

eInvest Better Future Fund (Managed Fund)

ASX:IMPQ
MONTHLY REPORT JULY 2021

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Year (%p.a)	Since Inception [^] (% p.a.)	Since Inception Cumulative [^] (%)
eInvest Better Future Fund (Managed Fund)	0.0	6.0	0.0	38.7	18.5	19.1	46.7
S&P/ASX Small Ordinaries Accum. Index	0.7	4.1	0.7	32.3	10.0	11.2	26.2
Value Added (Detracted)	-0.7	1.9	-0.7	6.4	8.5	7.9	20.5

[^]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

- IMPQ returned 0% net of fees in July, underperforming the benchmark by 0.7%.
- It is over two years since the inception of IMPQ. It is a key goal of the fund to demonstrate that there is no performance trade-off to invest with a focus on shaping a Better Future. Since inception in May 2019, IMPQ has delivered a 19.1% p.a. return net of fees, outperforming the benchmark by 7.9% p.a.
- Positive contributors this month included 4D Medical (+25.7%), MedAdvisor (+16.7%), Genetic Signatures (+13.6%) and Calix (+4.1%).
- Negative contributors this month included Immutep (-12.7%), Kathmandu (-10.6%), Janison Education (-7.9%) and Imricor Medical Systems (-14.8%).

eInvest 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 conduct business in industries which have favourable characteristics having regard to ESG considerations. 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

\$21 million

Distribution Frequency

Annually (if any)

Management Cost

0.99% (incl of GST and RITC)

Inception Date

23 May 2019

+ performance fee

Portfolio's contribution to UN Sustainable Development Goals



Source: Data provided by the Sustainable Platform 30 Sept 2020; based on company revenues. Note: ~70% of holding companies revenue contributes to the UN SDGs. This is for the Perennial Better Future Trust, managed in the same investment strategy.

Better Future Highlight

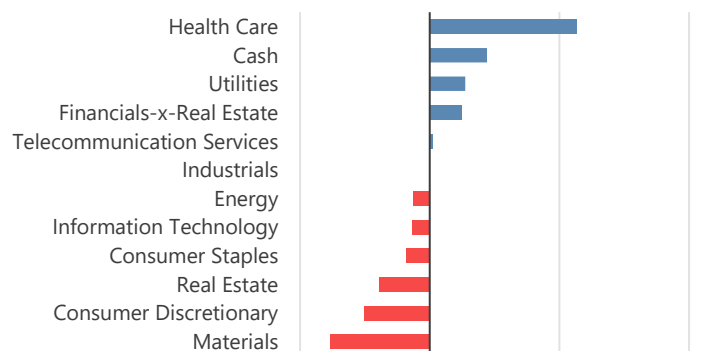
New Zealand renewable energy generator, Meridian Energy, announced that it was seeking registrations of interest to develop a green hydrogen plant on the New Zealand's South Island.

While green hydrogen is still a developing technology, it is regarded as one of the most promising energy sources to decarbonise heavy transportation and hard-to-abate heavy industrial industries that currently rely on fossil fuels to generate heat energy. Green hydrogen is produced by using renewable electricity to split water into hydrogen energy. A key challenge for the technology is to have a significant, consistent source of renewable energy. Meridian's hydro generation is well-suited to this and the company is seeking expressions of interest to supply electricity to a green energy hydrogen project as an alternative to the current electricity supply agreement with the New Zealand Aluminium Smelter which is up for renewal in 2024.

The proposed plant would be up to 600 megawatts which would be the world's largest green hydrogen plant.

Given the level of interest globally in progressing green hydrogen technology it will be interesting to see if a viable project will evolve here. A viable project will likely require assistance in one form or another given existing technology – although the efficiency of the technology is likely to rapidly improve in efficiency over the next decade, much like solar and wind has improved over the past decade.

Sector Active Exposure vs Index



Fund Review

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4D Medical announced that it had made good progress during the June quarter and now has eight clinical trials of the company's XV Lung Ventilation Analysis Software secured with leading hospitals and medical institutions. These include the John Hopkins School of Medicine which is studying the clinical benefit of the software in treating patients with chronic obstructive pulmonary disease which is the third highest cause of death in the world.

MedAdvisor announced that it had secured a 5-year agreement with Australian Pharmaceutical Industries which owns Priceline Pharmacy, Soul Pattison Chemist and Pharmacist Advice pharmacy banner groups. This will add over 250 pharmacies to the MedAdvisor platform which allows pharmacists and their patients to manage medications safely and effectively.

Calix signed two memoranda of understanding during the month to develop the company's carbon dioxide separation technology. The first is with UK lime company Tarmac to develop a Calix calciner for lime production with carbon dioxide capture. The second is with RHI Magnesita which is a leading global supplier of refractory products – these are products resistant to intense temperatures. This MOU relates to a commercial scale demonstration facility for carbon dioxide separation for the refractory materials production process which is a highly carbon intensive process.

Kathmandu was weaker due to the likely impact of the longer than expected COVID-related lockdowns in New South Wales. Imricor was weaker after confirming that the stop-start COVID reopening in the northern hemisphere, particularly in Europe, was having ongoing impacts on the business.

During the month we added Opthea to the portfolio. Opthea is developing a treatment for "wet" age-related macular degeneration in patients who typically respond sub-optimally to existing treatments. Age-related macular degeneration causes progressive loss of central vision and, in Australia, is responsible for half of all blindness and severe vision loss. During the month Opthea announced that the US Food and Drug Administration, has granted Fast Track designation for the company's product which is a process that expedites the FDA's review for therapies for serious conditions for which there is an unmet medical need.

During the month we participated in EROAD's capital raising to acquire Coretex which is company with efficiency-monitoring technology for specialist transportation such as refrigerated trucks. The Coretex offering is highly complementary to EROAD's existing product offering.

Other portfolio changes during the month included increasing the portfolio holding in 4D Medical and reducing holdings in Resmed and Bendigo Bank after recent strong performance.

At month end the Trust held 47 stocks and cash was 8.8%.

At the end of June, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Trust was 7.2 which is 25% higher than the benchmark ESGE Score of 5.7.

ESG Activity

Relevant ESG activity during the month included:

- Engagement with EROAD on proxy voting, remuneration disclosure and gender diversity.
- Engagement with NearMap (not held) on carbon emissions mapping and reporting.
- Damian was a guest speaker at a session on impact investing at the Centre for Social Impact at the University of New South Wales.
- We participated in the IAST (Investors Against Slavery and Trafficking) Asia Pacific modern slavery collaboration quarterly meeting.

Top 5 Portfolio Positions

	IMPQ	Index
Integral Diagnostics	4.3%	0.3%
Spark New Zealand	4.1%	0.4%
Immutep	3.3%	0.0%
Steadfast Group	3.3%	1.5%
Telix Pharmaceuticals	3.2%	0.5%



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