

NORTHSTAR IMPACT FUND

Quarterly Report | December 2022



FUND OVERVIEW

The Fund is a diversified portfolio of primarily 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 underperformed in the December quarter but held on to the strong gains of the previous quarter. The underperformance was largely caused by the withdrawal of the indicative takeover offer of Genex Power, which saw the share price initially move back to the pre-offer lows. Since the end of the quarter, the price has started to recover and we expect the value of Genex's renewable energy generation and storage portfolio to be increasingly recognised as development assets start to contribute, beginning with the Bouldercombe battery project in the third quarter of this year.

Volpara Health, a global leader in software for the early detection and prevention of breast cancer, became certified as a B Corp in October. B Corp Certification measures companies' total social and environmental impact, so it is pleasing that Volpara has met the requirements.

In July, we published our positive market outlook for the 2023 financial year and our expectations for solid positive returns for equities is unchanged. We are also highlighting the opportunity arising from the significant divergence between the ASX Small Industrials Index and the ASX All Ordinaries Index. If investors would like to discuss our market views in more detail, then please contact Alex Keen on 0478 971 000 or alex.keen@northstarimpact.com.au

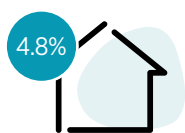
KEYFACTS

INCEPTION	31/01/2017
DOMICILE & STATUS	Registered Managed Investment Scheme domiciled in Australia
HOLDINGS	53 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

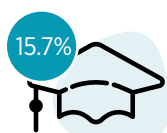
OUR IMPACT FOCUS AREAS



AFFORDABLE HOUSING



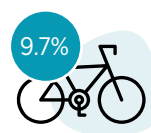
CARE AND SUPPORT



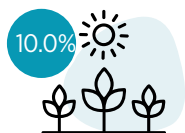
EDUCATION



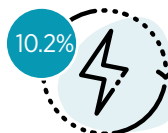
FINANCIAL & OTHER INCLUSION



HEALTHY LIVING



LAND AND RESOURCE MANAGEMENT



RENEWABLE ENERGY



WELL-BEING: HEALTHCARE



WELL-BEING: MEDICAL DEVICES



WELL-BEING: PHARMACEUTICALS

FUND PERFORMANCE AS AT 31 DECEMBER 2022

	1m	3m	6m	1yr	3yr p.a.	5yr p.a.	Inception p.a.
Fund (net of fees)	-3.05%	-0.11%	+6.87%	-20.00%	-3.04%	+3.22%	+6.03%
Index*	-3.72%	+6.03%	+3.85%	-24.18%	-4.64%	-1.09%	+1.62%
Active Return (net of fees)	+0.67%	-6.14%	+3.02%	+4.18%	+1.60%	+4.31%	+4.41%

Source: Apex Group, 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?

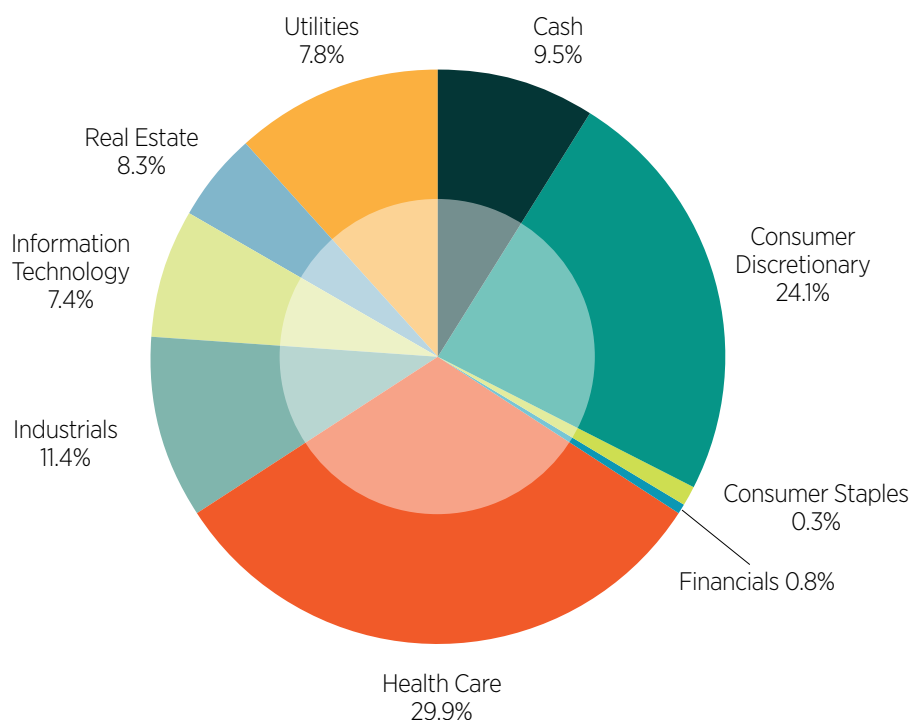
As a specialist equity investor with a focus on small company investing, NorthStar Impact has the investment resources and network to identify companies that combine positive impact with attractive investment potential.

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
Nexted	8.5%
Probiotec	5.7%
Genex Power Limited	5.2%
Proteomics	4.4%
Kip McGrath Education	3.9%

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.