

# Monthly Report | July 2024

NorthStar Impact Australian Equities Fund

## Fund overview

The Fund is invested in a diversified portfolio of 52 Australian companies and 5 international companies listed on recognised stock exchanges, across our impact focus areas. **The Fund returned +4.6% for the month, bringing the 2024 year-to-date return to +17.1%, compared to +10.0% return for the ASX/S&P Small Industrials Index.** 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.

## Portfolio company highlights

It was an active month for equity raisings and we provided new capital to Control Bionics (ASX: CBL), Venture Minerals (ASX: VMS), Recce Pharmaceuticals (ASX: RCE), IDT Australia (ASX: IDT), Imricor (ASX: IMR), and Arena REIT (ASX: ARF). We participated as cornerstone investors for two of these deals and were the only investor in the Control Bionics raise.

The **top contributors to performance in July were Clarity Pharmaceutical (ASX: CU6), AI Media (ASX: AIM), and G8 Education (ASX: GEM).** The latter benefitted from the announcement of a funding package to increase salaries for childcare workers by 15%.

## Company profile

### Control Bionics (ASX: CBL)

Control Bionics is an Australian technology company focused on developing assistive communication devices for individuals with speech and movement impairments. The company's main product, the NeuroNode Trilogy, uses electromyography (EMG) technology to enable users to operate communication devices using muscle activity, assisting those with conditions such as ALS and cerebral palsy. The company was founded in 2005 and is headquartered in Sydney.

## Top 5 Holdings

Clarity Pharma

Environmental Group

Aspen Group

Arena REIT

G8 Education

## Portfolio Managers



**Kerry Series**  
CIO



**Claudia Kwan**  
Co Portfolio Manager

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## Fund performance

	1m	3m	6m	1yr	3yr p.a	5yr p.a	Inception p.a
<b>Fund (net of fees)</b>	4.62%	13.94%	19.73%	13.24%	-2.33%	3.87%	6.87%
<b>Index*</b>	5.13%	5.71%	7.96%	12.75%	-0.25%	3.14%	6.62%
<b>Active Return (net of fees)</b>	-0.51%	8.23%	11.77%	0.49%	-2.08%	0.73%	0.25%

### Growth of \$100,000 AUD



As at 31 July 2024. 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. 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.

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## Impact Insights

At the end of July, Genex Power left the ASX following the successful takeover by J-Power. NorthStar invested in Genex in the first week after launching what is today known as the NorthStar Impact Australian Equities Fund, by participating in their February 2017 capital raise. From a pure renewable energy development company at that time, Genex now has 150MW in operational generating assets, 250MW under construction, and 2.3GW in pipeline assets. It has funded over \$1bn in renewable energy projects, including the first pumped storage hydro project in Australia in over 40 years. Our Fund participated in all four of their equity raises since 2017 and the takeover has provided our investors with a profitable outcome on those investments. Congratulations to Craig Francis, Simon Kidston, Michael Addison and the rest of the Genex team for their stewardship, vision, and perseverance over the years. We are pleased to have been supportive shareholders in the company, contributing to Australia's energy transition.

## 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:

- Hosting a webinar with the CEOs of Environmental Group (ASX: EGL) and SciDev (ASX: SDV) and an environmental litigator focused on the topic of "forever chemicals" and the investment opportunities associated with cleaning up PFAS
- Fourteen meetings with positive impact companies
- Meetings with experts on critical minerals and water supply.

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## Key Facts

<b>Inception</b>	31/01/2017
<b>Domicile &amp; Status</b>	Registered Managed Investment Scheme domiciled in Australia
<b>Holdings</b>	52 stocks
<b>Liquidity</b>	Daily
<b>Base currency</b>	Australian dollars
<b>Distributions</b>	Paid annually, shortly after 30 June; reinvested unless otherwise instructed
<b>Minimum investment</b>	\$10,000
<b>Fund identifier</b>	APIR: ETL6826AU

