

eInvest Better Future Fund (Managed Fund)

ASX:IMPQ
MONTHLY REPORT DECEMBER 2021

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Year (%p.a)	Since Inception [^] (% p.a.)	Since Inception Cumulative [^] (%)
eInvest Better Future Fund (Managed Fund)	2.3	1.7	7.0	16.8	19.6	18.9	57.2
S&P/ASX Small Ordinaries Accum. Index	1.4	2.0	5.5	16.9	13.0	11.3	32.3
Value Added (Detracted)	0.9	-0.3	1.5	-0.1	6.6	7.6	24.9

[^]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 was up 2.3% net of fees in December, outperforming the benchmark return by 0.9%.
- It is almost three years since the inception of the Fund. 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, the Fund has delivered a 18.9% p.a. return net of fees, outperforming the benchmark by 7.6% p.a.
- Positive contributors this month include Genetic Signatures (+36.1%), Telix Pharmaceuticals (+17.4%) and 3P Learning (+17.4%).
- Negative contributors this month include Nitro Software (-29.8%), Janison Education (-5.7%) and Imricor (-14.8%).

Better Future Highlight

Telix Pharmaceuticals was up strongly during the month after announcing that the US Food and Drug Administration ("FDA") had approved Telix's prostate cancer imaging product, Illucix. Obtaining FDA approval is a challenging process and this is a significant milestone for the company.

Importantly, the Illucix product has also recently been included in the US NCCN Clinical Practice Guidelines in Oncology for Prostate Cancer which means that patients will be able to start benefiting from the improved technology in the coming months. The Illucix technology has been recognised as superior to conventional imaging with CT or MRI. The technology can give physicians the ability to visualise tumour cells, including very small metastases.

Prostate cancer is the second leading cancer in men in the United States with nearly 250,000 cases estimated in 2021. Prostate cancer was also the second leading cause of cancer death in men in 2020.

Illucix has also been approved by the Therapeutic Goods Administration in Australia and regulatory authorities in Brazil and is in the late stages of the approval process in the EU.

Telix, which has returned over 100% over the last 12 months is a good example of what the Better Future Trust is striving to achieve – strong, consistent returns while shaping a better future – in this case for patients with prostate cancer.

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

\$38 million

Distribution Frequency

Annually (if any)

Management Cost

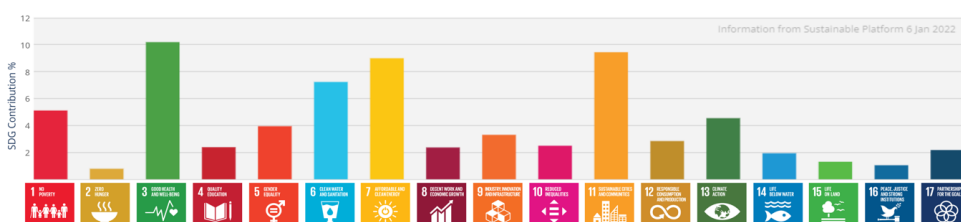
0.99% (incl of GST and RITC)

Inception Date

23 May 2019

+ performance fee

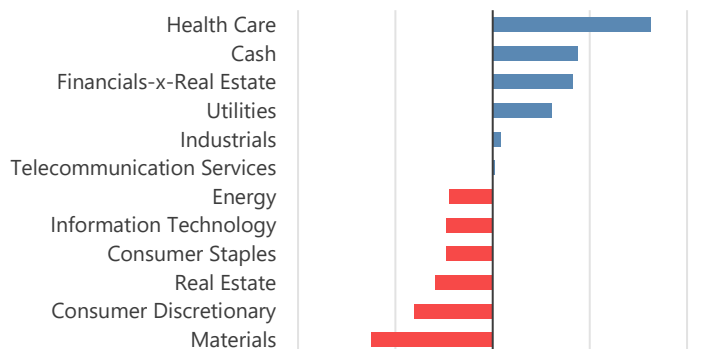
Portfolio's contribution to UN Sustainable Development Goals



Total Contribution: 70.02%
(equal to 56.12% social impact contribution and 13.91% environmental impact contribution)

Source: Data provided by the Sustainable Platform 31 December 2021; based on company revenues

Sector Active Exposure vs Index



Fund Review

IMPQ was up 2.3% net of fees in December, outperforming the benchmark return by 0.9%.

