

	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)	+6.7	-5.0	-7.4	-2.1	-9.6	-1.1	+6.4	+6.0	+40.6
S&P/ASX Small Ordinaries Accumulation Index	+7.0	-2.9	-0.8	-3.2	-8.8	-0.5	+4.0	+2.7	+16.8
<b>Value Added</b>	<b>-0.3</b>	<b>-2.1</b>	<b>-6.6</b>	<b>+1.1</b>	<b>-0.8</b>	<b>-0.7</b>	<b>+2.4</b>	<b>+3.3</b>	<b>+23.8</b>

<sup>^</sup>Since inception: 1 February 2018. Past performance is not a reliable indicator of future performance.

## Overview

Global equity markets generally rebounded during November as bond yields fell in response to signs that inflation is starting to ease. The Trust was up +6.7% after fees during the month. The benchmark was up +7.0% with the Trust underperforming by 0.3%.

A number of stocks that have lagged recently were stronger during the month. Positive held contributors to relative performance during November included Calix (+33.6%), 4D Medical (+105.4%), Australian Ethical (+26.2%) and Neuren Pharmaceuticals (+44.6%).

The most significant negative contributor to relative performance during the month was Integral Diagnostics (-33.5%) which announced a weaker than expected trading update. Other detractors included Immutep (-6.3%), APM Human Services (-27.8%) and G8 Education (-0.5%).

## 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

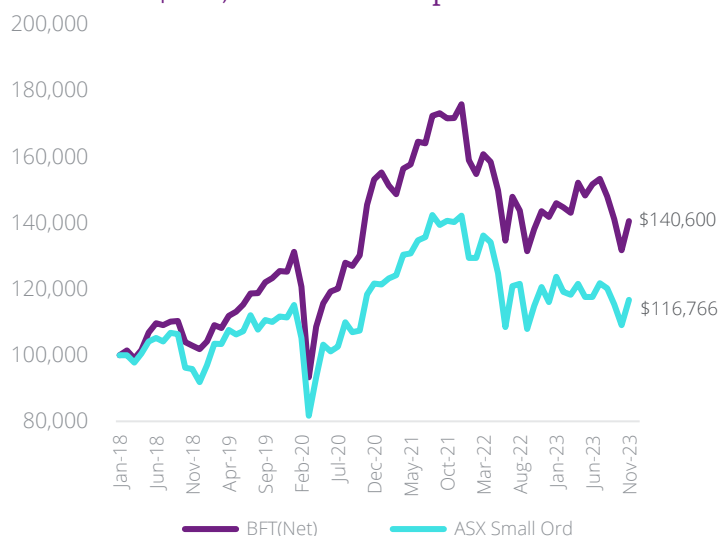
### Trust Inception Date

1 February 2018

### Fees

1.20% p.a. + Performance fee

## Growth of \$100,000 Since Inception



As at 30 November 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.

## Better Future Highlight

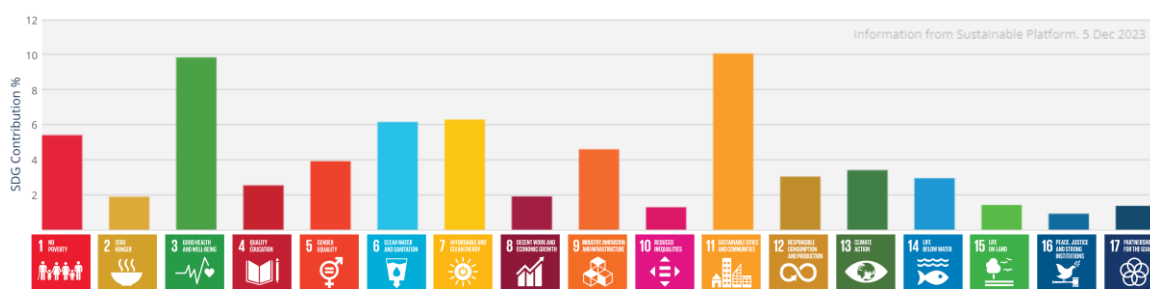
Portfolio holding 4D Medical made a number of significant announcements during the month. 4D Medical has developed software that when used with traditional X-ray or CT scanning provides more sophisticated data on lung function that enables physicians to understand regional airflow in the lungs and identify respiratory deficiencies earlier and with greater sensitivity.

The announcements included that the US Centers for Medicare and Medicaid Services (CMS) confirmed reimbursement for scans using 4D Medical's technology in outpatient settings. This is a significant development as it allows healthcare providers to be reimbursed for scans of US Medicare patients. Subsequent to this, the company announced that it has signed agreements with radiology practices in Detroit and Memphis to use the technology which are the first non-hospital clinics to adopt the product in the US.

