

# eInvest Future Impact Small Caps Fund (Managed Fund)

ASX:IMPQ  
MONTHLY REPORT JULY 2019

	Month (%)	Quarter (%)	FYTD (%)	1 Year (% p.a.)	Since Inception <sup>^</sup> (%)
eInvest Future Impact Small Caps Fund (Managed Fund)	3.3	-	3.3	-	4.5
S&P/ASX Small Ordinaries Accum. Index	4.5	-	4.5	-	4.1
<b>Value Added (Detracted)</b>	<b>-1.2</b>	<b>-</b>	<b>-1.2</b>	<b>-</b>	<b>0.4</b>

<sup>^</sup>Inception date was 23 May 2019. Performance shown above are net of fees. Fund returns are calculated using net asset value per unit at the start and end of the specified period and do not reflect the brokerage or the bid ask spread that investors incur when buying and selling units on the ASX. Past performance is not a reliable indicator of future performance.

## Overview

- IMPQ finished the month up 3.3% net of fees, underperforming by 1.2% the very strong benchmark return of 4.5%.
- Positive contributors this month included Calix Ltd (+25.2%), Ooh! Media (14.5%), AUB Group (14.0%) and Resmed (+10.7%).
- Negative contributors this month included Windlab (-5.61%) G8 Education (-4.3%), Healus (-3.1%) and Invocare (-2.2%).

## Monthly Highlight

Calix Ltd is trialling its carbon dioxide capture technology for lime and cement as part of Project LEILAC (Low Emissions Intensity Lime and Cement) at Heidelberg Cement's plant at Lixhe, Belgium.

During the month Calix announced that the pilot plant had successfully demonstrated separation of carbon dioxide with more than 95.0% purity and that testing will continue at full design capacity over the next 12 months. The aim of Project LEILAC is to enable Europe's cement and lime industries to reduce their carbon dioxide emissions dramatically without significant energy or capital imposts.

## eInvest Future Impact Small Caps Fund (Managed Fund)

The aim of IMPQ is to grow the value of your investment over the long term by investing in companies predominantly outside the S&P/ASX Top 50 Index that conduct business taking into account environmental, social and governance ("ESG") considerations and/or conduct business in industries which have favourable characteristics having regard to ESG considerations. IMPQ seeks to provide a total return (after fees) that exceeds the S&P/ASX Small Ordinaries Accumulation Index.

### Portfolio Manager

Damian Cottier

### IMPQ FUM

<\$1 million

### Distribution Frequency

Half yearly

### SMSF Compliant

Yes

### Inception Date

23 May 2019

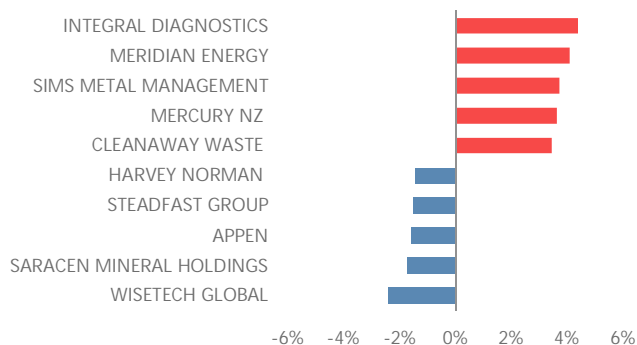
### Management Cost

0.99% (incl of GST and RITC) + performance fee

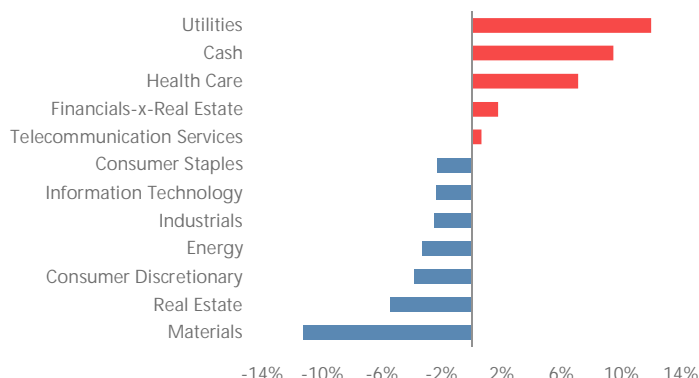
## Top 5 Positions

	IMPQ	Index
CASH	9.5%	0.0%
SIMS METAL	4.6%	0.9%
INTEGRAL DIAGNOSTICS	4.4%	0.0%
MERIDIAN ENERGY	4.1%	0.0%
MERCURY NZ	3.6%	0.0%

## Top 5 Over / Underweight Positions vs Index



## Sector Active Exposure vs Index



## Fund Review

The Fund finished the month up 3.3% net of fees, underperforming by 1.2% the very strong benchmark return of 4.5%.

