

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.

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

OUTLOOK

The Fund fell by -1.68% before fees in December, underperforming its benchmark by -1.40%. The fund's cumulative calendar year-to-date appreciation in 2019 was +37.37% before fees, +16.01% ahead of its benchmark index. Post fees, the fund returned +35.79%.

Temple and Webster (TPW, +24.77%) performed well this month. An online retailer which sells bedding and furniture direct-to-consumer, TPW increased revenues by ~40% in the last financial year. This growth continued into the first quarter of FY2020. We believe it is well positioned in an Australian retail environment where the lack of online and omni-channel alternatives to traditional brick-and-mortar stores is increasingly pronounced. This is particularly the case when compared with other Western markets. While online retailers account for just ~5% of Australian furniture sales, in both the US and UK they make ~15% of total sales.

Strike Energy (STX, +20.59%) has a 50% interest in the West Eregulla deep gas discovery, one of the largest ever onshore Australian discoveries. Confirming the value of the acreage, Beach Energy made a similar gas discovery at nearby Beharra Springs in mid-December. Strike has further, 100%-owned acreage to the south of West Eregulla which contains prospective untested targets. *Cooper Energy (COE, +13.08%)* also performed well.

"Last quarter nerves" continued to characterise the market in December. Our benchmark (*XSO, -0.28%*) finished down but largely traded in a range. With the UK elections out of the way and no change to US or Australian cash rates, the focus became the US-China trade relationship. Without further escalation of tariffs and a "first stage deal" due to be signed mid-January, market sentiment should improve into reporting season.

KEY FACTS

Inception Date	Current Portfolio Team commenced 1/10/2012
No of Stock Holdings	45
Fund Size	\$11.5m
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 30/11/2019	Buy Price: \$1.0897 Sell Price: \$1.0811

PERFORMANCE

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

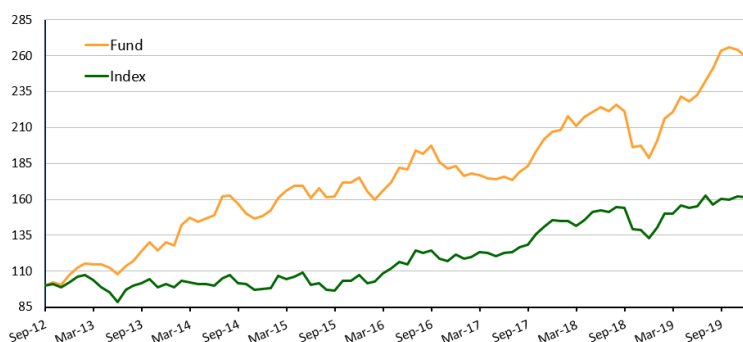


Chart Footnotes: Returns sourced from 8iP and S&P/ASX as on 31/08/2019 in Australian dollars. Fund returns are gross returns.

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

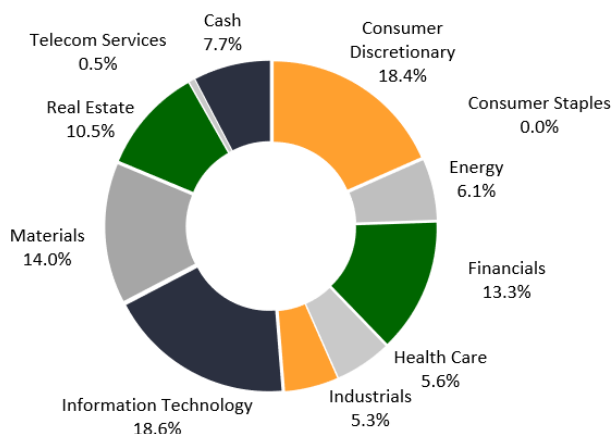
DISTRIBUTIONS (LAST 5 YEARS)

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

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)	-1.68%	-1.64%	+11.55%	+37.37%	+12.32%	+11.79%	+14.04%
S&P/ASX Small Ordinaries Accumulation Index	-0.28%	+0.76%	+3.89%	+21.36%	+9.98%	+10.65%	+6.83%
Active Return (gross of fees)	-1.40%	-2.40%	+7.66%	+16.01%	+2.34%	+1.14%	+7.21%
8iP Small Companies Fund (net of fees)	-1.78%	-1.93%	+10.90%	+35.79%	+10.85%	+10.28%	+11.95%

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

8IP employs a unique stock identification philosophy. We aim to identify and invest in three types of companies as follows:

- “Stars” - Companies facing large markets and possessing a market-leading multi-year competitive advantage;
- “Turnarounds” - Fundamentally good companies where something has gone wrong, but a significant catalyst for change is in place.
- “Under-researched” - Companies whose inherent value the market has as yet failed to recognise.

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.

TOP HOLDINGS

Top 5 Holdings	Portfolio Weight
EML Payments Limited	4.6%
Eclix Group Limited	4.4%
Cooper Energy Limited	4.3%
City Chic Collective Limited	4.3%
Austral Limited	4.3%

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

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.