eInvest Future Impact Small Caps Fund (Managed Fund)

ASX:IMPQ

MONTHLY REPORT JANUARY 2020

	Month (%)	Quarter (%)	FYTD (%)	1 Year (% p.a.)	Since Inception^ (%)
eInvest Future Impact Small Caps Fund (Managed Fund)	4.9	6.9	13.9	-	15.3
S&P/ASX Small Ordinaries Accum. Index	3.4	4.7	7.4	-	7.0
Value Added (Detracted)	**1.5**	**2.2**	**6.5**	**-**	**8.3**

^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

- The Future Impact Small Caps Fund finished the month up 4.9% net of fees, outperforming the benchmark return by 1.5%. Since inception in May 2019, the Fund has delivered a 15.3% return net of fees, outperforming the benchmark by 8.3%.
- Positive contributors this month included Mesoblast (+44.2%), Next Science (+43.1%), City Chic (+21.7%), Infigen Energy (+21.5%) and Imricor (+20.1%).
- Negative contributors this month included NIB Health (-13.7%), Phoslock Environmental Technologies (-11.2%), New Energy Solar (-9.6%) and Kathmandu (-8.8%).

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
$1.3 million

Distribution Frequency
Half yearly

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

Inception Date
23 May 2019

Top 5 Positions

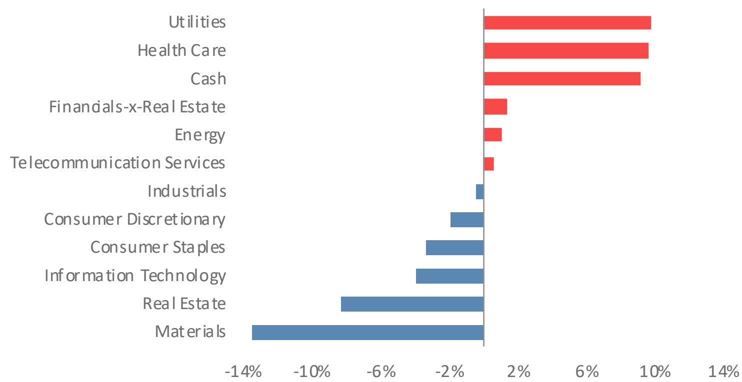
	IMPQ	Index
CASH	9.19%	0.00%
CITY CHIC	4.41%	0.00%
INTEGRAL DIAGNOSTICS	3.81%	0.00%
KATHMANDU	3.61%	0.00%
BENDIGO AND ADELAIDE BANK	3.00%	0.00%

Monthly Highlight

IMPQ acquired a position in Genetic Signatures in a capital raising in late 2019. Genetic Signatures is a molecular diagnostics company that uses its 3base™ technology to detect a wide array of infectious diseases. The rapid 3base™ technology generates results within one day and allows for high throughput.

There are currently 3 products approved under the EasyScreen™ brand in Australia and Europe, with 2 more to enter the market in FY20. In the US, the EasyScreen™ kits are available as Antigen-specific reagents to be used in Lab Developed Tests and FDA submission is anticipated mid-2020. Due to the unique capabilities of 3base™, the Respiratory EasyScreen™ kit can identify coronavirus (20190-nCoV strain) which may be useful given the current outbreak in China.

Sector Active Exposure vs Index



Damian Cottier – Portfolio Manager
Emilie O'Neill – ESG & Equities Analyst

Fund Review

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Mesoblast (MSB) continued its strong run driven by its maturing pipeline with the submission of its completed Biologics License Application (BLA) to the USA Food and Drug Administration (FDA) at the end of January. The company has also requested a Priority Review of the BLA by the FDA which, if accepted and successfully completed, could lead to the launch of Ryoncil in Q4-20.

Ryoncil would be approved for the treatment of steroid refractory acute graft vs host disease (aGVHD) in children whose cells are attacking themselves following a bone marrow transplant, most commonly carried out during treatment for blood cancers. Subsequently this leads to tissue damage in the skin, gut and liver which has mortality rates of up to 90% in the most severe cases. Currently there are no FDA approved products on the market for the treatment of aGVHD in children and therefore Ryoncil would address a clear unmet medical need. Overall this is an extremely promising step towards commercialisation and could be the precursor to additional inflexion points validating the pipeline in Q3/4-20 when Phase III trials for back pain and late stage heart failure, which could be blockbuster products (US$1bn+ in revenue), are due.

The Fund participated in the IPO of Imricor in August 2019. During January, Imricor announced that it received European CE mark approval for its products for performing cardiac catheter ablations guided by real-time MRI. The products are expected to greatly improve the accuracy of surgery to correct cardiac arrhythmias. The CE approval allows the company to sell products in Europe with the first heart surgery procedures using the product performed in Dresden, Germany in early February.

On the negative side, NIB and Phoslock Environmental Technologies both delivered weaker than expected updates during January and New Energy Solar announced a delay in the sale process for a number of its non-core US solar assets.

At month end the Fund held 46 stocks and cash was 9.2%.

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

ESG Activity

Given the Australian summer holidays, January was a quiet month for company engagement.

However, climate change became topical following the devastating bushfires that occurred through many areas in Australia.

The Fund is supporting the shift away from coal based power by investing in a number of listed renewable energy companies.

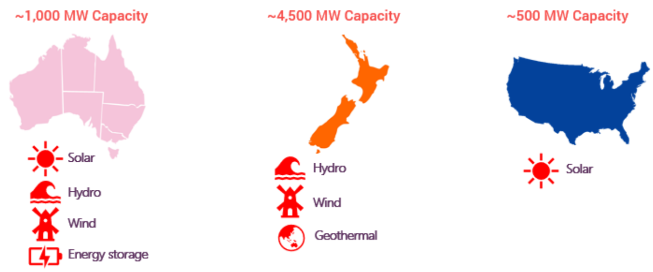
The combined capacity of the renewable energy companies that we hold is over 6,000 MW which has the potential to power up to ~ 1.8 million homes.

Our holdings provide a diversified exposure across a number of states in Australia, both the north and south Island of New Zealand and the east and west coast of the United States.

The assets include solar, wind, hydro, geothermal and energy storage.

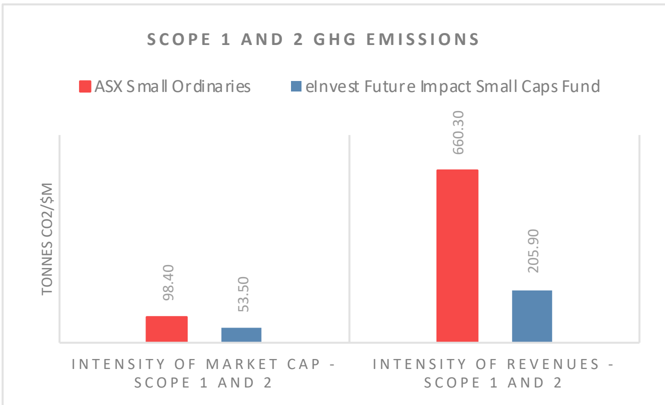
Renewable Energy Assets of our Holdings

REDUCING GHG IN BROAD ECONOMY



Based on the renewable assets of the Perennial Sustainable Future Trust holdings as at December 2019, statistics according to the Climate Council.

Portfolio Carbon Footprint



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

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