



# 8IP Emerging Companies Ltd

**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 and outlook

The NTA (Pre-Tax) return for July 2018 was +0.2% and +4.92% per annum since inception.

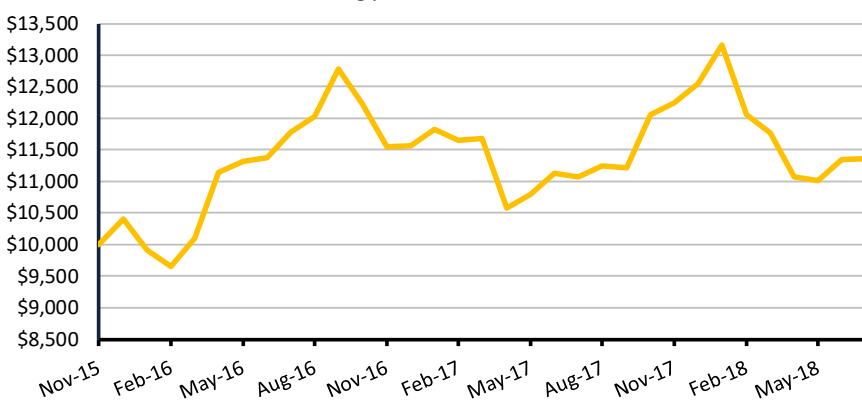
Positive contributors to the month's performance included *Cooper Energy*, *Galena Mining*, and *Zenitas Healthcare*. *Cooper Energy* re-rated by more than 20% following positive gas flow results from its Sole 3 gas project. The project remains on time and on budget and as such this news represents considerable derisking of the project. *Galena Mining* announced a positive scoping study with its Abra project showing potential to be a robust, high margin long life mine. Community-based healthcare provider, *Zenitas Healthcare*, released a good quality quarterly update.

*Experience Co* detracted for the month, trading down on no news flow. Miners Gascoyne Resources and Red River Resources were lower this month, reflecting weaker gold and zinc prices respectively. The materials space has been under pressure as talk of "global trade wars" has negatively impacted commodities markets.

We continue to hold an ASX hedge position which was implemented in February 2018 at approximately 40% of portfolio value. This position is adjusted as the index valuation changes.

## Cumulative NTA Performance (including dividends re-invested)

Value of \$10,000 - Based on starting point Pre-Tax NTA



## NTA Performance (including dividends re-invested)

	1m	3m	6m	1yr	3y (p.a)	5y (p.a)	Incept. (p.a)
8EC (Pre-Tax)	0.20%	2.70%	-13.61%	2.64%	-	-	4.92%
8EC (Post-Tax)	0.49%	2.26%	-9.09%	3.17%	-	-	3.94%

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

## Key Facts

NTA Pre-Tax	\$1.0625
NTA Post-Tax	\$1.0451
Market Cap	\$35.3m
Share Price (ASX Code : 8EC)	\$0.86
FY17 Annual Dividend	
Fully Franked	\$0.03
Dividend Yield*	3.49%

\* FY17 Dividend divided by latest share price.

## Top 5 Holdings

Bounty Mining	14.8%
Cooper Energy	6.1%
Galena Mining	5.8%
Zenitas Health	5.6%
Experience Co	5.1%

Total number of stock holdings 31

## Dividend History

Payment Date	Amount
6 April 2018	1c
25 September 2017	2c
4 April 2017	1c

## 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.

## About The Manager

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 over 30 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.



### **Stephen Walsh, Portfolio Manager**

With more than 29 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 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**

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**

**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.

8IP

T: +61 2 8274 2088 E: enquiry@8ip.com.au

W: www.8ip.com.au

Share Register - Boardroom Pty Limited

T: 1300 737 760 E: enquiries@boardroomlimited.com.au

W: www.boardroomlimited.com.au