

	Month (%)	Quarter (%)	1 Year (%)	2 Years (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception [^] (% p.a.)	Since Inception Cumulative [^] (%)
Perennial Better Future Fund (Managed Fund)	3.2	5.3	11.1	9.5	-3.1	5.7	6.6	40.7
S&P/ASX Small Ordinaries Accumulation Index	5.1	6.5	18.8	12.7	-0.6	4.4	4.6	27.4
Value Added	-1.9	-1.2	-7.7	-3.2	-2.5	1.3	2.0	13.3

[^]Inception date was 23 May 2019. Performance shown above are net of fees. Fund returns are calculated using net asset value per unit at the start and end of the specified period and do not reflect the brokerage or the bid ask spread that investors incur when buying and selling units on the ASX. Past performance is not a reliable indicator of future performance.

Overview

The benchmark had a very strong month during September, finishing up 5.1% on the back of rate cuts by the Federal Reserve in the US and the announcement of stimulus measures in China. The Fund finished the month up 3.2% after fees, underperforming the strong market by 1.9%.

Positive contributors to relative performance during the month included Alpha HPA (+27.0%), G8 Education (+11.0%) and Sims (+15.3%).

The main detractors from relative performance were Immutep (-19.8%), Steadfast (-12.4%) and Meridian Energy (-6.2%).

Since inception, the Fund has returned 6.6% p.a. after fees, outperforming the benchmark by 2.0%. Performance for the 9 months between 1 July 2023 and 31 March 2024 was weak, with the Fund lagging the strong rebound in the market. This has impacted relative performance across longer time periods. Looking forward, our target price forecasts* suggest that the portfolio is well positioned with a preference for stocks with company-specific drivers that we expect to materialise in the short to medium term and/or are expected to be operationally resilient 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 materially positive or negative manner.*

Better Future Highlight

Portfolio company Meridian Energy received consent to build a 120 Megawatt (MW) solar farm in Tai Tokerau Northland, New Zealand.

The solar farm will be capable of producing 150 to 200 Gigawatt hours of electricity per year, enough to power more than half the homes in Northland.

The project is Stage 2 of Meridian's Ruakaka Energy Park, which also includes a 100 MW battery energy storage system that is due for completion in early 2025. This is meaningful as excess solar generated when prices are low can be stored and sold during peak periods. The solar farm and battery will be added to Meridian's existing portfolio of hydro and wind assets and provides diversification to Meridian's portfolio which is predominantly based in the South Island of NZ.

It is expected construction of the solar facility will get underway in early 2025 and will be completed in late 2026.

Perennial Better Future Fund (Managed Fund)

The aim of IMPQ 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. IMPQ seeks to provide a total return (after fees) that exceeds the S&P/ASX Small Ordinaries Accumulation Index.

Portfolio Manager

Damian Cottier

IMPQ FUM

\$48 million

Distribution Frequency

Annually (if any)

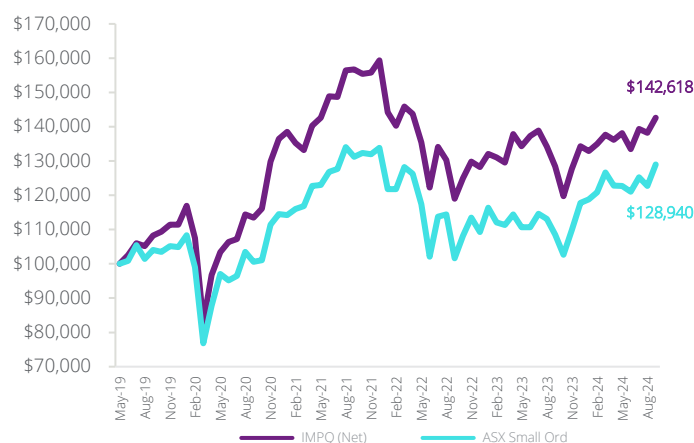
Fees

0.99% p.a. (incl of GST and RITC)
+ Performance fee

Inception Date

23 May 2019

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.

Better Future Stats



The portfolio is **84.2% less carbon intensive** compared to the ASX300 and **82.9% less carbon intensive** compared to the ASX Small Ords[^]



8 female Directors were appointed to the board across **7 portfolio companies** in 2023, typically following engagement, totalling **73 female Directors** since inception as at 31 December 2023



109 dedicated ESG engagements in 2023 with management and boards about material risks and opportunities across **44 portfolio companies**



31% of portfolio companies have a **Reconciliation Action Plan**, compared to 20% of the ASX300 and 10% of the ASX Small Ords as at 31 December 2023

Fund Review

The benchmark had a very strong month during September, finishing up 5.1% on the back of rate cuts by the Federal Reserve and the announcement of stimulus measures in China. The Fund finished the month up 3.2% after fees, underperforming the strong market by 1.9%.

