

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Years (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	7 Years (% p.a.)	Since Inception [^] (% p.a.)	Since Inception Cumulative [^] (%)
Perennial Better Future Trust (Net)	0.0	-0.8	+4.2	+2.4	+2.7	+3.2	+0.3	+6.3	+5.8	+55.8
S&P/ASX Small Ordinaries Accumulation Index	+1.4	+1.8	+17.4	+25.0	+16.4	+13.4	+6.9	+9.2	+6.9	+69.5
Value Added	-1.4	-2.6	-13.2	-22.6	-13.7	-10.2	-6.6	-2.9	-1.1	-13.7

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

Overview

The benchmark Small Ordinaries Accumulation Index was up 1.4% in December. The portfolio was flat, underperforming by 1.4% largely due to not holding gold stocks which were a 1.8% relative performance drag during the month.

Similar themes have played out during the month as have played out in the underperformance of the portfolio over the 12 months to 31 December where the benchmark has been up 25.0%. Gold stocks have been a 14.1% relative performance drag over the year and a 3.1% drag over 3 months. Our relatively defensive positioning and healthcare exposures have been the other significant contributor to the portfolio lagging the strong benchmark, despite an increasingly uncertain economic environment.

Positive held relative contributors this month included Immutep (+36.1%), Calix (+69.4%) and Janison Education (+26.1%).

The key negative relative contributor was the nil holding in gold stocks referred to above. Held negative relative contributors this month included AUB Group (-17.3%), Telix Pharmaceuticals (-26.4%) and Australian Ethical (-11.6%).

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

During the month portfolio holding Calix announced that it had executed a contract for the supply of magnesium hydroxide water treatment products to a new customer in the United States.

Calix's magnesium-based products are designed to minimise the release of hazardous chemicals and materials into water systems to provide a solution that is both more sustainable and cost effective than caustic soda which has traditionally been used.

The contract is expected to generate up to A\$10m in additional annual revenue and is with one of the world's largest agriculture companies with multi-billion annual revenues. The contract provides further momentum for Calix's water business which reported revenue of 58% and gross profit growth of 71% in the September quarter after having won other new contracts in Australia earlier in the calendar year.

This is another positive development for Calix after the recent announcement of the Joint Development Agreement with Rio Tinto in relation to the company's zero emissions iron and steel (ZESTY) technology and a memorandum of understanding with Norske Hydro in relation to the company's zero emissions alumina technology.

Growth of \$100,000 Since Inception



As at 31 December 2025. 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 Stats



The **portfolio is 88.6% less carbon intensive compared to the ASX300** and 87.2% less carbon intensive compared to the ASX Small Ords[^]



8 female Directors were appointed to the board across 8 portfolio companies in 2024, typically following engagement, totalling **81 female Directors since inception** as at 31 December 2024



111 dedicated ESG engagements in 2024 with management and boards about material risks and opportunities **across 34 portfolio companies**



33% of portfolio companies have a Reconciliation Action Plan, compared to 21% of the ASX300 and 12% of the ASX Small Ords as at 31 December 2024

Trust Review

The benchmark Small Ordinaries Accumulation Index was up 1.4% in December. The portfolio was flat, underperforming by 1.4% largely due to not holding gold stocks which were a 1.8% relative performance drag during the month.

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During the month Immutep announced a strategic collaboration with Dr Reddy's Laboratories for commercialisation of the company's oncology drug Eftilagimod ("efti") in all countries outside North America, Europe, Japan and Greater China. Immutep will receive an upfront payment of approximately A\$30m and is also eligible to receive potential regulatory development and commercial milestone payments up to approximately A\$500m. This agreement is a significant milestone for Immutep as it relates only to emerging market territories with Immutep retaining the rights to markets with significantly higher sales potential such as the US. Immutep also announced that it is making good progress with recruitment of the company's Phase III lung cancer trial and announced positive results from the Phase I trial in relation to Autoimmune Diseases.

Janison Education announced that it had been awarded a five-year contract valued at A\$21m by the New Zealand Ministry of Education to deliver a Student Monitoring, Assessment and Reporting Tool ("SMART"). SMART will support twice-yearly, bilingual assessments for students in Years 3-10 across reading, writing, maths, panui, tuhituhi and pangarau. The agreement represents a significant milestone, delivering digital assessment solutions for national education systems beyond Australia and will be delivered using Janison's existing secure and scalable online assessment platform that is used for similar tests in NSW.

As mentioned in the Better Future Highlight section, Calix announced a significant contract with a global agriculture company for its water treatment products.

AUB Group announced that EQT and CVC, the potential acquirors of the business did not intend to proceed with an acquisition at the agreed price of \$45.00 per share. While in the short term the update is disappointing, the offer price did not offer a significant premium to historical valuation multiples and accordingly, in our view, there is significant upside over the medium term.

Telix Pharmaceuticals was caught up in the general weakness in healthcare stocks and announced a delay in the release of some of the initial results for the company's ProstACT Global Phase III trial in relation to the company's prostate cancer therapy.

At month end, the portfolio held 43 stocks and cash of 7.5%. 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 5.6.

ESG Activity

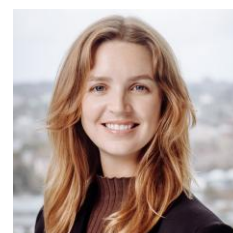
ESG activity during the month included:

- We wrote to over 15 portfolio companies to better understand how they are preparing for the introduction of the new Workplace Gender Equality Agency "WGEA" requirements which require that by May 2026 employers with 500+ employees must select 3 gender equality targets from a menu of 19 options.
- During December Perennial took part in the PRI stewardship and collaboration forum in Sydney, whereby discussions took place on the global policy and legal landscape, collaborative engagements and outlook for 2026.
- Perennial's Reconciliation Action Plan Working Group undertook its quarterly meeting and attended a RIAA Report Launch on Charting the path: a new path for First Nations investment in Australia.
- We met with Calix's CFO to better understand some of its recent operational updates and announcements in relation to the company's zero emissions iron and steel and zero emissions alumina technology.

Top 5 Active Positions	Trust (%)	Index (%)
Meridian Energy	5.8%	0.0%
Immutep	5.0%	0.2%
NIB Holdings	5.3%	1.1%
PEXA Group	4.8%	0.6%
Smartgroup	4.5%	0.4%



Portfolio Manager:
Damian Cottier



Senior ESG Analyst
Aoife McCarthy

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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.responsibleinvestments.com.au/> for details.

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