

# INSPIRE AUSTRALIAN EQUITIES FUND

Quarterly Report | September 2020



## FUND OVERVIEW

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

## COMMENTARY

The stock market continued its recovery due to the significant ongoing fiscal and monetary support. These positive drivers look set to remain for many months ahead offsetting the negative economic impacts of the pandemic.

During the quarter, several portfolio companies reported developments related to scaling or extending their positive impacts. Avita Therapeutics announced the enrolment of the first patient in their pivotal study for the treatment of people suffering from vitiligo. Around 2% of the global population are affected by the disease and, while it is not life-threatening or contagious, it can significantly impact their quality of life due to poor body image and low self-esteem. Avita is already rolling out ReCell for the treatment of acute burns and this study shows the potential to extend its usage.

Genex Power is expanding into large-scale battery energy storage systems and reached agreement with Powerlink to access land next to their Bouldercombe substation near Rockhampton, Queensland for a new 50/75MWh battery project. This is expected to be the first stand-alone large-scale battery storage project in Queensland and is part of Genex's strategy to become one of Australia's market leaders in renewables and energy storage.

Micro-X saw the first sales of their full-performance, digital, mobile medical x-ray imager to a number of Pacific Island nations facilitated by the World Health Organisation. The advantages of the Micro-X x-ray imager include reduced size, weight, and power usage along with the ability to be used in more rugged areas. This means that they are well-suited for use in developing nations.

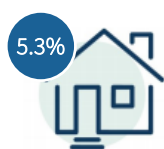
These developments demonstrate the ability of our portfolio companies to achieve even greater social or environmental impact over time.

## KEY FACTS

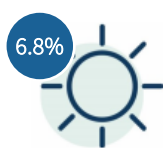
INCEPTION	31/01/2017
DOMICILE & STATUS	Registered Managed Investment Scheme domiciled in Australia
HOLDINGS	45 stocks
LIQUIDITY	Daily
BASE CURRENCY	Australian dollars
DISTRIBUTIONS	Paid annually, shortly after 30 June; reinvested unless otherwise instructed
MINIMUM INVESTMENT	\$10,000

**FUND IDENTIFIER**  
APIR: ETL6826AU

## OUR IMPACT FOCUS AREAS



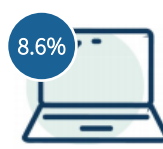
5.3%  
AFFORDABLE HOUSING



6.8%  
RENEWABLE ENERGY



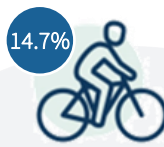
5.3%  
FINANCIAL INCLUSION



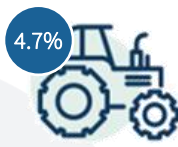
8.6%  
EDUCATION



8.3%  
CARE AND SUPPORT



14.7%  
LIFESTYLE AND HEALTHY LIVING



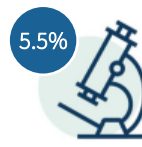
4.7%  
LAND AND RESOURCE MANAGEMENT



26.8%  
WELLBEING: MEDICAL DEVICES



9.6%  
WELLBEING: HEALTHCARE SERVICES



5.5%  
WELLBEING: PHARMACEUTICALS

PERFORMANCE	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	SINCE INCEPTION
<b>Fund (net of fees)</b>	<b>-3.29%</b>	<b>+1.26%</b>	<b>+29.78%</b>	<b>-5.77%</b>	<b>+9.26%</b>	<b>+9.49%</b>
Index	-3.43%	+1.10%	+19.05%	-8.76%	+5.45%	+5.77%
Active Return (net of fees)	+0.14%	+0.16%	+10.73%	+2.99%	+3.81%	+3.72%

Source: Mainstream Fund Services

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. Gross-of-fees performance returns are presented before management and performance fees but after all trading expenses. Past performance is not an indicator of future performance

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## WHY IMPACT INVESTING?

Directing capital to solve problems is more effective if the for-profit business sector is actively engaged. Your capital is invested in companies that **generate 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, provides the opportunity to **generate superior investment returns.**

## WHY INSPIRE AUSTRALIAN EQUITIES?

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

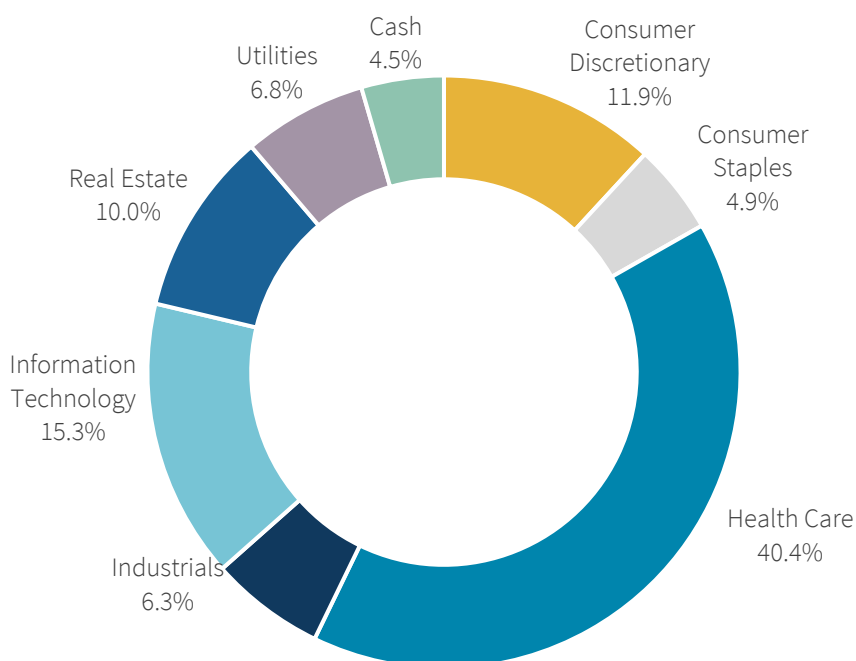
Inspire Australian Equities is a partnership with Inspire Impact, a dedicated impact investment company.

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
BENCHMARK	S&P All Ord Accum Index

## SECTOR ALLOCATION



Source: Inspire Australian Equities (Inspire). Please note that Inspire may reallocate stocks' sector classifications where in Inspire's view it is appropriate to do so

TOP 5 HOLDINGS	PORTFOLIO WEIGHT
Wisr	5.3%
Probiotec	5.0%
Genex Power	5.0%
Volpara Health Tech	5.0%
Proteomics	4.4%

## IMPORTANT INFORMATION

This report was prepared by Inspire Australian Equities Pty Limited (Inspire) (ABN 56 635 773 974) as promoter of the Fund. The Fund was launched as an unregistered managed investment scheme on 31 January 2017 and registered with ASIC as a retail scheme on 6 March 2018. Equity Trustees Limited (Equity Trustees) (ABN 46 004 031 298, AFSL 240 975) is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Stock Exchange (ASX:EQT). Equity Trustees was appointed Trustee of the Fund on 31 January 2017 and responsible entity on 6 March 2018.

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