

# 8IP Australian Equity Impact Fund

Invest to accelerate progress



## Our Impact Focus Areas



**Renewable Energy**  
3.4%



**Energy Storage & efficiency**  
2.3%



**Wellbeing: Pharmaceuticals**  
2.9%



**Care and Support**  
16.7%



**Affordable housing**  
5.1%



**Land and Resource Management**  
5.8%



**Wellbeing: Medical devices**  
11%



**Wellbeing: Health Care services**  
9.5%



**Education**  
12.2%



**Lifestyle and Healthy Eating**  
13.7%

## Portfolio Update

During the quarter, we initiated positions in Avita Medical, Clover Corporation, Charter Hall Education Trust, Japara Healthcare, Lifestyle Communities, NZK Salmon and Regis Healthcare.

Avita Medical has developed “spray-on skin” which uses the patient’s own skin to generate new skin cells that can be used to treat burns, chronic wounds and skin diseases. Under the brand ReCell, the treatment received US FDA approval in September 2018 and will be launched officially in the US in January 2019. Compared to the current standard of care for burns patients, ReCell has been shown to be less painful, reduces scarring, and achieves a better skin-tone match. In addition, it is significantly cheaper than other treatments.

We added Japara Healthcare and Regis Healthcare in the aged care sector to our existing position in Estia Health. While the sector is suffering from the announcement of the Royal Commission into aged care, there is a need for substantial investment over the long-term and the Royal Commission may negatively impact the access to capital. As a result, impact investors will be well-positioned to influence the allocation of new capital and the reporting of quality indicators by aged care operators.

Clover Corporation uses a CSIRO developed technique to add Omega 3 to infant formula. Charter Hall Education Trust is focused on the development and management of childcare centres. Lifestyle Communities develops affordable communities for the over 50s. NZK Salmon is an aquaculture company with a high commitment to sustainability.

## Key Facts

<b>Inception</b>	31 January 2017
<b>Domicile &amp; Status</b>	Registered Managed Investment Scheme domiciled in Australia
<b>Holdings</b>	35 stocks
<b>Liquidity</b>	Daily
<b>Base Currency</b>	Australian dollars
<b>Distributions</b>	Paid annually, shortly after 30 June; reinvested unless otherwise instructed
<b>Minimum Investment</b>	\$10,000

## Fund Snapshot

- The Fund aims to deliver outperformance above the S&P/ASX All Ordinaries Accumulation Index.
- Diversified portfolio of Australian equities across a range of impact focus areas.
- The Fund aims to demonstrate a financial return and a measurable and positive impact on society or the environment.

## Why Impact Investing?

Directing capital to solve problems is more effective if the for-profit business sector is actively engaged. Your capital is invested in companies that **generate positive social and environmental impacts along with financial returns**.

The industries in which these companies operate tend to have structural growth tailwinds which, when combined with active stock selection, provides the opportunity to generate **superior investment returns**.

## Why Eight Investment Partners (“8IP”)?

As a specialist equity investor with a focus on small company investing, 8IP has the investment resources and network to identify companies that combine positive impact with attractive investment potential.

8IP manages in excess of A\$200m focused on ASX listed small companies on behalf of institutions, high net worth individuals and a listed investment company. The portfolios are managed by Kerry Series and Stephen Walsh, both experienced equity investors.

## Performance

	3 months	6 months	1 year	Inception
Fund (gross-of-fees)	-4.96%	-5.37%	-3.69%	+10.03%
Index	-8.98%	-7.28%	-3.53%	+4.77%
Active Return (gross-of-fees)	<b>+4.02%</b>	<b>+1.91%</b>	<b>-0.16%</b>	<b>+5.26%</b>

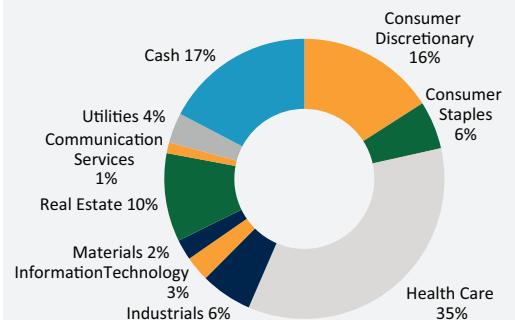
Source: 8IP and S&P.

All returns are shown to two decimal places. Current month performance is a manager estimate. Returns for periods of more than one year are annualised. Total returns include realised and unrealised gains and losses plus income and are time-weighted rates of return that adjust for external cash flows. Valuations are computed and performance reported in Australian dollars. Gross-of-fees performance returns are presented before management and performance fees but after all trading expenses. Past performance is not an indicator of future performance.

## Top 5 Holdings

Probiotec Limited	5.8%
Redhill Education Limited	5.7%
Genex Power Limited	3.5%
Envirosuite Limited	2.9%
Integral Diagnostics	2.8%

## Sector Allocation



Source: 8IP and Bloomberg. Please note that 8IP may reallocate stocks' sector classifications where in 8IP's view it is appropriate to do so.

## Fees

Investment Management Fee	1.03% p.a.
Other Fees and Expenses	Up to 0.36% p.a.
Total Management Costs	1.39% p.a.
Performance Fee	20.5% over benchmark
Benchmark	S&P/ASX All Ordinaries Accumulation Index

Fees and expenses are inclusive of net GST.

## Fund Identifiers

APIR	ETL6826AU
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### IMPORTANT INFORMATION

This report was prepared by Eight Investment Partners Pty Limited (ABN 22 139 616 783, AFSL 342 305) as promoter of the Fund. The Fund was launched as an unregistered managed investment scheme on 31 January 2017 and registered with ASIC as a retail scheme on 6 March 2018. Equity Trustees Limited (Equity Trustees) (ABN 46 004 031 298, AFSL 240 975) is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX:EQT). Equity Trustees was appointed Trustee of the Fund on 31 January 2017 and responsible entity on 6 March 2018.

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