

Australian CleanTech Index

3Q FY17 Quarterly Performance Report April 2017

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1. Australian CleanTech Index Overview

The Australian CleanTech Index provides the definitive measure of the performance of Australian listed cleantech stocks. The cleantech industry is split into a number of sub-sectors as detailed in the table below. Each of the sub-sectors contains companies that have both environmental and economic benefits.

Solar Thermal and Photovoltaics	Waste Management & Recycling
Wind Generation	Energy Efficiency & Biomaterials
Biofuels	Green Buildings
Water	Energy Storage & Fuel Cells
Environmental Services	Wave, Tidal & Hydro
Low Emissions Vehicle Technologies	Biogas
Carbon Trading	Geothermal – Hot dry rocks and conventional

The cleantech sector is fundamentally different to Socially Responsible Investments (SRI) or Environmental, Social and Governance (ESG) performance. SRI and ESG look at incremental improvements in company performance and can be seen as ‘operational hygiene’ measures that find the best in class. Cleantech focuses on companies whose output positively enhances the communities and ecologies in which they reside. It is about doing ‘more good’ rather than ‘less bad’.

With 62 companies falling under the coverage of the Index and with a combined market capitalisation, after its rebalance, of \$32 billion, the ACT Australian CleanTech Index presents a comprehensive picture of the Australian cleantech industry’s growth in a single measure.

The Index is weighted by market capitalisation and is benchmarked against both the ASX200 and the ASX Small Ordinaries. The rules for the formulation and management of the Index have been developed with reference to global best practice. An overview of these rules is provided in the annual performance report.

The ACT Australian Cleantech Index is updated each month and published on the Australian CleanTech website at www.auscleantech.com.au, and in numerous domestic and international publications.

Monthly results can be emailed directly to interested parties by subscribing at <http://www.auscleantech.com.au/Pages/cleantech.html>.

2. Australian CleanTech Index Performance 3Q FY17

Australian CleanTech Index underperformed both the ASX200 and ASX Small Ordinaries for the month of March and the third quarter of FY17.

The Australian CleanTech Index fell from 57.07 to 56.61 over the month recording a 0.8% loss. This compared to the ASX200 gain of 2.7% and the ASX Small Ordinaries gain of 1.8%. The Australian CleanTech 20 also recorded a loss of 0.8% for the month.

Over the third quarter of the 2017 fiscal year, the Australian CleanTech Index recorded a loss of 2.7%, well behind the ASX200's gain of 3.5% and the ASX Small Ordinaries' 0.4% gain.

The twelve month figures remain ahead of both the ASX200 and the ASX Small Ordinaries but the outperformance has been reducing over recent months. **Over the last 12 months, the Australian CleanTech Index recorded a gain of 21.7%, 6.1% ahead of the ASX200. Over the last 3 years, the Australian CleanTech Index still leads the ASX200 by 40%.**

Percentage Change	FY13	FY14	FY15	FY16	MAR'17	3Q FY17	6 Mnth	12 Mnth	3Yrs	5Yrs
Australian CleanTech Index	-3.5%	19.6%	16.6%	21.3%	-0.8%	-2.6%	1.2%	21.7%	49.4%	37.9%
Australian CleanTech 20	-2.0%	19.6%	16.0%	18.4%	-0.8%	-2.5%	1.7%	22.3%	46.9%	37.6%
ASX200	17.3%	12.3%	1.3%	-4.3%	2.7%	3.5%	7.9%	15.6%	8.7%	35.3%
ASX Small Ords	-8.3%	9.6%	-2.8%	10.4%	1.8%	0.4%	-2.5%	10.2%	9.2%	-4.9%

The market capitalisation after its rebalance of the 62 stocks in the Australian CleanTech Index is A\$31.2 billion.

Best and Worst Stocks

The best and worst performers in terms of share price performance over the month and the quarter are shown in the table below.