The Fund has been running for almost 3 years. It is a key goal of the Fund to demonstrate that there is no performance trade-off to invest for shaping a better future. Since inception in February 2018, IMPQ has delivered a 18.9% p.a. return net of fees, outperforming the benchmark by 7.6% p.a.

Positive contributors this month include Genetic Signatures (+36.1%), Telix Pharmaceuticals (+17.4%) and 3P Learning (+17.4%).

Negative contributors this month include Nitro Software (-29.8%), Janison Education (-5.7%) and Imricor (-14.8%).

Genetic Signatures provided a trading update in which it announced that the company's EasyScreen product which is a more efficient PCR test for COVID-19 had been a beneficiary of increased PCR testing due to the rapid spread of the Omicron variant. It also announced that the company's European sales team had been engaging with customers in relation to other EasyScreen products and had received the first order for EasyScreen enteric kits which are used to detect gastrointestinal viruses more efficiently than traditional methods. There are also two other European clients close to concluding trials of the EasyScreen enteric kits.

As discussed in the Better Future Highlight section earlier, Telix Pharmaceuticals announced that it had received US Food and Drug Administration approval for the company's Illucix product which is used to detect prostate cancer.

Nitro Software declined after US comparables DocuSign and Adobe announced weaker than expected results which indicated that growth rates in the company's markets were slowing from very high levels. While it would be preferable for the end markets to be continuing their strong growth, we note that the Nitro business is far smaller than that of these large market participants and that Nitro is seeking to capture market share from these competitors.

Imricor Medical Systems was weaker due to concerns that the emergence of the Omicron COVID-19 variant in Europe may impact the company's ability to execute on its sales pipeline. On Christmas Eve the company announced that it had signed two world-renowned institutions as new customers in Berlin, Germany – The German Heart Centre Berlin and the Charite Medical University Virchow-Klinikum Campus.

During the month we reduced our holding in Charter Hall Group following very strong performance and added to our positions in APM and Nitro Software upon weakness.

At month end, the portfolio held 51 stocks and cash of 8.8%.

At December end, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Fund was 7.2 which is 26% higher than the benchmark ESGE Score of 5.7.

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invest Better Future Fund (ASX:IMPQ) – Monthly Report December 2021

ESG Activity

Our ESG activity during the month included:

- During December, the Better Future team targeted gender diversity on boards. We emailed all companies that are yet to reach our target of 30% women on the board of directors. We received positive and engaged responses from over 70% of those emailed. We expect to see improved outcomes in the coming 12 months. Some positive examples included Calix and Alpha HPA, each of which indicated that they are actively looking to improve gender diversity across both their boards and the broader business.
- In a meeting with EROAD we discussed carbon footprinting and ESG reporting.
- We had a sustainability meeting with Charter Hall in which we discussed the approach of the company and Charter Hall Social Infrastructure REIT to ESG and sustainability, including carbon emissions and TCFD reporting, SDGs, corporate governance, modern slavery, diversity and gender pay gaps.
- We met with HealthCo Healthcare and Wellness REIT to discuss the company's approach to ESG and sustainability, including the company's objective to invest to bring health services to underserved communities, gender diversity targets and carbon reduction targets.

Top 5 Portfolio Positions

	IMPQ	Index
Meridian Energy Ltd	3.5%	0.0%
Janison Education Group Ltd	3.3%	0.0%
Integral Diagnostics Ltd	3.2%	0.3%
Sims Ltd	3.0%	0.9%
Spark New Zealand Ltd	3.0%	0.3%



Better Future and ESG Team

Damian Cottier – Portfolio Manager

Emilie O'Neill – Co-Head ESG & Equities Analyst