











# 8IP Australian Equity Impact Fund

Invest to accelerate progress

## OUR IMPACT FOCUS AREAS

 Renewable Energy 5.5%	 Energy Storage and Efficiency 1.5%	 Education 8.6%	 Care and Support 16.8%	 Affordable Housing 6.9%
 Lifestyle and Healthy Living 13.0%	 Land and Resource Management 6.2%	 Wellbeing: Medical Devices 18.1%	 Wellbeing: Health Care Services 7.8%	 Wellbeing: Pharmaceuticals 5.6%

## FUND SNAPSHOT

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

## OUTLOOK

During the June quarter, we supported two capital raisings to provide expansion capital to Paradigm Biopharma ("Paradigm") and Volpara Health Technologies ("Volpara").

*Paradigm* is focused on re-purposing Pentosan Polysulfate Sodium (PPS), an FDA approved drug that has a long track record of safely treating inflammation and dissolving blood clots over 60 years. The company is an existing holding which we purchased in July 2018 at 81c. *Paradigm* raised \$77.9m at \$1.50 per share in April to fund their phase 3 trial and to develop new drug applications. We participated in this raising, increasing our position in the stock. Our decision was based on the positive results of their Phase 2b trial in which both the primary and secondary endpoints were met. In addition to less pain, the drug showed a reduction in the size of the bone marrow lesions. As a result, this drug has the potential to significantly improve the treatment of Osteoarthritis.

*Volpara* is a new position for the portfolio. The company is dedicated to the early detection of breast cancer by improving the quality of mammographic screening. *Volpara's* technology is based on research from Oxford University and has US Food & Drug Administration clearance and European Conformity mark approval. Their software has already been used in 38 countries to analyse over 12 million images. The company raised \$55m at \$1.50 per share to acquire MRS Systems and to expand their team and support growth. MRS is a provider of Mammography Information Systems which is used by breast imaging clinics for patient tracking, reporting and compliance. This should help accelerate *Volpara's* growth in the US.

## KEY FACTS

<b>Inception</b>	31/01/2017
<b>Domicile &amp; Status</b>	Registered Managed Investment Scheme domiciled in Australia
<b>Holdings</b>	36 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 IDENTIFIER

APIR: ETL6826AU

Performance	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
Fund (gross-of-fees)	+1.35%	+17.72%	+11.40%	-	-	+15.44%
Index	+7.83%	+19.76%	+11.04%	-	-	+11.83%
Active Return (gross-of-fees)	-6.48%	-2.04%	+0.36%	-	-	+3.61%
Net Return (net-of-fees)	+1.57%	+16.97%	+9.76%	-	-	+12.83%

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.

## 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.**

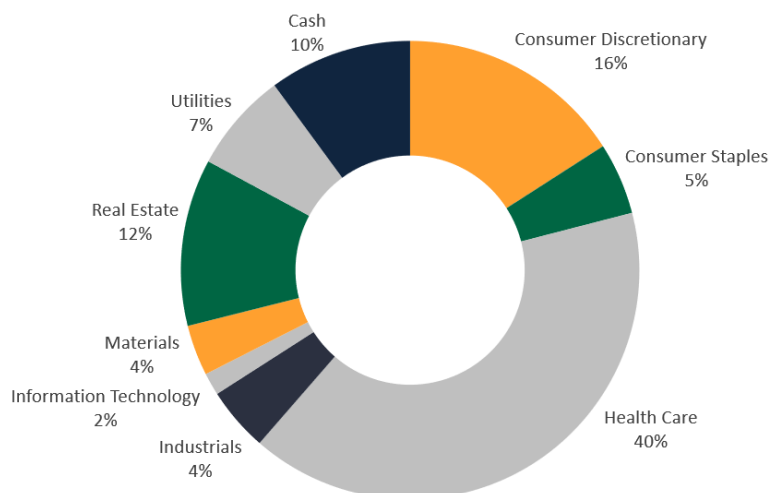
## WHY 8IP?

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.

## 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 All Ordinaries Accumulation Index

Fees and expenses are inclusive of net GST.

## TOP HOLDINGS

Top 5 Holdings	Portfolio Weight
Ellex Medical Lasers Limited	5.0%
Redhill Education Limited	5.0%
Probiotec Limited	4.8%
Nanosonics Limited	3.7%
Lifestyle Communities Limited	3.7%

## 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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