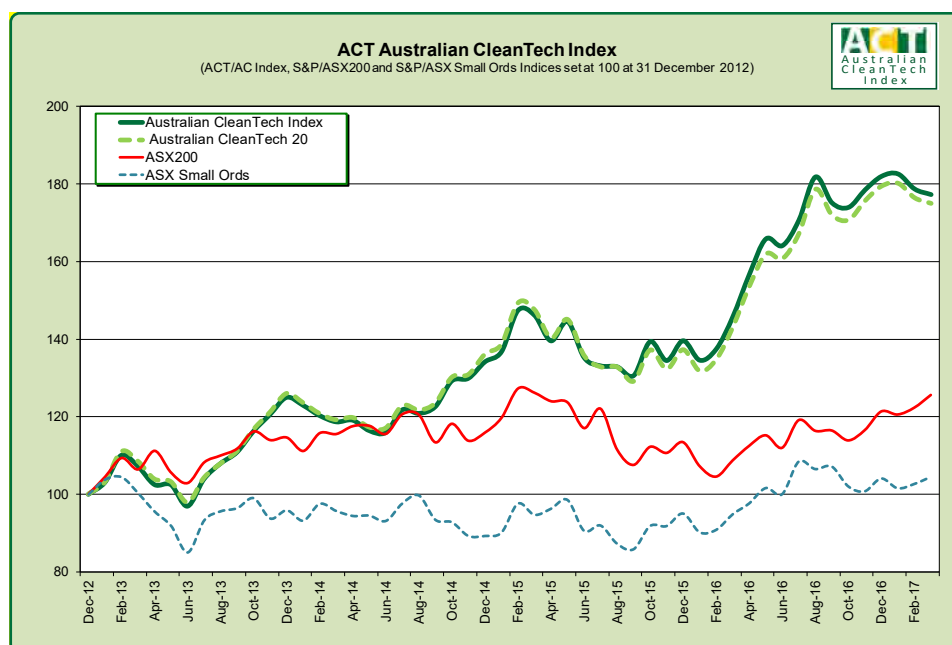
The month's performance was driven by 9 companies with losses of more than 10%. The greatest percentage gains were recorded by **Protean Wave Energy (POW)**, **AnaeCo (ANQ)** and **Kalina Power (KPO)**. The greatest loss in market capitalisation over the month was from **Reece Australia Holdings (REH)**.

These gains were partially offset by 9 companies recording gains of more than 10% led by **Water Resources Group (WRG)**, **SECOS Group (SES)** and **Phoslock Water Solutions (PHK)**. The greatest gain in market capitalisation over the month was from **Meridian Energy (MEZ)**.

The quarter's performance was driven by 11 companies with losses of more than 20%. The greatest gains were recorded by **Protean Wave Energy (POW)**, **Metro Performance Glass (MPP)** and **Orocobre (ORE)**.

These losses were partially offset by 9 companies recording losses of more than 20% led by **Enerji (ERJ)**, **CleanTeQ (CLQ)** and **Papyrus Australia (PPY)**.

March 2017	
Best Performers Share Price Gain > 10%	Worst Performers Share Price Loss > 10%
Dyesol Phoslock Water Solutions Emefcy Group Water Resources Group CleanTeQ Bluglass SECOS Group Vivid Technology EnviroSuite	AnaeCo Energy Action Pro-Pac Packaging Lithium Australia Neometals Protean Wave Energy Orbital Corporation Kalina Power Aeris Environmental
3Q FY17	
Best Performers Share Price Gain > 20%	Worst Performers Share Price Loss > 20%
Quantum Energy Sterling Biofuels Water Resources Group CleanTeQ Papyrus Australia Enerji Eden Innovations Hazer Group Environmental Group	AnaeCo SciDev Metro Performance Glass Orocobre RedFlow Protean Wave Energy Vmoto Orbital Corporation Kalina Power HRL Holdings Aeris Environmental



Index Rebalance

The Australian CleanTech Index underwent its quarterly rebalancing at the end of March which took account of recent share issues and other corporate activity. The following company was removed from the Index.

- **Green Invest (ASX:GNV)** following its delisting from the ASX.

One company was added to the Index at this rebalance

- **Duxton Water Limited (ASX:D2O)** is an Australian-based investment vehicle servicing the water requirements of various Australian primary production enterprises. The Company invests solely in Australian Water Entitlements. The Company's investment objectives are to generate an income stream for investors from the yield of the portfolio in the form of fully franked dividends; provide capital growth over the medium to long term, and preserve the invested capital in the portfolio. Duxton Capital (Australia) Pty Ltd. is the investment manager of the Company.

Two companies also changed their names during the period:

- **Eden Innovations (ASX:EDE)** is the new name for Eden Energy as the company nano-structured concrete product, EdenCrete, starts to deliver on its promise in the US market.
- **SciDev Lts (ASX:SDV)** is the new name for Intec Ltd as it completed the acquisition of the remaining shares in Science Developments and its wastewater treatment chemicals.

