

## 8IP Emerging Companies Limited

We focus on growing your wealth through core and high conviction small companies

### FUND SNAPSHOT

8IP Emerging Companies Limited is a listed investment company that provides investors with access to a concentrated, benchmark unaware portfolio of Australian small companies securities (typically 20-30 stocks).

Companies are generally outside the S&P/ASX100 Index, with up to 20% of holdings in companies expected to be listed in six months and up to 10% in companies listed on foreign exchanges. Derivatives may be used to hedge market risk and up to 100% of the Portfolio's value can be held in cash or cash instruments.

### OUTLOOK

The NTA (pre-tax) declined -1.6% in February as a result of a 1.5c dividend accrual and a broadly unchanged value of the Company's portfolio holdings. After assuming the reinvestment of dividends, the NTA (Pre-Tax) rose slightly by 0.03%

The top positive contributors to performance were Megaport, Gage Roads Brewing ("Gage Roads"), and Over The Wire Holdings ("Over The Wire"). Gage Roads provided a positive market update with strong revenue and earnings growth driven by rising sales of their proprietary brands, in particular their Single Fin Summer Ale which was independently recognised as the fastest growing craft beer brand in Australia. Both Megaport and Over The Wire had well-received results announcements.

The top detractors were Citadel Group ("Citadel"), Healthia, and G8 Education ("G8"). Despite the market reacting poorly to the results announcements of Citadel and G8, our view remains positive on both companies as well as Healthia.

At month end, the portfolio continued to have a high cash position.

### CUMULATIVE NTA PERFORMANCE (Including dividends re-invested)



NTA Performance (including dividends re-invested)	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
8EC (Pre-Tax)	0.03%	-6.70%	-10.02%	-18.35%	0.68%	-	-0.47%
8EC (Post-Tax)	0.03%	-4.81%	-8.27%	-13.17%	0.50%	-	-0.30%

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 \$. Returns for the period of more than one year are annualised. Returns include the effect of dividends re-invested.

### KEY FACTS

NTA Pre-Tax	\$0.8785
NTA Post-Tax	\$0.8909
Market Cap	\$28.5m
Share Price (ASX Code: 8EC)	\$0.6950
FY19 Interim Dividend (Paid 15/03/19)	1.5 cents
FY18 Final Dividend (Paid 23/10/18)	3 cents
Total	4.5 cents
Dividend Yield*	6.5%

\*Dividend yield is calculated by dividing total of past 12 months dividends by latest share price.

### DIVIDEND CALENDAR

Payment Date	Cents per unit
15/03/2019	1.5c
23/10/2018	3c
06/04/2018	1c
25/09/2017	2c

### TOP HOLDINGS

Top 5 Holdings	Portfolio Weight
Megaport Limited	5.4%
Gage Roads Brewing Co Limited	4.6%
The Citadel Group Limited	4.4%
Cooper Energy Limited	3.7%
Over The Wire Holdings Limited	3.6%

**ABOUT 8IP**

We are a long-term investor that seeks to benefit from changes in the fundamental value of a company over time. We 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.

**KERRY SERIES**

**Chief Investment Officer and Portfolio Manager**



Founder of 8IP, Kerry has more than 30 years of experience in equity markets. He's 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.

**STEPHEN WALSH**

**Portfolio Manager**



Over more than 29 years 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.

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**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"). This document has been prepared for the purpose of providing general information, without taking account of your particular objectives, financial circumstances or needs. It is not an investment statement, prospectus, product disclosure statement or other form of disclosure document under the Corporations Act 2001 (Cth) and has not been lodged with the Australian Securities and Investment Commission. 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. Neither 8IP nor 8EC guarantees the performance of the Company or the repayment of any investor's capital. To the extent permitted by law, neither 8IP nor 8EC, including their employees, consultants, advisers, officers or authorised representatives, are liable for any loss or damage arising as a result of reliance placed on the contents of this report. Past performance is not indicative of future performance.

**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 Folkstone 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 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, URB 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.

**ROBIN BURNS**

**Non-executive Independent Director**

Robin is an experienced independent director with almost 30 years of leadership experience in the financial services sector. His senior executive roles have included Managing Director and CEO of Equity Trustees, CEO of Equisuper and CEO Risk at AXA Australia. Robin currently serves as a non-executive director and audit committee Chairman for Indue and is a member of the PIMCO Australia compliance committee

**GEOFF WILSON**

**Non-executive Non-Independent Director**

Geoff has over 37 years of direct experience in Australian and international investment markets. Geoff is Chairman and founder of Wilson Asset Management, WAM Capital, WAM Leaders, WAM Research, WAM Active and WAM Microcap. Geoff holds a number of additional directorships with investment companies and non-profit organisations.

**KERRY SERIES**

**Executive Non-Independent Director**