

NorthStar Impact Australian Equities Fund Monthly Report | June 2024



Fund performance as at 30 June 2024

	1m	3m	1yr	3yr p.a.	5yr p.a.	Inception p.a.
Fund (net of fees) %	1.61%	7.05%	7.39%	-2.66%	3.30%	6.31%
Index* %	1.43%	-4.50%	12.39%	-2.21%	2.86%	5.98%
Active Return (net of fees) %	+0.18%	+11.55%	-5.00%	-0.45%	+0.44%	+0.33%

Source: Apex Group, NorthStar Impact.

*Index means the S&P/ASX Small Ordinaries Industrials TR Index. This index is used for performance reference purposes only. The S&P/ASX All Ordinaries Accumulation Index is the hurdle rate for the calculation of the Fund's performance fee. 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. Inception was 31 January 2017.

Fund overview

The Fund is invested in a diversified portfolio of 47 Australian companies and 5 international companies listed on recognised stock exchanges, across our impact focus areas. The Fund outperformed the S&P/ASX Small Industrials Index by +0.18%. The overall market moved higher extending the strong gains since October 2023. We retain our view that these are the early stages of a multi-year bull market in small companies due to the combination of compelling value and peaking of rates.

Takeover activity continues to be a feature of the small companies' market, with portfolio company, Schrole (ASX:SCL) receiving an offer from TES Global at a 204% premium to the share price prior to the bid. TES Global is a competitor to Schrole in the global education software industry and is backed by private equity. They recognised the significant undervaluation of Schrole's shares.

Company highlights

During the month, we participated in the placement by Opthea (ASX: OPT) to contribute towards the funding of the phase 3 trial for their treatment for wet age-related macular degeneration ("wet AMD"), with the data from the trial expected to be released by mid 2025. Wet AMD remains the leading cause of vision loss in the elderly, impacting about 3.5 million people in the US and Europe. Opthea's drug is designed to be used in combination with the existing standard of care with the aim of improving overall efficacy and delivering superior vision gains.

Anteotech (ASX: ADO) provided a market update in June following their attendance at The Battery Show in Stuttgart. AnteoX, their lead product, is a chemical additive proven to provide significant improvement in anode performance. Several leading European electric vehicle manufacturers are trialling AnteoX given the potential for better overall battery performance. In addition, a new project is underway to determine if Anteo X could help reduce the risk of fires in lithium-ion batteries.

TOP 5 HOLDINGS	PORTFOLIO WEIGHT
Clarity Pharma	8.9%
Environmental Group	6.3%
Botanix	6.1%
Aspen Group	4.5%
Arena REIT	4.3%

Company profile:
Environmental Group

The Environmental Group (ASX: EGL) has four business units, all committed to the protection of the environment by improving air quality, reducing carbon emissions, enhancing waste to energy production and lifting water quality. In addition, EGL Water with their research partner Victoria University, have developed new, breakthrough technology that effectively removes PFAS from water and soil.

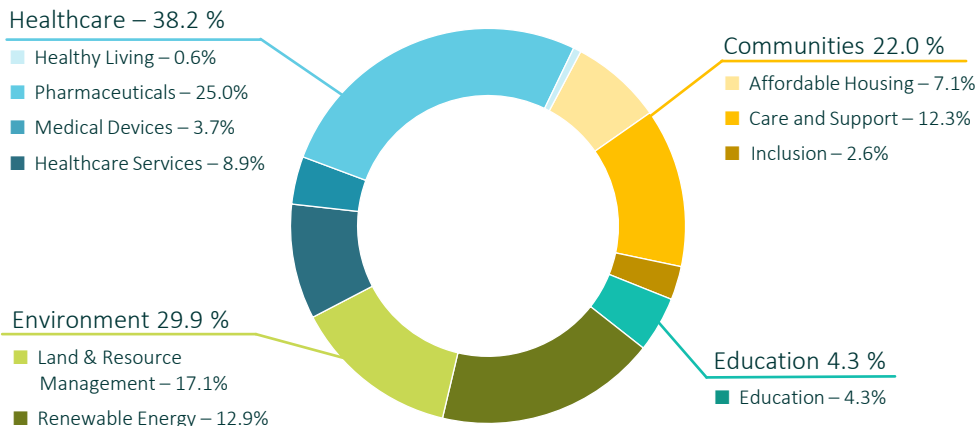
EGL partners with companies that embrace technologies to reduce the harmful impacts of industrial processes affecting Earth's ecosystems. One of those businesses is Turmec whose vision is to facilitate a world without landfills.

The company has multiple growth levers in industries with clear underlying growth drivers, including waste to energy, inverter cooling systems for solar, and the commercialisation of PFAS removal technology.

