

# 8IP AUSTRALIAN SMALL COMPANIES MODEL PORTFOLIO

QUARTERLY REPORT



31 DECEMBER 2018

The 8IP Australian Small Companies Model Portfolio is offered via a Managed Discretionary Account.

## MARKET AND PORTFOLIO REVIEW

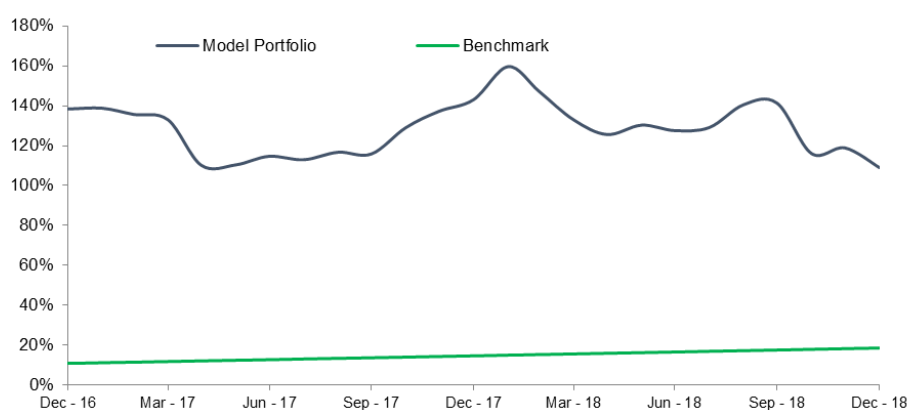
The Model Portfolio returned -13.41% for the December quarter, resulting in a full year decline of -14.02%. This represents the first down year for the Portfolio and reflects the difficult market environment for small and emerging companies. While the S&P/ASX Small Ordinaries Index fell -8.66% for the year, the S&P/ASX Emerging Companies Index was down -19.94%.

The best performing stocks for the quarter were Antipa Minerals, Elixinol Global, and Doray Minerals while the key detractors were Gazal Corp, Galena Mining, and Mod Resources. We have reduced the number of stocks held and increased cash to reflect our near term caution on markets in light of the ongoing tightening of monetary policy and the risk of slower economic growth, both domestically and internationally.

## PERFORMANCE SUMMARY<sup>1</sup>

| Period                                 | Model Portfolio | Benchmark | +/- Return |
|--|-----------------|-----------|------------|
| 1 month                                | -4.52%          | 0.30%     | -4.82%     |
| 3 months                               | -13.41%         | 0.89%     | -14.30%    |
| 1 year                                 | -14.02%         | 3.56%     | -17.59%    |
| Annualised return since inception (pa) | 17.71%          | 3.87%     | 13.84%     |

## Performance Since Inception



## Top Five Holdings

| Security                             | %    |
|--------------------------------------|------|
| Cash                                 | 21.7 |
| Over The Wire Holdings Ltd (OTW)     | 6.2  |
| Galena Mining Ltd (G1A)              | 6.2  |
| Cleanaway Waste Management Ltd (CWY) | 6.0  |
| Megaport Ltd (MP1)                   | 5.9  |

<sup>1</sup> The Portfolio's benchmark is the RBA Cash Rate + 2% per annum. Past performance is not a reliable indicator of future performance and may not be achieved in the future. All information provided in this Report is correct at the date of this report. Returns are calculated net of management, administration, custody and transaction fees, and assume the reinvestment of all income (but not franking credits). Inception date of the Portfolio is 25 June 2014. Actual individual returns of each client's portfolio will differ depending on factors such as date of initial investment, timing of transactions, inflows and outflows, other fees and any customisations. Please refer to the relevant Investment Mandate for full information on product specifics, including all fees and costs.

## INVESTMENT OBJECTIVE & STRATEGY

The 8IP Australian Small Companies Model Portfolio (Model Portfolio) aims to deliver a high absolute return over rolling three to five years by investing in Australian small companies, while at the same time attempting to minimise the risk of permanent loss of capital by having the ability to hold up to 50% in cash.

The Model Portfolio offers the opportunity to invest in a selection of Australian Securities Exchange listed companies that have been identified by the investment team as having under-recognised growth potential.

The Model Portfolio follows a concentrated, long-only strategy that results in typically 10 - 30 investments. Eight Investment Partners is a bottom-up stock investor that seeks to deliver absolute returns over the medium to long term (3 to 5 years).

## KEY FEATURES

| FEATURE                       | DETAIL   |
|-------------------------------|--|
| Investment universe           | Securities listed on the Australian stock exchange, or due to be listed in the next six months, with a focus on companies outside the S&P ASX 100 Index, and Cash. |
| Benchmark                     | RBA Cash Rate + 2% pa  |
| Maximum number of investments | 30   |
| Min. cash weighting           | 2%   |
| Max. equity weighting         | 98%  |
| Rebalancing                   | Program Adviser discretion   |
| Minimum investment            | \$100,000  |
| Suggested timeframe           | 3-5 years  |

Further information about the Model Portfolio, including fees and costs, is outlined in the 8IP Australian Small Companies Model Portfolio Investment Mandate.

## PORTFOLIO MANAGEMENT

Mason Stevens Limited, as the Managed Discretionary Account Provider, will administer and implement the Model Portfolio on the instructions of Eight Investment Partners (8IP) as the Program Adviser.

## ABOUT 8IP

8IP is a specialist manager based in Sydney that is owned by its staff. Established in 2009, 8IP is focused on managing equity portfolios for retail and institutional investors, including a specific capability managing portfolios of Australian small companies securities.

## ABOUT MASON STEVENS

Mason Stevens provides a multi-asset and multi-currency investment administration and managed account service to help produce tailored investment outcomes for Advisers and their clients.

Clients benefit from efficient portfolio administration, secure online access to their investments, as well as comprehensive reporting.

## CONTACT INFORMATION

### Investors

Please speak to your adviser

### Advisers

Call 1300 988 878 or email [info@masonstevens.com.au](mailto:info@masonstevens.com.au)  
[www.masonstevens.com.au](http://www.masonstevens.com.au)