

# NORTHSTAR IMPACT FUND

Quarterly Report | September 2022



## FUND OVERVIEW

The fund is a diversified portfolio of Australian equities across a range of impact focus areas that seeks to demonstrate a financial return along with measurable positive impacts on society and the environment. The Fund aims to deliver outperformance above the S&P/ASX All Ordinaries Accumulation Index over the long-term.

## COMMENTARY

The Fund had a strong September quarter, rising +7.0%, outperforming an extremely challenging market by 9.0%. Genex (renewables) and iCollege (education) were key contributors to the performance returning +87% and +50% respectively.

The takeover offer for Genex Power by Skip Capital and Stonepeak Partners helped the Fund's return as Genex has been a top 5 holding since inception. While the offer has been raised to 25c from an original 23c per share, it is currently a non-binding indicative offer. We remain sanguine on the bid as we believe there is significant long-term value in Genex's portfolio of renewable energy generation and storage assets but the Fund will benefit in the short-term from further upside to the prevailing share price of 21c if the deal goes through.

iCollege also performed well in the quarter as the company reported record revenues for FY22 and a 270% increase in new confirmed enrolments of international students. The projected number of students studying English at their Greenwich college is expected to exceed pre-covid levels in this quarter. In FY22, iCollege invested in course development, campus fit outs, and IT and other equipment to position for the strong growth expected over the coming years from the return of international students and higher demand for vocational training domestically.

We took a new position during the quarter in Botanix via a placement of new shares and options. The company is seeking FDA approval for a drug to treat hyperhidrosis which has successfully completed phase 3 trials. For a company with such an advanced treatment, the market capitalisation of \$65m looks attractive.

I would like to take this opportunity to invite you to the monthly lunches that we are hosting in our offices. Please look out for the invitations and join when you can.

For a more detailed look at our approach to impact investing in listed equities, please contact Alex Keen on 0478 971 000 or [alex.keen@northstarimpact.com.au](mailto:alex.keen@northstarimpact.com.au).

## KEYFACTS

INCEPTION	31/01/2017
DOMICILE & STATUS	Registered Managed Investment Scheme domiciled in Australia
HOLDINGS	52 stocks
LIQUIDITY	Daily
BASE CURRENCY	Australian dollars
DISTRIBUTIONS	Paid annually, shortly after 30 June; reinvested unless otherwise instructed
MINIMUM INVESTMENT	\$10,000

FUND IDENTIFIER

APIR: ETL6826AU

## OUR IMPACT FOCUS AREAS



## FUND PERFORMANCE AS AT 30 SEPTEMBER 2022

	3m	6m	1yr	3yr p.a.	5yr p.a.	Inception p.a.
Fund (net of fees)	+6.99%	-10.21%	-19.36%	-1.46%	+5.78%	+6.33%
Index*	-2.05%	-20.60%	-29.69%	-6.42%	-0.35%	+0.65%
Active Return (net of fees)	+9.04%	+10.39%	+10.33%	+4.96%	+6.13%	+5.68%

Source: Mainstream Fund Services, NorthStar Impact\* Index means the S&P/ASX Small Ordinaries Industrials Index

All returns are shown to two decimal places. Returns for periods of more than one year are annualised. Total returns include realised and unrealised gains and losses plus income and are time-weighted rates of return that adjust for external cash flows. Valuations are computed and performance reported in Australian dollars. Performance returns are presented after management and performance fees and all trading expenses. Past performance is not an indicator of future performance.

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## WHY IMPACT INVESTING?

There is an urgent need to direct more capital to address pressing social and environmental challenges. Companies listed on the stock exchange which have products and services that contribute to the solutions provide opportunities for investors to **achieve positive social and environmental impacts along with financial returns**.

The industries in which these companies operate tend to have structural growth tailwinds which, when combined with active stock selection, may offer superior investment returns.

## WHY NORTHSTAR IMPACT?

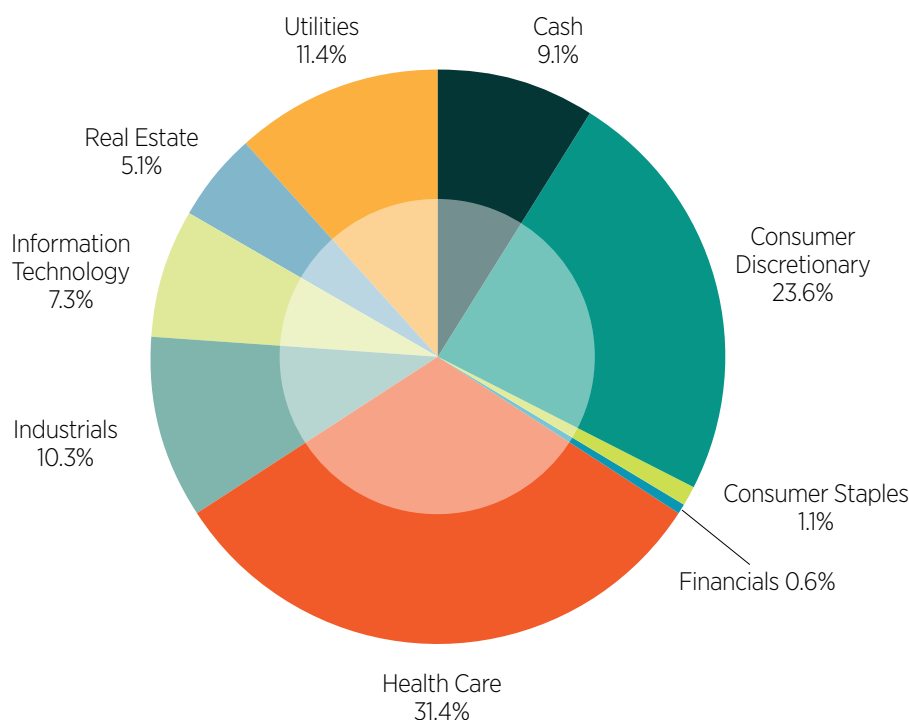
As a specialist equity investor with a focus on small company investing, NorthStar Impact has the investment resources and network to identify companies that combine positive impact with attractive investment potential.

The portfolio is managed by Kerry Series, an experienced equity investor.

## FEES

INVESTMENT MANAGEMENT FEE	1.03% pa
OTHER FEES AND EXPENSES	Up to 0.36% pa
TOTAL MANAGEMENT COSTS	1.39% pa
PERFORMANCE FEE	20.5% over benchmark
HURDLE	S&P All Ordinaries Accum Index

## SECTOR ALLOCATION



TOP 5 HOLDINGS	PORTFOLIO WEIGHT
Genex Power Limited	8.8%
Icollege	8.5%
Probiotec	6.1%
Proteomics	5.0%
Kip McGrath Education	3.5%

Source: NorthStar Impact. Please note that NorthStar Impact may reallocate stocks' sector classifications where in their view it is appropriate to do so.

## IMPORTANT INFORMATION

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298) AFSL 240975, is the Responsible Entity for the Inspire Australian Equities Fund ("the Fund"). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). The Investment Manager for the Fund is North Star Impact Pty Ltd ("NorthStar") (ABN 56 635 773 974), an Authorised Representative of Longreach Alternatives Pty Ltd ("Longreach") (ABN 25 082 852 364) AFSL 246747. This publication has been prepared by NorthStar to provide you with general information only. In preparing this publication, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information.

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The Fund's Target Market Determination is available here: [NorthStar-Target-Market-Determination.pdf](#). A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.