

8IP Emerging Companies Limited

8IP Emerging Companies Limited is a listed investment company that provides investors access to a concentrated benchmark unaware portfolio of securities (typically 20-30 stocks) in the \$20m to \$500m market capitalisation range.

Review & Outlook

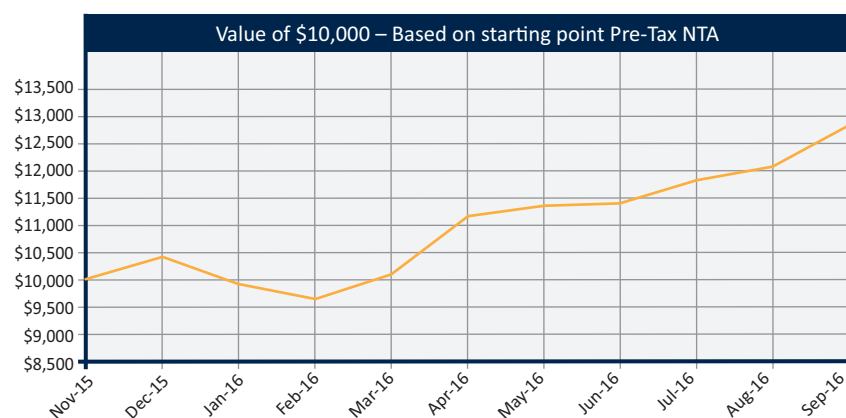
The NTA (pre-tax) return for September 2016 was +6.2%.

The main contributors to this return were *Kidman Resources Limited* ("Kidman"), *Gascoyne Resources Limited* and *Skydive the Beach Group Limited* ("Skydive").

The Manager moved the Company's lithium exposure to *Kidman* having sold down the holding in *Pilbara Minerals Limited*. The market is rapidly re-rating stocks in this sector and the Manager is looking to take advantage of this by identifying the potential candidates ahead of other investors. The majority of the *Kidman* position exposure was acquired at \$0.285 in August and the share price has risen strongly since.

Skydive delivered on their acquisition strategy towards the end of the month, buying *Raging Thunder* which operates a range of adventure tourism activities. The market has responded positively to the acquisition and the Manager is pleased that they funded the acquisition with an entitlement offer to existing shareholders, in which the Company participated.

Cumulative NTA Performance



NTA Performance

| | 1m | 3m | 6m | 1y | 3y | 5y | Inception |
|----------------|--------|---------|---------|----|----|----|-----------|
| 8EC (Pre-Tax) | +6.20% | +12.41% | +26.59% | - | - | - | +27.81% |
| 8EC (Post-Tax) | +4.63% | +9.10% | +18.61% | - | - | - | +19.43% |

Source: 8IP.

Performance has been calculated using the pre-tax and post-tax NTA (as released to the ASX). Results are not calculated from the share price of 8EC. The starting point pre-tax and post-tax NTA used to calculate performance were \$0.9697 and \$0.9788 respectively. All returns are shown to two decimal places. Total returns include realised and unrealised gains and losses plus income. Valuations are computed and performance reported in Australian dollars.

Option Exercise Instructions

Holders of 8EC Options (ASX Code: 8ECO) may exercise their options by completing a Notice of Exercise available at www.8EC.com.au. The Notice of Exercise will be effective when the company has received the full amount of the exercise price in cash or cleared funds.

Key Facts

| | |
|-------------------------------|---|
| NTA | Pre-Tax: \$1.2393 Post-Tax: \$1.1689 |
| Market Capitalisation | \$32.6 million |
| Listing Date | 1 December 2015 |
| Share Price (ASX Code: 8EC) | \$0.985 |
| Option Price (ASX Code: 8ECO) | \$0.003 |
| Option Expiry Date | 12 December 2016 |
| Option Exercise Price | \$1.00 |
| Number of Unexercised Options | 16,518,506 |

Top 5 Holdings

| | |
|---|-----------|
| BPS Technology Limited* | 6.7% |
| Gascoyne Resources Limited | 6.2% |
| Skydive the Beach Group Limited | 5.8% |
| Kidman Resources Limited | 5.5% |
| Vita Group Limited | 5.3% |
| Total number of portfolio holdings | 44 |

* Convertible Notes

Company Snapshot

- The Company aims to deliver capital growth by investing in a concentrated portfolio of emerging companies.
- Typically between 20 and 30 holdings.
- Predominantly companies in the \$20m to \$500m capitalisation range.
- Unlisted securities up to 20% in companies expected to be listed in six months.
- Up to 20% in companies listed on Australian securities exchanges other than ASX.
- Up to 10% in companies listed on foreign exchanges.
- Up to 30% in previously held companies with market capitalisation above \$500m.
- Up to 20% in cash.
- Derivatives to hedge market risk.

About The Manager

8IP is a specialist investment manager based in Sydney that is owned by its staff. Established in 2009 by Kerry Series, 8IP is focused on managing equity portfolios for retail and institutional investors.

They are a long-term investor that seeks to benefit from changes in the fundamental value of a company over time. They aim to identify companies characterised by:

- a market-leading multi-year competitive advantage;
- a turnaround opportunity, either within the business as a whole or within a critical element of the business; or
- a specific catalyst expected to generate short-medium term capital appreciation.

The Team

The Company's portfolio is managed by Kerry Series and Stephen Walsh. Kerry and Stephen both have extensive investment experience, having held senior roles in financial services in Australia and overseas.



Kerry Series, Chief Investment Officer, Portfolio Manager

Founder of 8IP, Kerry has more than 25 years of experience in equity markets. He has previously held senior roles with AMP Capital where he was Head of Asia Pacific Equities, Investment Director at HSBC Asset Management and co-founder of Perennial Investment Partners that grew to \$20 billion within 7 years.



Stephen Walsh, Portfolio Manager

With more than 20 years experience in Australia and overseas, Stephen has held director level roles in equities research and investment banking at Macquarie, Wilson HTM and Credit Lyonnais. Stephen has also worked in senior strategy roles for LEK Consulting and Standard Chartered Bank.

8EC Board Members

Jonathan Sweeney, Chairman, Non-executive Independent Director

With more than 29 years experience, Jonathan has had a varied career in financial services, initially in equity funds management in London, that continued when he returned to Australia. He was Managing Director of Trust Company for 8 years and in 2008 he co-founded a real estate investment business that became Folkstone. He left Folkestone in 2008 to pursue a portfolio of roles. He is currently a non-executive director of Velocity Rewards, Tennis New South Wales, The Australian Davis Cup Tennis Foundation and is a member of Perpetual Trustee's Investment Committee.

Tony McDonald, Non-executive Independent Director

Tony McDonald is an experienced director and former senior executive with extensive experience in the wealth management and investment industry. He has a successful track record having co-founded and led the Snowball Group from a start-up to a fully integrated wealth management business listed on the ASX. He is a director of Hub24 and Chairman of Newington College. He has held senior positions at Jardine Fleming Holdings (Hong Kong) and Pacific Mutual Australia, and has practiced as a lawyer in Australia and overseas.

Kerry Series, Executive Non-independent Director

IMPORTANT INFORMATION

This report was prepared by Eight Investment Partners Pty Limited (8IP) (ABN 22 139 616 783, AFSL 342 305) as Manager of 8IP Emerging Companies Limited ("8EC" or "Company").

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While the information in this document has been prepared with all reasonable care, neither 8IP nor 8EC makes any representation or warranty as to the accuracy or completeness of any statement in this document including any forecasts.

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8IP

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