

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Years (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception <sup>^</sup> (% p.a.)	Since Inception Cumulative <sup>^</sup> (%)
Perennial Better Future Trust (Net)	-4.4	-6.7	-6.7	+7.6	-9.6	+3.7	+5.1	+6.3	+41.6
S&P/ASX Small Ordinaries Accumulation Index	-4.0	-1.9	-1.9	+6.8	-9.0	+2.6	+1.6	+2.6	+15.4
<b>Value Added</b>	<b>-0.4</b>	<b>-4.8</b>	<b>-4.8</b>	<b>+0.8</b>	<b>-0.6</b>	<b>+1.1</b>	<b>+3.5</b>	<b>+3.7</b>	<b>+26.2</b>

<sup>^</sup>Since inception: 1 February 2018. Past performance is not a reliable indicator of future performance. Performance is shown to 29 September 2023, which was a public holiday in Melbourne. Since our unit registry is based in Melbourne, no unit price was struck for this day. An indicative unit price was calculated so that the performance of the fund may be compared to that of the market (the ASX was open on 29 September 2023). No reliance should be placed on the indicative unit price for 29 September 2023.

### Overview

Global equity markets were generally weak during September in response to rising bond yields and the benchmark was down 4.0% during the month. The Trust was down 4.4% after fees in September and underperformed by 0.4%.

The absolute and relative performance of the Trust was weaker in the September quarter after strong performance in the June quarter. A significant contributor to relative performance during the month and the quarter was the weak performance of the Healthcare sector, which the Trust is overweight and outperformance of the Energy sector which the Trust is underweight. There has also been some stock specific weakness, particularly in Calix. Despite these short term movements, we remain comfortable with the portfolio and assuming that bond rates do not increase significantly from current levels, our forecasts suggests that the portfolio is well positioned going forward. During the month we used the market weakness to add to positions and have reduced the cash weighting in the portfolio to around 5% which is the lowest level in some time.

Positive held contributors to relative performance during September included EQT Holdings (+2.9%), 3P Learning (+10.4%), Telix Pharmaceuticals (+3.1%) and Genetic Signatures (+17.2%).

Negative contributors to relative performance during the month included Calix (-26.6%), Sims (-11.8%), Alpha HPA (-30.5%) and 4D Medical (-32.8%).

### Better Future Highlight

One of the more recent applications of portfolio holding Calix's technology is in relation to direct air capture ("DAC") of carbon dioxide.

Calix's technology is a key part of Heirloom Carbon's direct air capture technology. Heirloom is part of Project Cypress which was recently awarded up to US\$600m contribution towards the development of a DAC Hub in Louisiana, USA. During the month Heirloom announced that it had signed a long term contract with Microsoft under which Microsoft will pay for carbon dioxide removal by DAC. Microsoft's Senior Director of Energy and Carbon said "Microsoft's agreement with Heirloom is another important step in helping build the market for high-quality carbon removal and supports our path to become carbon negative by 2030. As an investor in and customer of Heirloom, we believe that Heirloom's technical approach and plan are designed for rapid iteration to help drive down the cost of large-scale DAC at the urgent pace needed to meet the goals of the Paris Agreement."

