

	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)	+1.6	+5.7	-2.1	+2.6	-2.1	-0.6	+6.4	+6.7	+48.6
S&P/ASX Small Ordinaries Accumulation Index	+1.7	+10.1	+9.2	+7.8	-0.4	+1.4	+4.4	+4.2	+28.5
Value Added	-0.1	-4.4	-11.3	-5.2	-1.7	-2.0	+2.0	+2.5	+20.1

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

Overview

The benchmark rose 1.7% during February as the ASX reporting season was better than the market feared. The Trust had a generally solid reporting season and was up 1.6% after fees, underperforming by 0.1%.

Positive contributors to relative performance during February included G8 Education (+19.3%), Janison Education (+29.4%), APM Human Services (+116.2%) and Integral Diagnostics (+20.3%).

Relative detractors from performance included Sims (-15.9%), NIB Holdings (-9.3%), Impedimed (-23.6%) and KMD Brands (-25.8%).

It is now over 6 years since inception of the Trust in January 2018. Since inception, the Trust has returned 6.7% p.a. after fees, outperforming the benchmark by 2.5%. Performance since 30 June 2023 has been weak, impacting performance across longer time periods. Looking forward, our target price forecasts* suggest that there remains good upside in the portfolio with a preference for stocks that have stock-specific drivers that we expect to materialise in the short to medium term and/or are expected to be resilient over the medium term regardless of the macroeconomic environment.

*Based on Perennial Value Management Forecasts. While due care has been used in the preparation of forecasts information, actual outcomes may vary in a materially positive or negative manner.

Better Future Highlight

During the month portfolio holding Calix announced significant progress for its Zero Emissions Steel Technology (ZESTY) technology.

Calix completed a Front-End Engineering and Design (FEED) study for a 30,000 tonne per annum ZESTY Hydrogen Direct Reduced Iron demonstration plant.

The study estimates that ZESTY can produce near zero emissions hot briquetted iron ("HBI") from low grade iron ore for ~AUD\$630-800 per tonne of HBI. This cost is close to the range of existing, carbon-intensive HBI processing costs before any benefit of emissions reduction is accounted for. Further cost savings are expected as the technology is scaled and refined.

The reduction of iron ore to metal iron currently accounts for 80-85% of the steel industry's carbon dioxide emissions with the ZESTY technology having the potential to reduce the emissions intensity of reducing iron ore to metal iron from 1.89 tonnes of carbon dioxide per tonne to near zero.

The company is progressing a Final Investment Decision on a ZESTY HBI Demonstration facility that is subject to plant location and commercial agreements currently under negotiation.

The ZESTY process is one of a number of potential applications of Calix's core technology that includes low emissions lime and cement, direct carbon capture, alumina processing and lithium processing.

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

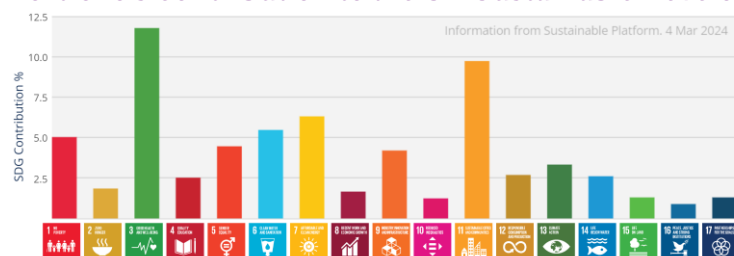
1.20% p.a. + Performance fee

Growth of \$100,000 Since Inception



As at 29 February 2024. 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.

Portfolio's Contribution to the UN Sustainable Development Goals



Total Contribution: 66.37%
(equal to 53.68% social impact contribution and 12.69% environmental impact contribution)

Source: Data provided by the Sustainable Platform 4 March 2024; based on company revenues

Trust Review

The benchmark rose 1.7% during February as the ASX reporting season was better than the market feared. The Trust had a generally solid reporting season and was up 1.6%, underperforming by 0.1%.

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Relative detractors from performance included Sims (-15.9%), NIB Holdings (-9.3%), Impedimed (-23.6%) and KMD Brands (-25.8%).

G8 Education and Integral Diagnostics each announced better than expected results and solid starts to 2024.

APM announced that it had received an indicative, non-binding offer from private equity firm CVC Asia Pacific Limited at \$1.60 per share which was revised to \$2.00 per share later in the month. The emergence of the offer followed share price weakness after the trading update in January.

Janison Education announced a major new agreement with the NSW Department of Education and Cambridge University Press & Assessment. Under the agreement, Janison will deliver the state's selective education placement tests as computer based tests via Janison's digital assessment platform. This contract is expected to generate up to \$45m in revenue over 5 years and is the largest contract signed by Janison to date. Janison will be delivering computer-based testing for over 30,000 students each year and will replace the existing paper-based examination process. This is an encouraging contract win, with Janison having a strong pipeline of other opportunities.

Sims announced a weaker than expected result due to challenging short-term market conditions for its North America Metal scrap recycling business.

KMD Brands announced a weak trading update due to soft demand across its three outdoor brands of Kathmandu, Rip Curl and Oboz.

NIB Holdings delivered a solid result, albeit the composition was a little soft relative to consensus expectations. Impedimed was weaker despite the result containing no material new negative information and new management providing a detailed update on the sales strategy now that it expects the 11 most important US states will have critical mass in health insurer coverage by April.

There were a number of companies in the portfolio that announced progress on ESG and sustainability initiatives during reporting season. These include Meridian Energy which announced that it is partnering with industry to supply renewable energy to convert 33MW of coal boilers to renewable electricity and Smartgroup which announced that electric vehicles represented 41% of all new car novated lease orders that it received in the six months to 31 December.

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At month end, the portfolio held 45 stocks and cash of 8.4%.

At February 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.

**Based on Perennial Value Management Forecasts. While due care has been used in the preparation of forecasts information, actual outcomes may vary in a materially positive or negative manner.*

ESG Activity

ESG activity during the month included:

- Immutep appointed Anne Anderson to the board of directors who has experience across capital markets, risk management and governance. The introduction to Anne was made at the Perennial Diverse Boards Event in 2023.
- Netwealth appointed Ms Sarah Brennan who has 30 years of experience in financial services as a director. The board is now ~43% female.
- We released our 5th annual Better Future Survey Report and joined the Greener Way podcast to discuss the findings from the Survey. Listen to the podcast [here](#). Read the survey [here](#).
- We engaged with Cleanspace on GHG emission disclosures and modern slavery.
- We discussed committing to gender diversity targets with Netwealth. They have set measurable targets for the board and executive team by the end of FY26, which are: 40% women and 40% men; and 20% open. NWL is still on track for GHG emission reporting in 2024 and incorporating modern slavery feedback.
- We discussed GHG emissions and RAP with Arena Reit.

Top 5 Active Positions	Trust (%)	Index (%)
Meridian Energy	5.3	0.0
Steadfast	4.2	0.0
AUB Group	5.3	1.2
Immutep	3.9	0.0
G8 Education	4.0	0.4



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

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RIA Responsible Investment Leader 2023

Signatory of: PRI Principles for Responsible Investment

Significant Investor Visa (SIV) Compliant

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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