

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").

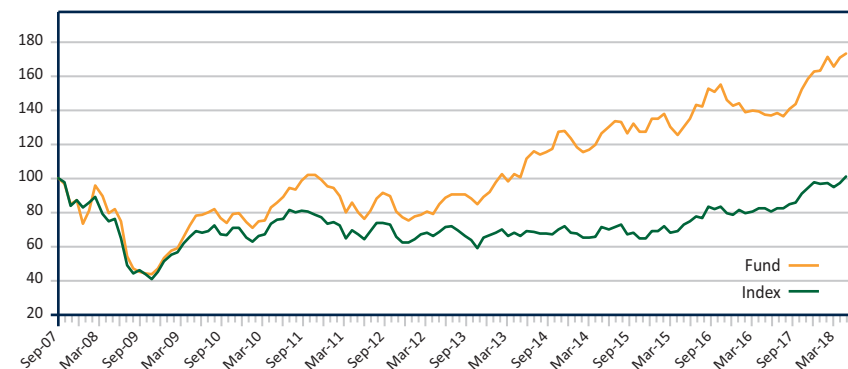
Review & Outlook

The Fund returned +3.06% during the month versus the index return of +3.70%, prior to a write-down in the value of the position in *CBL Corporation* ("CBL"). Although *CBL* remains in voluntary administration and there was no outcome from the key creditors' meeting in May, we believe that the conservative approach is to write down the value of the position to zero. As a result, the Fund returned +1.59% for the month post the write-down. The fund has outperformed the Index in gross terms over the past five years by an annualised +4.80%.

Top three performers were *Navigator Global* ("Navigator"), *Experience Co.* ("Experience") and *Cooper Energy* ("Cooper"). *Navigator* rose 19.8% in response to positive news about the proposed acquisition of Mesirow Financials' Multi-Manager hedge fund business. *Experience* bounced 11.1%, recovering roughly half the losses incurred following a weather-related downgrade in April. *Cooper* continued to re-rate, up 8.7%, as project construction moves forward and risk rolls off.

During the month, *Metcash* issued a shock announcement that major customer Drakes will not commit to supply from *Metcash's* proposed new distribution centre in South Australia. The stock declined 19.4% and we have exited the position

Cumulative Performance (Gross-of-Fees)



Source: 8IP and S&P.

Performance

	1m	3m	6m	1y	3y	5y	Inception
Fund (gross-of-fees)	+1.59%	+1.25%	+9.34%	+26.70%	+9.19%	+14.48%	+5.37%
Index	+3.70%	+4.11%	+6.89%	+25.40%	+11.55%	+9.69%	+0.08%
Active Return (gross-of-fees)	-2.11%	-2.86%	+2.44%	+1.30%	-2.37%	+4.80%	+5.30%
Fund (net-of-fees)	+1.46%	+0.88%	+8.59%	+24.96%	+7.62%	+12.10%	+3.06%

Source: 8IP and S&P.

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.

Key Facts

Fund Size	\$38 million
Inception	30 November 2007
Domicile & Status	Registered Managed Investment Scheme domiciled in Australia
Holdings	55 stocks
Liquidity	Daily
Base Currency	Australian dollars
Distributions	Paid annually, shortly after 30 June; reinvested unless otherwise instructed

Unit Prices (31 May 2018)

Buy Price	Sell Price
1.1465	1.1374

Distributions (last 5 years)

Ex-Distribution Date	Distribution (cents per unit)
30/06/2017	0.5000
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

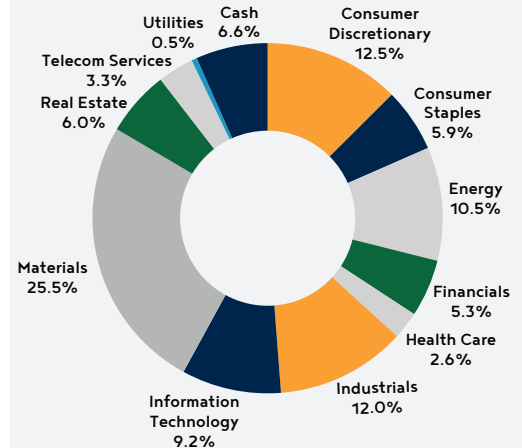


Over more than 29 years in Australia and overseas, Stephen has held director level roles in equities research and investment banking at Macquarie, Wilson HTM and Credit Lyonnais. Stephen has also worked in senior strategy roles for LEK Consulting and Standard Chartered Bank.

Top 5 Holdings

Corporate Travel Management Limited	3.8%
Smartgroup Corporation Limited	3.7%
Cooper Energy Limited	3.6%
Speedcast International Limited	3.3%
Costa Group Holdings Limited	3.1%

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.

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