Positive contributors to relative performance during the month included Alpha HPA (+27.0%), G8 Education (+11.0%) and Sims (+15.3%).

The main detractors from relative performance were Immutep (-19.8%), Steadfast (-12.4%) and Meridian Energy (-6.2%).

There was no material news announcement from Alpha HPA with it reversing recent underperformance. G8 Education was higher after the Productivity Commission report into early childhood education was generally supportive for the sector. Sims released a trading update that was significantly better than expected as the company's focus on improving margin in a challenging market started to bear fruit.

Immutep presented further results from the company's TACTI-003 Phase IIb trial at the prestigious European Society for Medical Oncology (ESMO) Congress. The trial is in relation to first-line head and neck cancer, which is evaluating Immutep's "efti" in combination with Merck & Co's KEYTRUDA. In our view, the market over-reacted to the stronger than expected performance of the control arm in one patient subgroup. The data from the trial overall remains encouraging, as noted by Dr. Claus Kristensen, Head of Thoracic, Head and Neck Oncology at Rigshospitalet, Copenhagen who presented the data at ESMO: "The efficacy and safety data in TACTI-003 are very encouraging and show the significant potential of this novel immunotherapy combination to fight difficult-to-treat head and neck squamous cell carcinomas...I am particularly impressed that these higher response rates and clear increase in biological activity seen in the efti arm do not...lead to an increased toxicity profile, which is often the case when combining therapies in the search for more efficacious treatments for cancer patients."

Steadfast was weaker after negative media coverage in relation to the company's strata-related insurance broking businesses. Many of the issues raised in the media coverage had previously been outlined in the "Trowbridge Report" that the company had commissioned into the strata insurance industry. The company has been working with governments and regulators to improve outcomes in relation to the issues – most notably the NSW government, which at the end of September passed new legislation. We engaged with the company on the issues raised as well as the company's response to the issues. We had reduced our position in the company early in the month following recent outperformance and reduced our position further after the issues were raised.

Since inception, the Fund has returned 6.6% p.a. after fees, outperforming the benchmark by 2.0%. Performance for the 9 months between 1 July 2023 and 31 March 2024 was weak, with the Fund lagging the strong rebound in the market. This has impacted relative performance across longer time periods. Looking forward, our target price forecasts* suggest that the portfolio is well positioned with a preference for stocks that have company-specific drivers that we expect to materialise in the short to medium term and/or are expected to be operationally resilient regardless of the macroeconomic environment.

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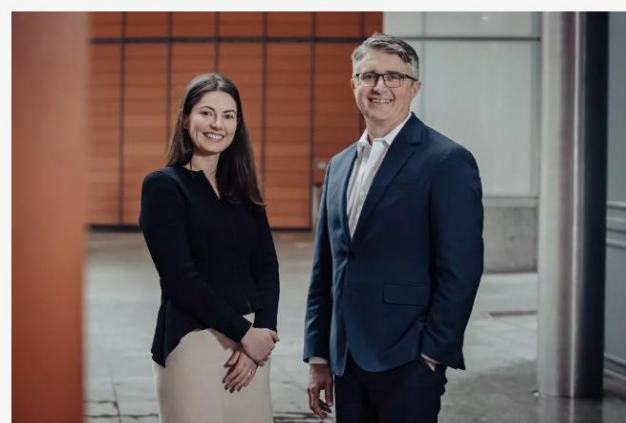
At month end, the portfolio held 47 stocks and cash of 7.4%. The weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Fund was 7.3 which is 30% higher than the benchmark ESGE Score of 5.6.

ESG Activity

ESG activity during the month included:

- Perennial updated its Responsible Investment Policy including adding a section on prioritization of stewardship activities, Just Transition and biodiversity considerations.
- After engaging on the 40:40 Vision with Calix, they joined the initiative. The initiative is aimed at achieving gender balance in executive teams.
- We met with NIB Healthcare to discuss joining the 40:40 Vision.

Top 5 Portfolio Positions	IMPQ (%)	Index (%)
Meridian Energy	5.3	0.0
AUB Group Ltd	5.0	1.2
Chorus Ltd	4.6	1.3
G8 Education	4.5	0.4
PEXA Group	4.2	0.7



Emilie O'Neill (left) and Damian Cottier (right)

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