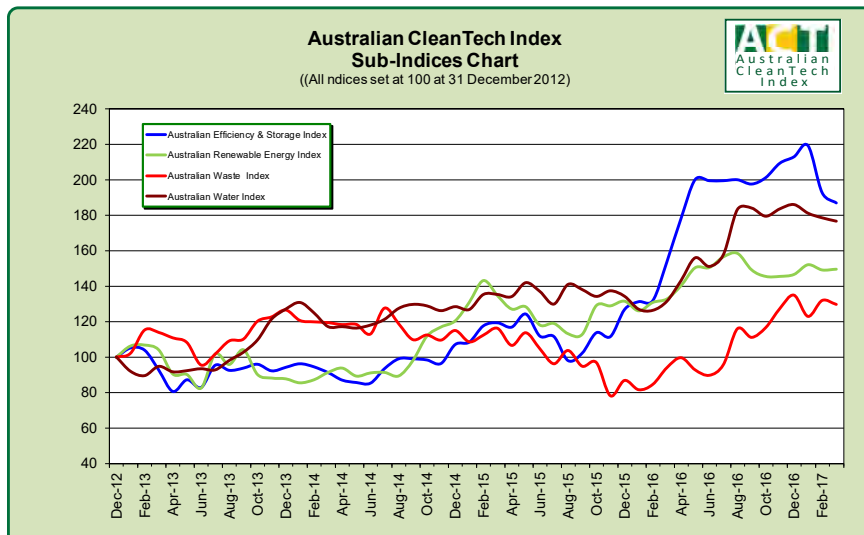
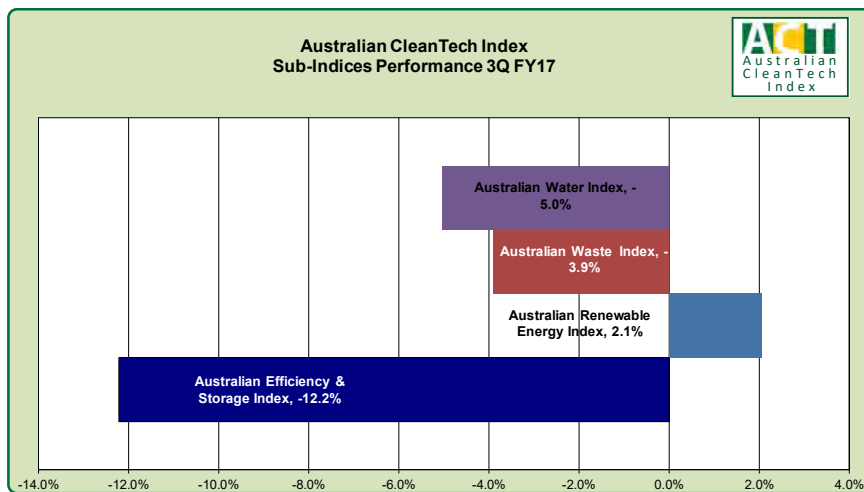
3. Component Sub-Indices

To provide an analysis of the Australian CleanTech Index, a number of sub-indices have been developed. The performance of each of these sub-indices over the last five financial years and during 3Q of FY17 is shown in the table and charts below.

The best performing sectors for the three months to March 2017 were the Australia Renewable Energy Index and the Australian Waste Index.

Australian CleanTech Sub-Indices

	FY12	FY13	FY14	FY15	FY16	3Q FY17
Australian Efficiency & Storage Index	-23.5%	-27.9%	2.9%	31.0%	78.1%	-12.2%
Australian Renewable Energy Index	-22%	-22%	10%	29.5%	27.4%	2.1%
Australian Waste Index	-36.9%	-3.4%	18.3%	-7.4%	-14.3%	-3.9%
Australian Water Index	1.6%	-14.6%	26.3%	16.1%	10.3%	-5.0%



4. Component Companies on 31 March 2017

The largest 20 largest Index constituents by market capitalisation on 31 March 2017 are provided in the table below. These companies will form the constituents of the Australian CleanTech 20 until the index is rebalanced again on 30 June 2017.

Market Cap Ranking	Company	Ticker
1	Meridian Energy	MEZ
2	Reece Australia Holdings	REH
3	Mercury NZ	MCY
4	Contact Energy	CEN
5	Sims Metal Management	SGM
6	Cleanaway Waste	CWY
7	Reliance Worldwide Corp	RWC
8	Galaxy Resources	GXY
9	Nanosonics	NAN
10	Infigen Energy	IFN
11	Orocobre	ORE
12	CleanTeQ	CLQ
13	Tox Free Solutions	TOX
14	Beacon Lighting Corp	BLX
15	Eden Innovations	EDE
16	Pacific Energy	PEA
17	Metro Performance Glass	MPP
18	Emefcy Group	EMC
19	Neometals	NMT
20	Carnegie Clean Energy	CCE

There were no new entrants to the Australian CleanTech 20 at this rebalance.

Each of the constituents in the Australian CleanTech 20 has a market capitalisation of more than \$160m.

For a full listing of all companies included in the Australian CleanTech Index, please email your request to index@auscleantech.com.au.

6. China CleanTech Index

Australian CleanTech, through its Beijing-based Chinese operations, publishes the China CleanTech Index. This index tracks all 162 Chinese-based listed cleantech companies with a combined market capitalisation of US\$304 billion and provides the definitive measure of Chinese cleantech stocks for global markets. The charts below show the performance of the China CleanTech Index against its benchmarks and also show the relative performance of the China CleanTech Index against the Australian CleanTech Index.

Full details of the China CleanTech Index can be downloaded from www.sinocleantech.com, where it is also possible to sign up to receive the monthly performance reports.

