

8iP Small Companies Fund

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

FUND SNAPSHOT

The 8iP Australian Small Companies Fund ("Fund") provides diversified exposure to Australian small companies.

The Fund aims to deliver outperformance above the S&P/ASX Small Ordinaries Accumulation Index with a diversified portfolio of equities across a range of industry sectors within the Australian small companies segment. It holds between 25 and 75 companies with quality businesses and management.

The Fund is rated Recommended by Lonsec Research - please contact the 8iP team for more information.

OUTLOOK

The Fund continued its strong run last month, appreciating by +3.63% even as global markets declined. This equated to monthly outperformance of +7.48% versus benchmark, and means the Fund is up +32.92% calendar year to date.

The August reporting season saw many of our largest holdings do well. Top performers included *Nanosonics* (share price +21.1% during August), *City Chic Collective* (+18.7%), *SmartGroup Corp Limited* (+18.7%), *EML Payments Limited* (+18.07%), *Credit Corp Limited* (+14.50%), and *Ingenia Communities Group* (+14.05%). The response to *Nanosonics* was especially strong, with results suggesting substantial upside leverage from both volume and price still to play out over the next 12-24 months. In addition, the CEO will unveil a much-anticipated new product at the next result. *SmartGroup* reasserted its strong sectoral valuation premium by beating forecasts, overcoming a poor operating environment. *EML Payments* pointed to multiple sources of earnings growth, especially the potentially enormous US sports betting market. 2020 consensus earnings look too low.

PERFORMANCE

\$100,000 Invested On 1/10/2012

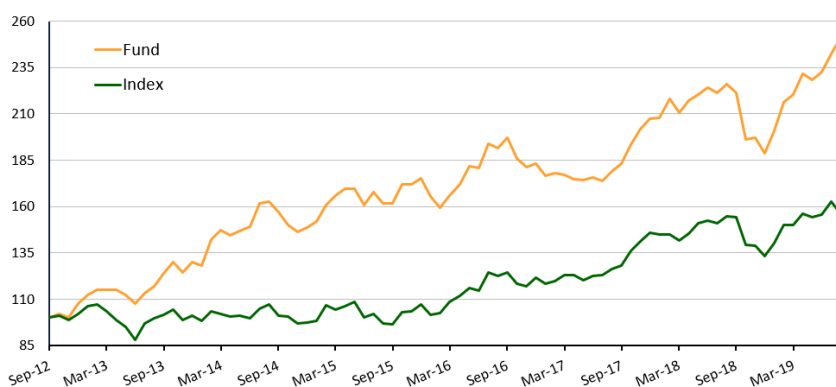


Chart Footnotes: Returns sourced from 8iP and S&P/ASX as on 31/08/2019 in Australian dollars. Fund returns are gross returns.

*The inception date is the date that Kerry Series took responsibility for investing this Fund.

KEY FACTS

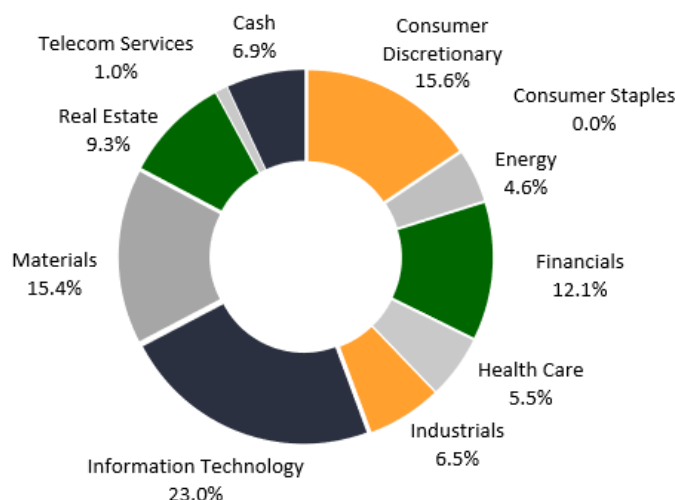
Inception Date	Current Portfolio Team commenced 1/10/2012
No of Stock Holdings	50
Fund Size	\$12.3m
Liquidity	Daily
Benchmark	S&P/ASX Small Ordinaries Accumulation Index.
Domicile & Status	Registered Managed Investment Scheme domiciled in Australia
Base Currency	Australian dollars
Distributions	Paid annually, shortly after 30 June; reinvested unless otherwise instructed
Unit Prices at 31/08/2019	Buy Price: \$1.0586 Sell Price: \$1.0502

DISTRIBUTIONS (LAST 5 YEARS)

Date	Cents per unit
30/06/2019	8.24c
30/06/2018	11.24c
30/06/2017	5.00c
30/06/2016	0.79c
30/06/2015	4.9145c
30/06/2014	-

8iP Small Companies Fund vs Benchmark	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
8iP Small Companies Fund (gross of fees)	+3.63%	+10.01%	+16.07%	+11.19%	+9.43%	+9.07%	+14.23%
S&P/ASX Small Ordinaries Accumulation Index	-3.85%	+1.41%	+4.14%	+0.95%	+8.42%	+7.82%	+6.66%
Active Return (gross of fees)	+7.48%	+8.60%	+11.93%	+10.24%	+1.01%	+1.24%	+7.57%
8iP Small Companies Fund (net of fees)	+3.53%	+9.70%	+15.40%	+9.88%	+7.95%	+7.58%	+12.09%

Past performance is not an indicator of future performance. All returns are shown to two decimal places. 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. Net-of-fees performance returns are presented after management and performance fees.

SECTOR ALLOCATION**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

PORTFOLIO MANAGERS**STEPHEN WALSH**

Co-Chief Investment Officer and Portfolio Manager

Over more than 30 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.

**KERRY SERIES**

Co-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 that grew to \$20 billion within 7 years.

IMPORTANT INFORMATION

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the 8IP Small Companies Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). This document has been prepared to provide you with general information only. In preparing this document, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Equity Trustees nor any of its related parties, their employees or directors, provide and warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should consider the Product Disclosure Statement ("PDS") before making a decision about whether to invest in this product. The PDS can be obtained by visiting www.eqt.com.au/insto or request a copy by calling the Investment Manager Eight Investment Partners Pty Ltd on +61 2 8274 2088 or emailing them at enquiry@8ip.com.au. Past performance is no indication of future performance.

TOP HOLDINGS

Top 5 Holdings	Portfolio Weight
Emerchants Limited	4.9%
Ingenia Communities Group	4.3%
Cooper Energy Limited	4.2%
Eclix Group Limited	4.2%
Credit Corp Group	4.1%

Source: 8IP and Bloomberg.

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

KEY FUND INFORMATION

Investment Manager:	Eight Investment Partners Pty Ltd (8IP)
Risk and Operations:	Sanlam Private Wealth (Pty) Ltd. ABN: 18 136 960 775
Responsible Entity:	Equity Trustees Limited ABN: 46 004 031 298 AFSL: 240975
Fund Regulator:	Australian Securities and Investments Commission
Fund Domicile:	Australia
Fund Administrator:	Mainstream Fund Services
Custodian:	JP Morgan

FUND IDENTIFIERS

APIR:	FHT0012AU
ARSN:	143 454 013
Bloomberg Ticker:	EIPASMC AU
Morningstar Ticker:	16197

FEES

Management Costs:	1.20% p.a. including GST
Performance Fee:	20% over hurdle
Minimum Investment:	\$5,000
Exit penalties:	None