

# 8IP Australian Small Companies Fund

The 8IP Australian Small Companies Fund (“Fund”) provides diversified exposure to Australian small companies. The Fund is managed by Eight Investment Partners Pty Limited (“8IP”).

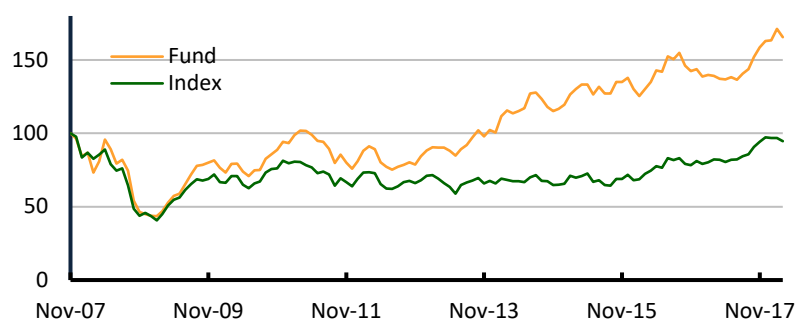
## Review & Outlook

The fund declined by 3.25% In March, under-performing its benchmark by 96 basis points.

Top contributors were Australis Oil & Gas Limited, Gascoyne Resources and Elders. Australis is a new position which posted a gain of 11.8% by month end. The business is a relatively early stage oil play, operating in the Tuscaloosa Marine Shale in the USA. Management is well known to us and highly credentialed. With oil prices rising, and capital costs falling, Australis is an exciting addition to the portfolio. Gascoyne Resources is a long standing holding and rose approximately 20% during the month as the market began to discount the risks surrounding first gold, expected within the next few months. Elders rose 8% following the acquisition of two businesses in Australia, and the divestment of assets in Indonesia.

Biggest detractors were Cooper Energy and NRW Limited. Cooper has tracked sideways since its last capital raising and closed the month towards the bottom of its recent trading range, ie 30cps. The investment case is unchanged, as its transformational Sole project is now fully funded and construction is proceeding well. Indeed, as we write, the stock has bounced meaningfully off those lows. NRW fell on operational news-flow which again is starting to dissipate.

## Cumulative Performance (Gross-of-Fees)



Source: 8IP and S&P.

## Performance

	1m	3m	6m	1y	3y	5y	Inception*
Fund (gross-of-fees)	-3.25%	+1.67%	+15.24%	+19.09%	+8.34%	+12.90%	+5.00%
Index	-2.29%	-2.79%	+10.52%	+14.99%	+10.67%	+6.45%	-0.54%
Active Return (gross-of-fees)	<b>-0.96%</b>	<b>+4.45%</b>	<b>+4.72%</b>	<b>+4.10%</b>	<b>-2.33%</b>	<b>+6.45%</b>	<b>+5.54%</b>
Fund (net-of-fees)	-3.37%	+1.32%	+14.47%	+17.46%	+6.91%	+10.49%	+2.68%

Source: 8IP and S&P. \*30/11/2007

Past performance is not an indicator of future performance.. 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.

## Key Facts

Fund Size	\$36 million
Inception	Fund - 30 Nov 2007
Domicile & Status	Registered Managed Investment Scheme domiciled in Australia
Holdings	56 stocks
Liquidity	Daily
Base Currency	Australian dollars
Distributions	Paid annually, shortly after 30 June; reinvested unless otherwise instructed

## Unit Prices (31 Mar 2018)

Buy Price	Sell Price
1.0938	1.0875

## Distributions (last 5 years)

Ex-Distribution Date	Distribution (cents per unit)
30/06/2017	0.500
30/06/2016	0.7896
30/06/2015	4.9145
30/06/2014	-
30/06/2013	1.8238

## Fund Snapshot

- The Fund aims to deliver outperformance above the S&P/ASX Small Ordinaries Accumulation Index.
- Diversified portfolio of equities across a range of industry sectors within the Australian small companies segment.
- Between 25 and 75 holdings in undervalued companies with quality businesses and management.

## About 8IP

8IP is a specialist investment manager based in Sydney that is owned by its staff.

Established in 2009 by Kerry Series, 8IP is focused on managing equity portfolios for retail and institutional investors.

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 appreciation.

## The Team

The Fund is managed by Kerry Series and Stephen Walsh. Kerry and Stephen both have extensive investment experience, having held senior roles in financial services organisations in Australia and overseas.

### Kerry Series, Chief Investment Officer, 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.

### Stephen Walsh, Portfolio Manager

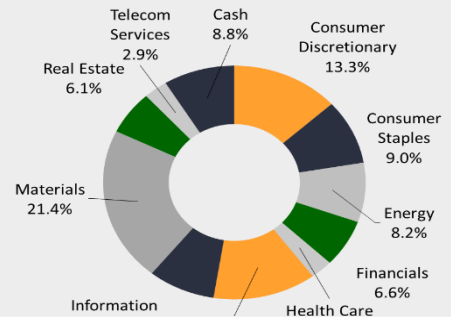


Over more than 29 years in Australia and overseas, Stephen has held director level roles in equities research and investment banking at Macquarie, Wilson HTM and Credit Lyonnais. Stephen has also worked in senior strategy roles for LEK Consulting and Standard Chartered Bank.

## Top 5 Holdings

Smartgroup Corporation	3.7%
Corporate Travel Limited	3.5%
Experience Co Ltd	3.5%
Cooper Energy Ltd	3.0%
Speedcast International Ltd	2.9%

## 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 (inc. GST)	20% over hurdle
Hurdle	S&P/ASX Small Ordinaries Accumulation Index

\* Includes responsible entity, administration, custody fees and other expenses.

## Fund Identifiers

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

### 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 30 November 2007 and registered with ASIC as a retail scheme on 17 May 2010. Equity Trustees Limited (Equity Trustees) (ABN 46 004 031 298, AFSL 240 975) was appointed Responsible Entity of the Fund on 15 April 2016, replacing Fundhost Limited. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615) a publicly listed company on the Australian Stock Exchange (ASX:EQT).

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Neither Equity Trustees nor 8IP guarantees the performance of the Fund or the repayment of any investor's capital. To the extent permitted by law, neither Equity Trustees nor 8IP, including their employees, consultants, advisers, officers or authorised representatives, are liable for any loss or damage arising as a result of reliance placed on the contents of this report. Past performance is not indicative of future performance.

8IP

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