3	+1.4	+3.1	+16.1
Value Added	+2.5	+0.4	-1.6	-1.0	-1.5	+2.8	+4.3	+25.8

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

Overview

The benchmark fell 3.7% in December as markets were concerned that central banks may continue to raise interest rates given economic data remains generally better than expected. The Trust finished the month down 1.2% after fees, outperforming the benchmark by 2.5%.

Positive contributors to relative performance this month included Meridian Energy (+10.3%), G8 Education (+13.3%), Integral Diagnostics (+5.8%) and Spark New Zealand (+5.0%).

Negative contributors this month included Immutep (-25.7%), PEXA Group (-17.9%), APM Human Services (-24.0%) and Charter Hall (-14.1.%).

Better Future Highlight

Limeade is a workplace engagement and wellbeing platform to improve participation, productiveness and wellbeing of a company's workforce. Its solutions are used in over 100 countries.

According to Limeade, 43% of people feel burned out at work and 57% of people feel "very or extremely" stressed. 69% of people lack a strong purpose at work and 40% feel isolated.

Investing in a healthy workforce will result in greater productivity, engagement and retention, particularly important for Millennial and Gen Z employees in which culture is a key consideration for joining and leaving an organisation.

In December, Limeade announced a number of contract wins including a 3-year contract with Marsh McLennan which will bring Contracted Annual Recurring Revenue (CARR) of USD\$1.7m. Earlier in the month, it also announced a contract with Tyson Foods, an American multi-national food processing company, with a CARR of ~USD\$1.7m.

This follows contract win announcements in November with UPMC Health with CARR of US\$3.5m

It is pleasing that Limeade is converting on its sales pipeline after stagnation during the recent past as companies turn their attention to investing in their workforce after an uncertain COVID period.

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

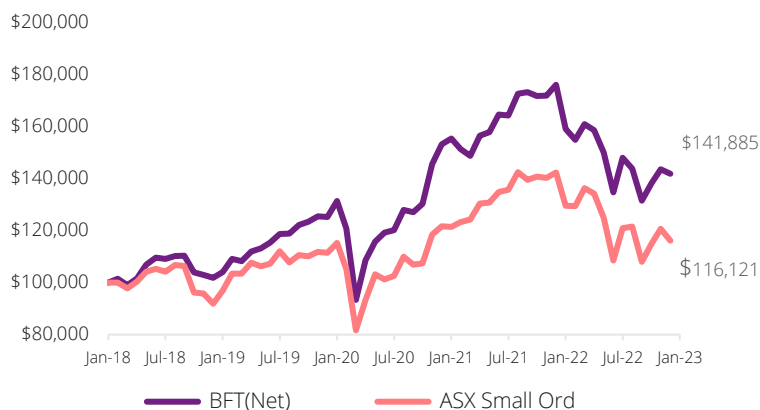
Trust Inception Date

1 February 2018

Fees

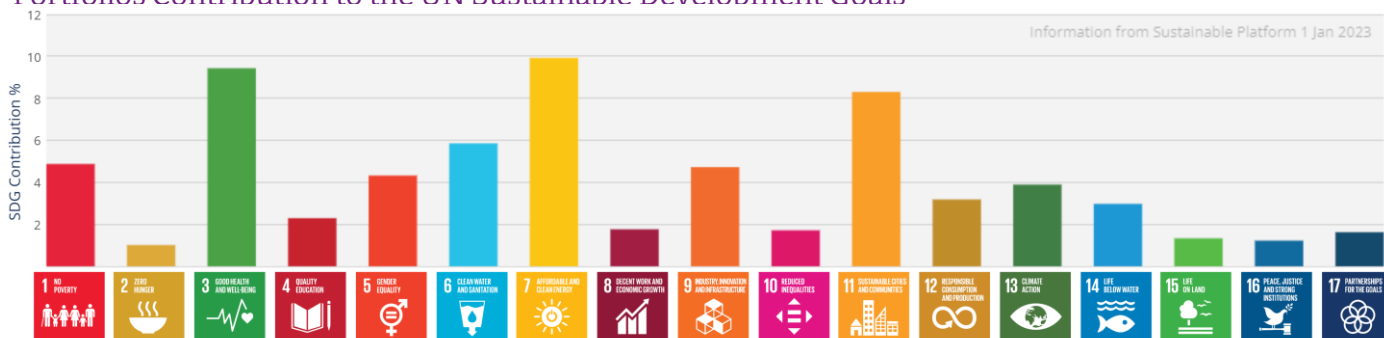
1.20% p.a. + Performance fee

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: 68.42%

(equal to 53.23% social impact contribution and 15.19% environmental impact contribution)

Source: Data provided by the Sustainable Platform 1 January 2023; based on company revenues

Trust Review

The benchmark fell 3.7% in December as markets were concerned that central banks may continue to raise interest rates given economic data remains generally better than expected. The Trust finished the month down 1.2% after fees, outperforming the benchmark by 2.5%. 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 +7.4% p.a. return net of fees, outperforming the benchmark by +4.3% p.a.

Positive contributors to relative performance this month included Meridian Energy (+10.3%), G8 Education (+13.3%), Integral Diagnostics (+5.8%) and Spark New Zealand (+5.0%).

Negative contributors this month included Immutep (-25.7%), PEXA Group (-17.9%), APM Human Services (-24.0%) and Charter Hall Group (-14.1.%)

Meridian announced that it will commence construction of the Ruakaka Battery Energy Storage System on the North Island of New Zealand. This will be New Zealand's first large-scale grid battery storage system with 200 Megawatt hours energy storage. The storage system will help manage supply fluctuations as intermittent renewable generation increases in New Zealand, further reducing the country's reliance on fossil fuels. Construction will commence in the first quarter of 2023 and is expected to be completed in the second half of 2024.

G8 Education announced a better than expected trading update as the COVID headwinds experienced by the childcare sector continue to abate. Spark NZ announced that it will be exiting the Spark Sport business during 2023 which will improve profitability.

There were no material negative announcements from Immutep with the company giving back gains from November. PEXA was weaker as property market activity softened and in the context of the overhang created by Link Administration Holdings undertaking the distribution of its shareholding in PEXA to Link shareholders. During the month the company completed the acquisition of Optima Legal, a UK conveyancing business with significant market share. This acquisition is expected to facilitate the adoption of the company's paperless conveyancing platform in the UK.

At month end, the portfolio held 46 stocks and cash of 8.1%.

At December 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.

Top 5 Active Positions	Trust (%)	Index (%)
Meridian Energy	5.3	0.0
Telix Pharmaceuticals	5.3	0.8
Spark New Zealand	4.3	0.5
Integral Diagnostics	3.8	0.3
Sims LTD	3.9	0.9

ESG Activity

Our ESG activity during the month included:

- Arena REIT appointed a female NED to the board following engagement on gender diversity.
- Steadfast released a Carbon Neutral Transition Plan during the month following discussions on emission disclosure in January.
- Discussed cybersecurity with 3P Learning to understand management of risk.
- Emilie O'Neill: Fighting the 'ESG Trade-Off' Perception article. [Read here.](#)
- Podcast: Australian Finance Podcast: Investing for Impact: Greenwashing, ESG Filters and Company Engagement. [Listen here.](#)
- Perennial Better Future Trust awarded a 4.5 "Leaf" rating by the Ethical Advisors' Co-Op in terms of suitability for an average ethical investor. See more about the leaf rating here: <https://www.leafratings.org/top-funds.html>.



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

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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.

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Signatory of:



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