Later in the month, the company announced that it had signed a memorandum of understanding with leading global healthcare company Philips for commercial expansion of the company's technology. The initial focus of the agreement will be the US Veterans Health Administration (VA) and a pilot to evaluate Veterans for deployment related "burn-pit" respiratory disease. This MOU will make it easier for the company to deploy its products in the VA.

During the month, the company also announced that US FDA clearance had been extended to the CT-based version of the company's ventilation reports in addition to the X-ray version of the reports.

## Portfolios Contribution to the UN Sustainable Development Goals



**Total Contribution: 66.87%**

(equal to 53.42% social impact contribution and 13.45% environmental impact contribution)

Source: Data provided by the Sustainable Platform 5 December 2023; based on company revenues

## Trust Review

Global equity markets generally rebounded during November as bond yields fell in response to signs that inflation is starting to ease. The Trust was up +6.7% after fees during the month. The benchmark was up +7.0% with the Trust underperforming by 0.3%.

A number of stocks that have lagged recently were stronger during the month. Positive held contributors to relative performance during November included Calix (+33.6%), 4D Medical (+105.4%), Australian Ethical (+26.2%) and Neuren Pharmaceuticals (+44.6%).

Calix was stronger after announcing in late October that its subsidiary Leilac had signed a binding global licence and collaboration agreement with Heirloom Carbon Technologies ("Heirloom"). Heirloom is a US company whose investors include Bill Gates. Heirloom is using Calix's technology as part of the company's direct air capture ("DAC") process. Heirloom has a long-term contract with Microsoft for the purchase of up to 315,000 tonnes of carbon dioxide removal and is a partner in Project Cypress, one of two projects awarded funds by the US Department of Energy to implement DAC technology.

As mentioned overleaf, 4D Medical was higher after being awarded reimbursement by CMS and announcing a MOU with Philips.

Neuren Pharmaceuticals announced that Acadia, the licensee of the company's DAYBUE treatment for Rett Syndrome, reported sales of US\$66.9m in the first full quarter and had provided guidance of US\$80-87.5m for the December quarter. Neuren receives a royalty on these sales which were better than forecast due to strong initial demand.

The most significant negative contributor to relative performance during the month was Integral Diagnostics (-33.5%) which announced a weaker than expected trading update. The company's revenue growth during the first quarter was only slightly below expectations, however, margin guidance was weak due to clinical staff shortages and general cost inflation. While this outcome was disappointing given management commentary at the result that the worst of the margin pressure was behind the company, we have retained a position given the company's medium-term growth prospects and the potential for corporate activity.

Other detractors included Immutep (-6.3%), APM Human Services (-27.8%) and G8 Education (-0.5%). There were no incremental negative updates for Immutep. APM announced a weak trading update as low unemployment rates in both the UK and Australia are impacting the number of people requiring the company's employment programs.

While the performance of the Trust since 30 June has been weaker than expected, in our view, the portfolio is well positioned going forward. Our target price forecasts suggest that as at the end of the month, there is significant upside in many stocks in the portfolio.

At month end, the portfolio held 44 stocks and cash of 7.0%.

At November end, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Trust was 7.4 which is 31% higher than the benchmark ESGE Score of 5.6.

## ESG Activity

ESG activity during the month included:

- Released the Perennial FY23 annual Integrated ESG & Engagement report. [Read here.](#)
- We released an article discussing why we believe that our healthcare stocks have "the potential to generate attractive returns while shaping a better healthcare outcome for patients". [Read here.](#)
- We released the Perennial Better Future approach to engagement with portfolio companies on cybersecurity. [Read here.](#)
- We engaged on AGM proposals with 3PL, MX1, ARF, PXA, NWL and OPT.
- We attended numerous global conferences, including the JP Morgan Energy Conference, the Morgan Stanley Carbon Dinner and the Goldman Sachs Global Carbonomics Conference.
- At the FY23 AGM, Calix announced the appointment of Dr. Sarah Ryan who will join the Board in January 2024. She brings global experience across energy, mining and investment sectors. Alison Deans will also be elevated to Chair, with the retirement of the existing Chair. This brings the gender diversity on the board to 50% (from 0% when we first invested).
- We contributed to the RIAA consultation on the Australian Government's Sustainable Finance Strategy.
- Attended the Sims site visit which included discussions on sustainability and safety record.



Emilie O'Neill (left), Damian Cottier (middle) and Madeleine Huynh (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 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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Principles for Responsible Investment



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