

# INSPIRE AUSTRALIAN EQUITIES FUND

Quarterly Report | March 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

We participated in an equity raise for Genex Power as they required \$40m in equity funding to reach contractual close on the Bouldercombe Battery Project (“BBP”), which is a 50MW/100MWh Battery Energy Storage System. It will be located next to an existing substation operated by Powerlink Queensland. An offtake agreement has been signed with Tesla which will operate the facility using their Autobidder system, guaranteeing a minimum level of revenue. Australia needs 123GWh of battery capacity to enable the phase out of coal power by 2040 which means that a BBP needs to be built each week, so it was critical that this project was funded, and our investment is directly contributing to one of the solutions to the climate crisis.

We usually avoid commenting on short-term fund performance as we focus on long-term business performance to drive returns and positive social and environmental impact. However, this quarter saw a sharp fall in the unit price due to the poor market environment for smaller companies other than resource and energy companies. As we have no investments in the energy sector other than renewable energy companies, the fund lagged the overall stock-market. The S&P/ASX Small Ordinaries Industrials Index is more representative of the sectors to which the Fund has exposure. As a result, we will show the Fund’s returns relative to this index in this report. The S&P/ASX All Ordinaries Accumulation Index remains the hurdle for the Fund’s performance fee.

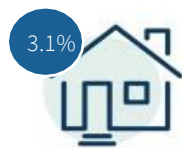
For a more detailed look at our approach to impact investing in listed equities, please contact Alex Keen on 0478 971 000 or [alex.keen@inspireaustralianequities.com.au](mailto:alex.keen@inspireaustralianequities.com.au).

## KEY FACTS

INCEPTION	31/01/2017
DOMICILE & STATUS	Registered Managed Investment Scheme domiciled in Australia
HOLDINGS	46 stocks
LIQUIDITY	Daily
BASE CURRENCY	Australian dollars
DISTRIBUTIONS	Paid annually, shortly after 30 June; reinvested unless otherwise instructed
MINIMUM INVESTMENT	\$10,000

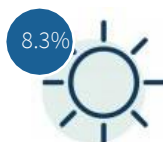
FUND IDENTIFIER APIR: ETL6826AU

## OUR IMPACT FOCUS AREAS



3.1%

AFFORDABLE HOUSING



8.3%

RENEWABLE ENERGY



5.0%

FINANCIAL INCLUSION



11.1%

EDUCATION



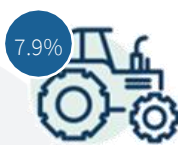
10.3%

CARE AND SUPPORT



12.1%

LIFESTYLE AND HEALTHY LIVING



7.9%

LAND AND RESOURCE MANAGEMENT



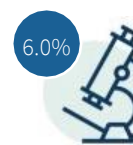
15.8%

WELLBEING: MEDICAL DEVICES



8.0%

WELLBEING: HEALTHCARE SERVICES



6.0%

WELLBEING: PHARMACEUTICALS

PERFORMANCE	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	SINCE INCEPTION
<b>Fund (net of fees)</b>	<b>+1.89%</b>	<b>-10.81%</b>	<b>-10.19%</b>	<b>-5.86%</b>	<b>+6.18%</b>	<b>+9.22%</b>
Index*	+2.19%	-9.94%	-11.45%	-2.65%	+3.60%	+5.31%
Active Return (net of fees)	-0.30%	-0.87%	+1.26%	-3.21%	+2.58%	+3.91%

Source: Mainstream Fund Services, Inspire Australian Equities \* 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 INSPIRE AUSTRALIAN EQUITIES?

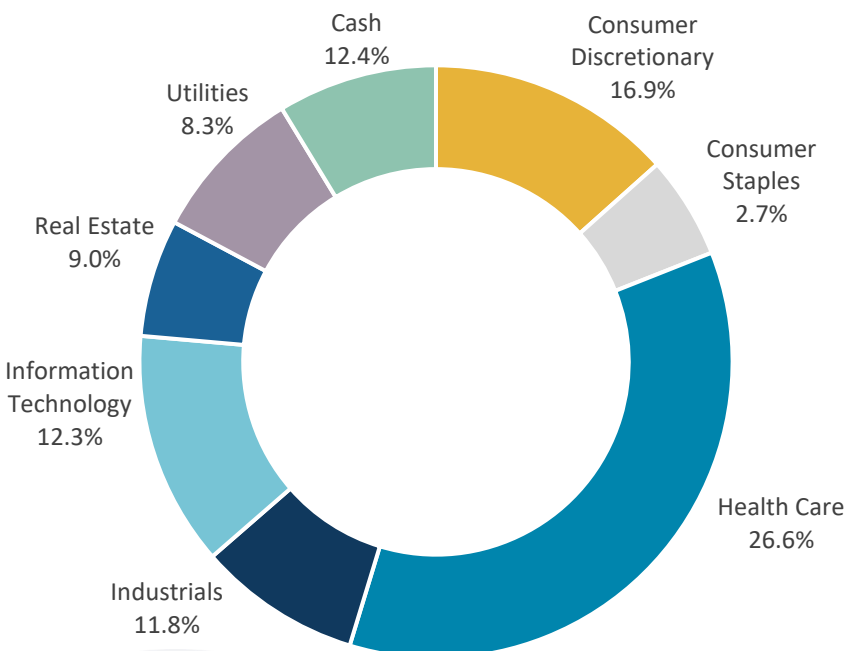
As a specialist equity investor with a focus on small company investing, Inspire has the investment resources and network to identify companies that combine positive impact with attractive investment potential.

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



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
Probiotec	6.6%
Proteomics	6.0%
Genex Power	5.8%
Wisr	5.0%
Kip McGrath	3.8%

## 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 Inspire Australian Equities Pty Ltd ("Inspire") (ABN 56 635 773 974), an Authorised Representative of Liverpool Partners Pty Ltd ("Liverpool") (ABN 61 159 465 193) AFSL 429777. This publication has been prepared by Inspire 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. Neither Inspire, Liverpool, Equity Trustees nor any of their related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accept any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product."

Inspire Australian Equities Fund's Target Market Determination is available here: <https://www.inspireaustralianequities.com.au/s/IAE-fund-TMD.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.