

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Years (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception [^] (% p.a.)	Since Inception Cumulative [^] (%)
Perennial Better Future Trust (Net)	+1.1	+0.7	+1.1	+3.6	-3.3	+8.5	+7.0	+8.1	+53.4
S&P/ASX Small Ordinaries Accumulation Index	+3.5	+0.2	+3.5	+0.8	-5.3	+5.9	+3.2	+3.7	+21.8
Value Added	-2.4	+0.5	-2.4	+2.8	+2.0	+2.6	+3.8	+4.4	+31.6

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

Overview

The benchmark rose very strongly during July, up 3.5% as economic data suggested that the Reserve Bank of Australia may be closer to the end of the current interest rate tightening cycle. The Trust was up 1.1% after fees in July and lagged the rally given the relatively low exposure to cyclical stocks.

It is now over 5 years since the inception of the Trust and over this time the Trust has delivered a 8.1% p.a. return net of fees, outperforming the benchmark by 4.4% p.a.

Positive held contributors to relative performance during July included Australian Ethical (+23.2%), SmartGroup (+14.1%), Genetic Signatures (+16.2%) and Bendigo and Adelaide Bank (+8.8%).

Negative contributors to relative performance during the month included Integral Diagnostics (-7.6%), Sims Ltd (-4.1%), AUB Group (-2.4%) and KMD Brands (-8.1%).

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

Better Future Highlight

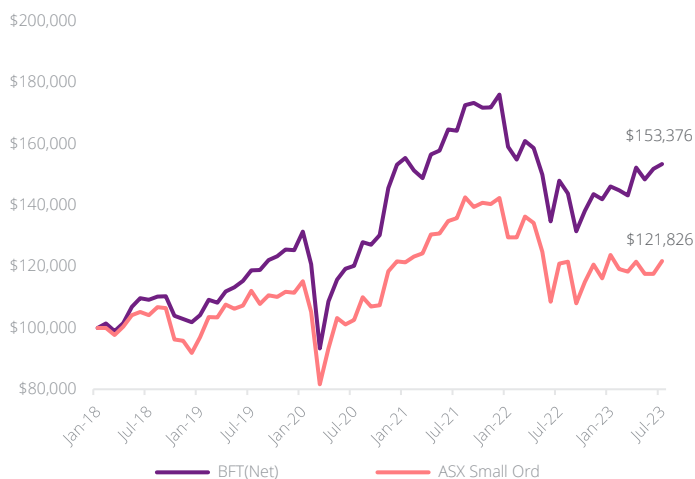
We have recently added Neuren Pharmaceuticals to the portfolio. Earlier in the year the pharmaceutical DAYBUE, which Neuren developed, achieved US Food & Drug Administration (“FDA”) approval for the treatment of Rett Syndrome (“Rett’s”) in adult and paediatric patients. This is the only treatment currently approved for Rett’s.

Rett’s is a seriously debilitating neurodevelopment disease that occurs almost exclusively in females following apparently normal development for the first six months of life. Most patients require life-long medical care and DAYBUE has been shown to improve outcomes for patients.

Neuren has granted a worldwide licence of the drug to NASDAQ listed Acadia Pharmaceuticals and will receive royalties for sales. Initial sales have been ahead of expectations and are expected to generate significant cashflows for Neuren in the form of royalties, sales milestones and other amounts payable by Acadia.

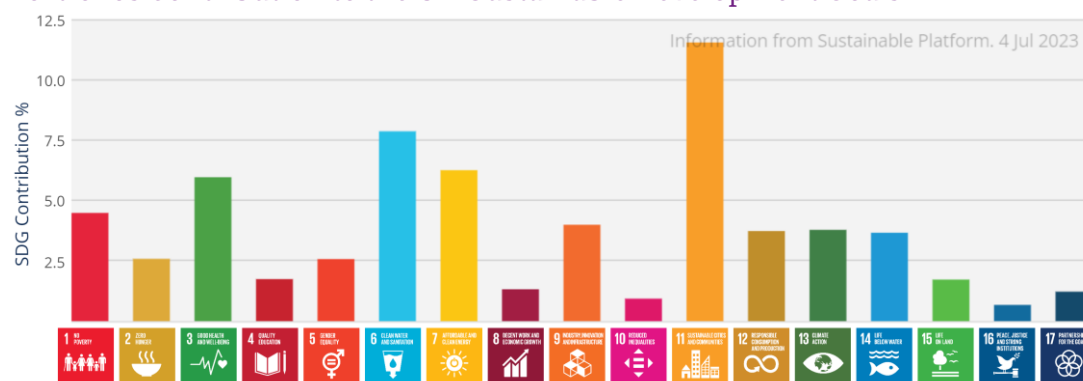
Neuren is developing further products for neurodevelopmental diseases including Fragile-X syndrome, Phelan McDermid Syndrome and Pitt Hopkins Syndrome.

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



Source: Data provided by the Sustainable Platform 4 July 2023; based on company revenues

Trust Review

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Australian Ethical delivered a better-than-expected quarterly update. Smartgroup, which provides novated leases as part of its remuneration packaging business, was higher after comments from a smaller competitor that 36% of all novated leases delivered in 3Q23 and 45% of all novated delivered in June were electric vehicles. Smartgroup is expected to benefit from similar trends following the introduction of government incentives for novated electric vehicles that was introduced in December 2022. Positively, for the nation's greenhouse gas emission footprint, this suggests that the proportion of new vehicle sales that are powered by internal combustion engines and fossil fuels should start to decline at a faster rate.

Genetic Signatures delivered a better-than-expected quarterly update and indicated that, following delays, it expects to lodge the application for approval of the company's next generation enteric (gastrointestinal) test during August.

Integral Diagnostics was weaker after Medicare data suggested that the recovery of diagnostic imaging volumes post-COVID continues to be softer-than-expected. Sims was weaker as global scrap metal prices were lower during the month and KMD announced a much weaker-than-expected trading update as a combination of a weaker consumer and warmer winter impacted sales.

At month end, the portfolio held 44 stocks and cash of 8.3%.

At July end, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Trust was 7.3 which is 29% higher than the benchmark ESGE Score of 5.7.

Top 5 Active Positions	Trust (%)	Index (%)
Meridian Energy	5.2	0.0
AUB Group	5.2	1.1
Sims Ltd	4.9	1.0
Integral Diagnostics	3.6	0.3
Arena REIT	3.8	0.6

ESG Activity

ESG activity during the month included:

- We had a dedicated ESG meeting with IDP Education to discuss employment practices, executive gender diversity, director independence, cyber security and Reconciliation efforts.
- Emilie attended the Oxford Sustainable Finance Summit to hear from practitioners, policymakers and regulators about ESG solutions and getting to net zero by 2050. Overall, we agree with the presenters on the importance of engagement with companies in improving outcomes, holding boards accountable for companies' transition plans and that more capital needs to be deployed with sustainable objectives.
- NIB appointed an additional female director to the board, Jill Watts. Ms Watts is a previous healthcare CEO at BMI Healthcare and Ramsay Healthcare and currently sits on the boards as a NED at St Vincent's Healthcare, Icon Cancer Group and IHH Healthcare Berhad. Her experience and expertise as a healthcare leader in the private sector, initiating government public policy change and in private research institutes across Australia, the UK, South Africa and SE Asia are highly relevant skills for the NIB board. NIB has 37.5% female directors on the board.
- We engaged further with Impedimed on ESG disclosures and met with the company to discuss corporate governance in the context of a shareholder requisition for the removal of directors.



Emilie O'Neill (left), Damian Cottier (middle) and Madeleine Huynh (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.

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