### 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

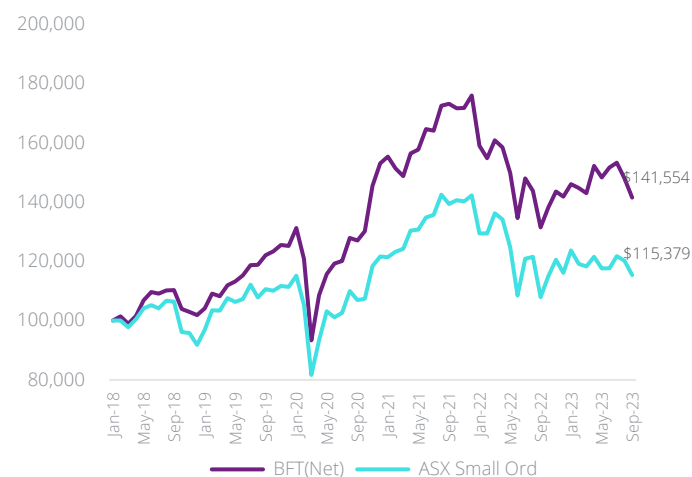
#### Trust Inception Date

1 February 2018

#### Fees

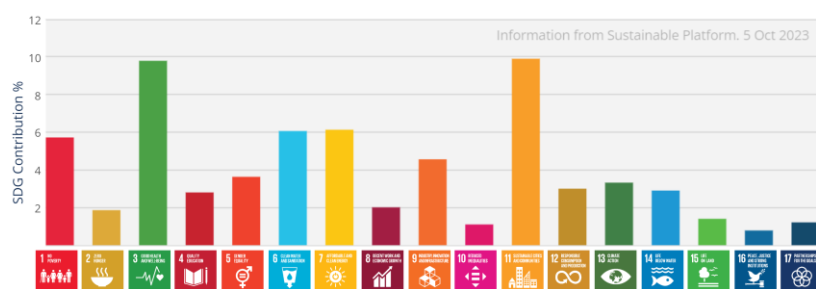
1.20% p.a. + Performance fee

### Growth of \$100,000 Since Inception



As at 30 September 2023. 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 5 October 2023; based on company revenues

## Trust Review

Global equity markets were generally weak during September in response to rising bond yields and the benchmark was down 4.0% during the month. The Trust was down 4.4% after fees in September and underperformed by 0.4%.

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There were no material new announcements from EQT, 3P Learning or Telix Pharmaceuticals.

Genetic Signatures recovered from September's weakness after announcing that after a delay it had lodged with the US FDA an application for approval of the company's innovative test for gastroenteritis.

Calix was significantly lower albeit in the absence of any material announcements and we remain comfortable with the outlook for the company. As noted overleaf, one interesting development for the company during the month was that Heirloom announced a long term contract with Microsoft.

Sims announced a weaker than expected trading update for the first quarter due to softness in the US market. The company currently trades at close to net tangible asset backing and we remain comfortable with the company given the medium term outlook.

Alpha HPA was weaker even though it announced \$30m in project funding from the Queensland Critical Minerals and Battery Technology Fund to assist with construction of the company's sapphire glass production facility which has a materially lower carbon footprint than traditional production processes.

There were no material negative announcements for 4D Medical which was impacted by the general weakness in the healthcare sector.

At month end, the portfolio held 44 stocks and cash of 5.2%.

At September end, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Trust was 7.4 which is 30% higher than the benchmark ESGE Score of 5.7.

## ESG Activity

ESG activity during the month included:

- Perennial was awarded a Responsible Investment Leader by RIAA for the fourth year in a row. [Read here.](#)
- Perennial Better Future continued its commitment to planting a tree for every direct client of the fund. [Read here.](#)
- Damian participated in an Investor Daily article: ESG investing vigour propels sustainable industries. [Read here.](#)
- Undertook dedicated Human Rights and Modern Slavery engagements with KMD, IRE, IEL, CNU, SPK as part of our human rights due diligence framework.
- Dedicated ESG engagement with TLX to discuss energy & GHG emissions, water and waste, product/patient safety, supply chain management, remuneration policy and environmental / social issues around the Brussels manufacturing facility.
- Met with APM management in the UK and discussed cyber security, human rights and climate commitments.



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

Top 5 Active Positions	Trust (%)	Index (%)
Meridian Energy	5.5	0.0
Sims Ltd.	5.1	0.9
AUB Group	5.3	1.3
Steadfast	3.8	0.0
Integral Diagnostics	3.9	0.3

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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 details<sup>1</sup>.

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:



Principles for Responsible Investment



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