Positive contributors this month included Calix Ltd (+25.2%), Ooh! Media (14.5%), AUB Group (14.0%) and Resmed (+10.7%).

Negative contributors this month included Windlab (-5.6%) G8 Education (-4.3%), Healius (-3.1%) and Invocare (-2.2%).

Readers may recall that we added Calix to the Fund last month. Calix announced that the pilot plant for the company's innovative carbon dioxide capture technology which is situated in Belgium has been successful in separating carbon dioxide from the emissions from the lime and cement production process. This is an encouraging step in proving that the process works at scale.

Resmed (+10.7%) announced a result ahead of market expectations with strong sales momentum in all regions.

Synlait Milk (+8.4%) held an investor day at which it outlined the company's strategy. A key part of the strategy is to have a net positive impact on the planet and communities. To achieve this goal it has set targets of a 35.0% reduction of on-farm greenhouse gases per kilogram of milk solids by 2028 and a 50.0% off-farm reduction in total greenhouse gases per kilogram of milk solids.

Our focus continues to be on investing in companies that are making a positive contribution to creating a sustainable future.

## Fund Activity

In terms of Fund activity, during the month we added a position in Telix to the portfolio. Telix is a company focussed on developing molecularly-targeted radiation for the treatment of prostate, kidney and brain cancers.

At month end, IMPQ held 34 stocks and cash is at 9.5%.



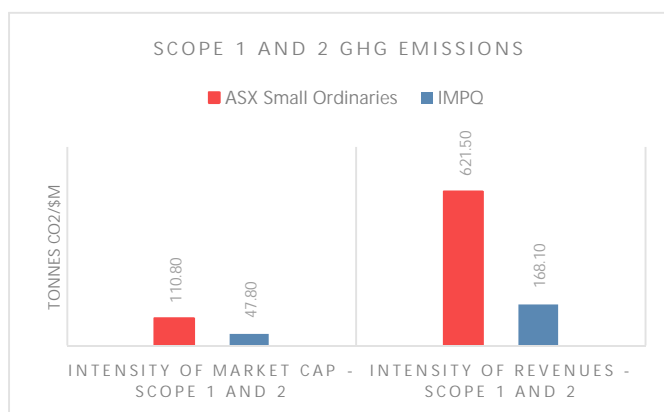
Project LEILAC, Belgium Source: Project LEILAC

## ESG Activity

ESG meeting activity was more limited this month with companies in pre-reporting "blackout":

- Retail Industrial Relations – we attended a meeting with Deloitte to better understanding recent developments in Industrial Relations in the retail environment.
- Climate Change – we attended a lecture at UNSW delivered by Scientia Professor Rosemary Rayfuse on Climate Change and International Fisheries. The inverse relationship between rising sea temperatures and fish size was stressed, along with the implications for food security.

## Portfolio Carbon Footprint



Source: CAER (Part of Vigeo Eris Network). Factset and Perennial as at 30 June 2019. Data for IMPQ is shown. Whilst due care has been used in preparation of the above, calculations are based on the information provided.

## Portfolio Characteristics – FY20 Fund Market

	Fund	Market
Price to Earnings (x)	18.8	17.5
Price to Free Cash Flow (x)	16.7	16.4
Net Interest Cover (x)	21.6	9.2
3 Year EPS Growth (%)	9.8	11.1
ESG&E Rating	7.0	5.6

Source: Perennial Value Management. As at 31 July 2019.

The above figures are forecasts only from the Perennial Smaller Companies Sustainable Futures Trust, a similarly run unlisted managed investment scheme. While due care has been used in the preparation of forecast information, actual outcomes may vary in a materially positive or negative manner.

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