

	Month (%)	Quarter (%)	FTYD (%)	1 Year (%)	2 Years (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception [^] (% p.a.)	Since Inception Cumulative [^] (%)
Perennial Better Future Active ETF	2.3	0.0	1.0	-1.0	0.9	0.3	5.7	5.1	34.8
S&P/ASX Small Ordinaries Accumulation Index	5.8	3.8	11.3	9.8	10.3	4.7	6.8	4.9	33.2
Value Added	-3.5	-3.8	-10.3	-10.8	-9.4	-4.4	-1.1	0.2	1.6

[^]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 was extremely strong during May, rising 5.8% as the market shrugged off the potential impacts of the on-again-off-again tariff announcements from the new US Administration. The Fund was up 2.3%, failing to keep up with the very strong benchmark, underperforming by 3.5%, with non-held gold stocks being a 2.0% drag to relative performance over the month. Non-held gold stocks have been a 4.7% drag over the last 3 months, a 7.3% drag over the last 12 months and 2.9% p.a drag over the last 3 years as there has been a "gold rush" towards gold stocks, particularly since the US election.

Positive contributors to relative performance during the month included Life 360 (+51.9%), Australian Ethical (+13.5%) and Genetic Signatures (+18.5%).

The main detractors during the month were Smartgroup (-6.8%), IDP Education (-12.0%) and G8 Education (-2.4%).

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

During May, portfolio holding Immutep announced a number of positive developments.

Firstly, it announced an excellent median Overall Survival of 17.6 months in the "cold tumour" cohort, of the company's Phase IIb trial in Head and Neck Cancer using the company's "efti" together with Merck & Co's immunotherapy KEYTRUDA.

This is significant as the results compare favourably to trials from the two current standards of care for these patients. These "cold tumour" patients have a high unmet medical need as they are not able to use immunotherapy as it traditionally has not improved outcomes and rather require chemotherapy which has more significant side effects and appears to be less effective.

Immutep also announced incrementally positive data in the Phase II trial evaluating efti in resectable soft tissue sarcoma as well as in the INSIGHT-003 trial in relation to the use of efti as part of a first-line treatment in non-small cell lung cancer.

Perennial Better Future Active ETF

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

\$45 million

Distribution Frequency

Annually (if any)

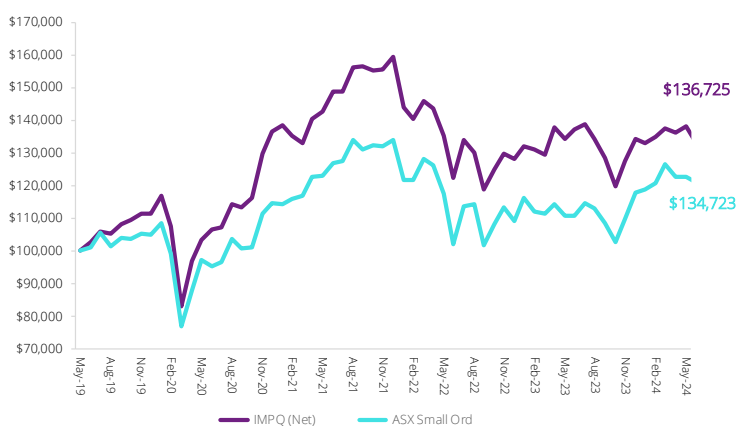
Fees

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

Inception Date

23 May 2019

Growth of \$100,000 Since Inception



As at 31 May 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[^]**



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



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



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

Fund Review

The benchmark was extremely strong during May, rising 5.8% as the market shrugged off the potential impacts of the on-again-off-again tariff announcements from the new US Administration. The Fund was up 2.3% after fees, failing to keep up with the very strong benchmark, underperforming by 3.5%, with non-held gold stocks being a 2.0% drag to relative performance over the month. Non-held gold stocks have been a 4.7% drag over the last 3 months, a 7.3% drag over the last 12 months and 2.9% p.a drag over the last 3 years as there was been a “gold rush” towards gold stocks, particularly since the US election.

We attended a number of stockbroker conferences during the month at which portfolio companies delivered updates. In general, the portfolio companies provided solid updates including Arena REIT, NIB Holdings, Telix Pharmaceuticals and AUB Group.

The Australian federal election was also decided during the month which resulted in a conclusive outcome. We expect that both the greater policy certainty following the election and the policies that will be implemented by the government, will provide a tailwind for a number of stocks in the portfolio as well as sustainable investing more broadly.

Positive contributors to relative performance during the month included Life 360 (+51.9%), Australian Ethical (+13.5%) and Genetic Signatures (+18.5%).

The main detractors during the month were Smartgroup (-6.8%), IDP Education (-12.0%) and G8 Education (-2.4%).

Life 360 announced a better than expected first-quarter 2025 result with revenue growth of 32% resulting in strong earnings growth. The share prices of Australian Ethical and Genetic Signatures recovered from weakness during April.

Smartgroup's AGM update was slightly weaker than expected while IDP Education was impacted by negative policy developments in the United Kingdom.

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 44 stocks and cash of 8.0%. The weighted average Perennial-derived Environmental, Social, Governance and Engagement (“ESGE”) Score of the portfolio was 7.3 which is 27% higher than the benchmark ESGE Score of 5.8.

*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

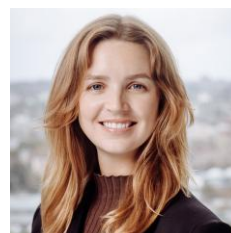
ESG activity during the month included:

- In connection with the company's AGM, we engaged with Life 360 in relation to governance issues and board gender diversity and voted against a number of resolutions at the AGM.
- We discussed with Telix the company's progress in relation to GHG disclosure and target setting and the company confirmed that it has done the baseline calculations to report in the company's next annual report.
- Perennial's Innovate Reconciliation Action Plan received final approval from Reconciliation Australia. A copy of the plan is linked [here](#).

Top 5 Portfolio Positions	IMPQ (%)	Index (%)
Meridian Energy	5.7	0.0
AUB Group	4.9	1.5
Chorus	4.9	1.2
PEXA Group	4.7	0.6
NIB Holdings	4.4	1.2



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