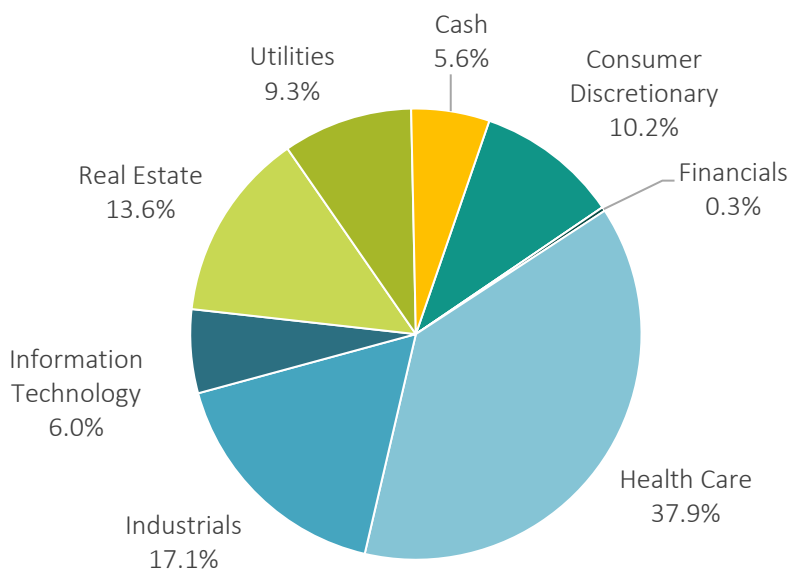
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Our Impact Focus Areas



Sector Allocation



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

KEY FACTS

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

FEES & CHARGES

Investment management fee	1.03% pa
Other fees & expenses	Up to 0.36% pa
Total management costs	1.39% pa
Performance fee	20.5% over benchmark
Performance hurdle	S&P All Ordinaries Accum Index

Important Information

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298) AFSL 240975, is the Responsible Entity for the NorthStar Impact 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.

Engagement

NorthStar Impact's work is guided by our 3 pillars of impact investing: Intentional Positive Impact, Active Contribution (also known as "additionality"), and Impact Measurement. Our engagement strategy is focused on understanding our companies' purpose (intent), helping them accelerate, scale, or extend their impact, and developing impact metrics. Furthermore, we engage with other Stakeholders in order to create positive impact.

This month, our engagement included:

- Having 16 company meetings, of which 14 were one-to-one meetings between management and NorthStar.
- Participating in the cornerstone process for 2 capital raisings, including the Venture Minerals equity raise in which we were the largest provider of capital.
- Meetings with several stakeholders in the affordable and social housing sector.
- Undertook one-to-one meetings with key childcare advocates to gain further insights into a supply-side childcare system.
- Coordinated multiple meetings with PFAS solutions providers and PFAS litigator with the aim of sector collaboration.

Portfolio Managers

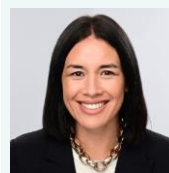
Kerry Series



Portfolio Manager

Kerry is Founder and CIO. With over 30 years' experience in the stock-market, he is recognised as a pioneer of impact investing in listed equities.

Claudia Kwan



Assistant PM

Claudia is Partner and Assistant PM. She joined NorthStar in 2021 and has over 15 years' industry experience.

Impact Insights

In June, **NorthStar committed to take a substantial stake in Venture Minerals (ASX: VMS)** in their most recent capital raising. This is the first investment that NorthStar has made in the critical minerals sector.

Australia is the world's leading producer of unprocessed lithium, the third largest cobalt exporter, fourth in copper mining, and a nickel and rare earths exporter. The strong demand for critical minerals creates an opportunity for Australia to lead the way in more sustainable and inclusive mining exploration, development, and production. The Fund's investment strategy is to invest in critical mineral companies that have a demonstrable commitment to extraction that facilitates the energy transition and supports inclusion, sustainability and responsible sourcing.

Venture Minerals was a unique opportunity for NorthStar to invest as a substantial shareholder in a large, high-grade, shallow Rare Earth Element project that is well located with respect to downstream processing that is under construction in Western Australia. The company recently underwent a Board reorganisation that provided confidence that the company was run with the intention of "making Venture one of the best rare earths and critical minerals companies in Australia" as publicly stated by the new Chair, Tim Lindley. He has stated that he will be "*laser-focused on Venture Minerals delivering the highest standards of reliability and responsible mining.*" Tim was joined by on the Board by Nick Cernotta, who is currently on the Board of Pilbara Minerals, providing strong credibility and governance oversight.

The company has been producing very promising drilling results for a rare earths resource. Reports that Chinese mining companies, who are dominant in rare earths, are operating at cash cost implies a bottoming of the pricing cycle for rare earths. After the recent raising the company is funded through until 2026 which will enable them to determine their maiden resource.

NorthStar's investment in Venture was reported in the SMH: <https://www.smh.com.au/business/companies/cashed-up-venture-poised-to-pounce-after-sealing-jupiter-deal-20240701-p5jq7i.html>



**IMPACT
ALPHA** | NorthStar Impact
Webinar Series

We've created a new webinar series: **Impact Alpha**. These webinars will deep dive into the most complex and important impact topics we're working on. On 23 July, our first webinar in this series - Cleaning up "Forever Chemicals" – will feature a panel of leading experts on PFAS, who will discuss how forever chemicals are being addressed in Australia and why it could be a multi-billion dollar opportunity.

Speakers:

- Jason Dixon, CEO EGL
- Sean Halpin, CEO SciDev
- Oliver Gayner, Principal Lawyer, William Roberts Lawyers
- Claudia Kwan, Portfolio Manager, NorthStar Impact

When: Tue, 23 Jul, 11:00 am - 12:00 pm AEST

Where: Online event

[Register here](#)

Next in the Impact Alpha series: Critical Minerals

If you'd like to receive invitations to Impact Alpha webinars, contact our Head of Investor Relations, Lucy Hames at lucy.hames@northstarimpact.com.au