

	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)	3.0	2.8	11.3	4.6	-3.0	5.0	6.3	40.2
S&P/ASX Small Ordinaries Accumulation Index	1.3	7.3	19.9	7.7	-0.1	4.6	4.9	30.1
Value Added	1.7	-4.5	-8.6	-3.1	-2.9	0.4	1.4	10.1

[^]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

During November, the benchmark rose 1.3%. The Fund finished up 3.0%, outperforming the benchmark by 1.7%.

Positive contributors to relative performance during the month included Telix Pharmaceuticals (+18.2%), Immutep (+14.0%) and Meridian Energy (+7.7%).

The main detractors from relative performance included 3P Learning (-12.8%), Integral Diagnostics (-6.7%) and PEXA Group (-4.2%).

Since inception, the Fund has returned 6.3% p.a. after fees, outperforming the benchmark by 1.4%. The Trust lagged the strong rebound in the market over the last 12 months. 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.*

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

\$49 million

Distribution Frequency

Annually (if any)

Fees

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

Inception Date

23 May 2019

Better Future Highlight

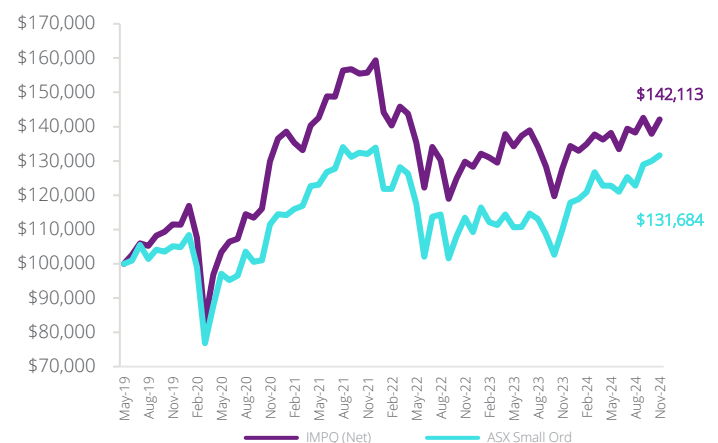
During the month portfolio holding Calix was announced as the winner of the Net-Zero Industries Award for Outstanding Project at an award ceremony at the United Nations Climate Change Conference COP29 in Baku, Azerbaijan.

The company received the award for its Zero Emissions Steel Technology (ZESTY) which is a renewably powered hydrogen direct reduced iron (H₂DRI) technology for the production of green iron. The ZESTY project was selected from amongst 70 entries from around the world. Through efficient heating, the most efficient use possible of hydrogen gas, the elimination of additional processing steps and intermittent operability, ZESTY aims to deliver the lowest cost decarbonisation solution for green iron and steel.

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 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

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

During November, the benchmark rose 1.3%. The Fund finished up 3.0%, outperforming the benchmark by 1.7%.

Positive contributors to relative performance during the month included Telix Pharmaceuticals (+18.2%), Immutep (+14.0%) and Meridian Energy (+7.7%).

The main detractors from relative performance included 3P Learning (-12.8%), Integral Diagnostics (-6.7%) and PEXA Group (-4.2%).

Telix was stronger after the U.S. Centers for Medicare and Medicaid Services (CMS) announced a change to US Medicare reimbursement rules which will have a favourable impact on reimbursement rates for Telix's Illucix prostate cancer diagnostic product. Telix also announced that it is acquiring new products which target Fibroblast Activation Protein to image and treat bladder cancer. This is intended to round out the company's urology franchise with existing product Illucix used in prostate cancer and the company's renal cancer product, Zircon, currently the subject of a US Food and Drug Administration approval process which is expected to result in approval in 2025.

Immutep announced positive survival data in relation to a Phase I trial using the company's "efti" product in combination with immunotherapy drug KEYTRUDA and chemotherapy as a first line treatment in non-small cell lung cancer. This is significant as the results were in a similar population to the company's upcoming TACTi-004 Phase III registration trial which is seeking to establish a new standard of care for the treatment of non-small cell lung cancer. Immutep also announced positive data from a Phase II investigator-led trial of "efti" in combination with radiotherapy and KEYTRUDA for patients with soft tissue sarcoma.

3P Learning, Integral Diagnostics and PEXA were lower after weaker-than-expected updates at their respective annual general meetings.

Since inception, the Fund has returned 6.3% p.a. after fees, outperforming the benchmark by 1.4%. The Trust lagged the strong rebound in the market over the last 12 months. 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.

At month end, the portfolio held 48 stocks and cash of 8.6%. The weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the portfolio was 7.2 which is 27% higher than the benchmark ESGE Score of 5.7.

**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.*

ESG Activity

ESG activity during the month included:

- Perennial performed well on the 2024 PRI assessment results. Please see [here](#) for our public transparency report.
- We engaged with Opthea and 4D Medical in relation to resolutions at their annual general meetings and voted against remuneration-related resolutions where we were concerned with remuneration outcomes.
- We engaged with IPH and Alpha HPA in relation to resolutions at their annual general meetings.

Top 5 Portfolio Positions	IMPQ (%)	Index (%)
Meridian Energy	5.8	0.0
AUB Group	5.3	1.4
Chorus	4.7	1.3
Telix Pharmaceuticals	4.2	0.0
G8 Education	4.2	0.4



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

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