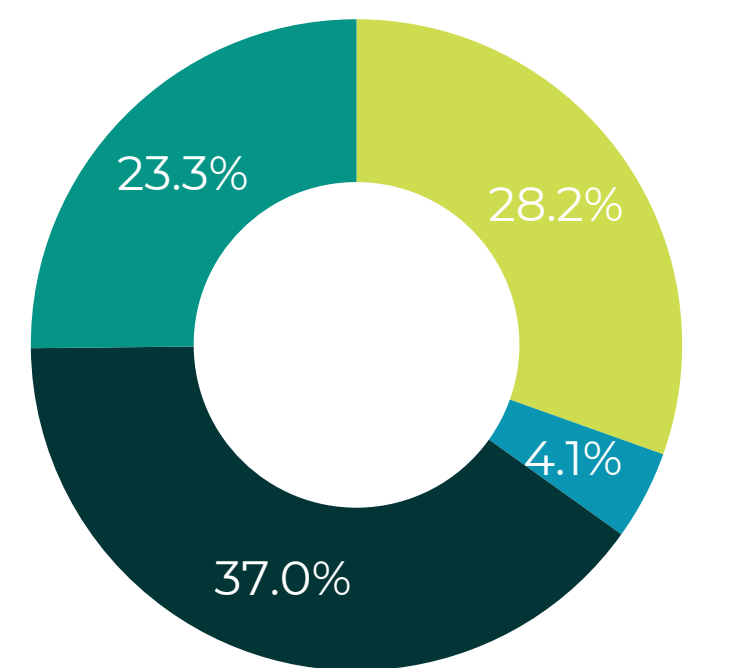
## Fees & Charges

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

## Sector allocations

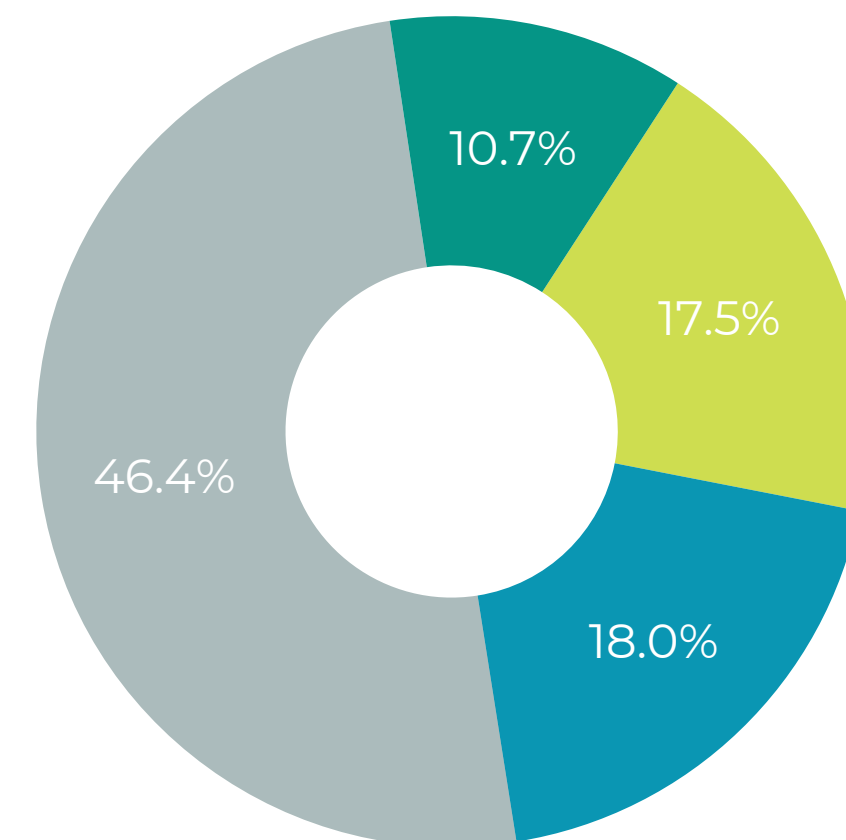
Cash	7.4%
Consumer Discretionary	10.2%
Materials	1.7%
Financials	0.3%
Health Care	36.7%
Industrials	17.7%
Information Technology	7.0%
Real Estate	14.0%
Utilities	5.1%

## Impact Focus Areas



■ Environment
 ■ Education
 ■ Healthcare
 ■ Communities

## Market Cap



■ Large cap
 ■ Mid cap
 ■ Small cap
 ■ Early Stage

## 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.