

8IP Australian Small Companies Fund

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

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”).

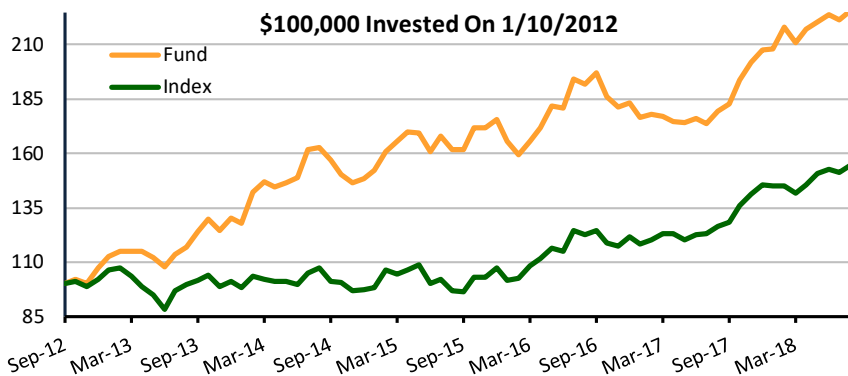
Review and Outlook

This month saw extreme volatility in stock returns as companies reported half-yearly results. In this environment the portfolio produced a positive return of +1.94% although this was behind the index which was up +2.49%.

For the last 12 months the Fund has returned +26.03%, well ahead of the index.

The largest contributors all recorded strong double-digit gains, following results which beat expectations. *Altium* (+37.0% month-on-month) made further progress in growing market share and profitability in the PCB design market; investors increasingly expect the stock will either radically transform the industry and emerge the winner, or be acquired. *Appen* (+42.0% mom) produced revenue guidance suggesting demand for its AI oriented services continues to grow. *Afterpay Touch Group* (+28.8% mom) reported accelerating growth of the US market, and an acquisition in the UK. *Corporate Travel* (+13.9%) and *Webjet* (+27.2%) also performed strongly.

Detractors during the month included global remote broadband services provider, *Speedcast International* (-31.6% mom), which delivered a disappointing result. Management and global activity in the energy space had suggested a return to growth in its Energy division, but this did not materialise. Whilst the investment has been good for the fund (up +24.0% YoY even after the fall), we are re-examining our investment thesis. *Experience Co.* fell -26.6% mom, in the midst of what appears to be a perfect storm – Managing Director hit by illness, bad weather, and only the second decline in tandem parachute activity in 40



	1m	3m	6m	1yr	3yr	5yr	Inception*
Fund (gross of fees)	1.94%	2.36%	3.63%	26.03%	11.77%	14.05%	14.75%
Index	2.49%	2.53%	6.75%	22.32%	16.90%	9.19%	7.66%
Active Return (gross of fees)	-0.55%	-0.17%	-3.12%	3.71%	-5.13%	4.86%	7.09%
Fund (net of fees)	1.81%	1.99%	2.89%	24.31%	10.30%	11.76%	12.47%

Source: 8IP and S&P. * Inception is from the date the current team commenced managing this Fund on 1/10/2012.

Key Facts

Strategy FUM	\$193 million
Inception	30/11/2007 Fund commenced 1/10/2012 Current Portfolio Team
Domicile & Status	Registered Managed Investment Scheme domiciled in Australia
No of Stock Holdings	47
Liquidity	Daily
Base Currency	Australian dollars
Distributions	Paid annually, shortly after 30 June; reinvested unless otherwise instructed
Unit Prices	31 Aug 2018
Buy Price	Sell Price
\$1.0558	\$1.0474

Distributions (last 5 years)

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

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.

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.

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

The Team



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

Top 5 Holdings

Corporate Travel Group	4.54%
Afterpay Touch	4.11%
Smartgroup Corporation	3.87%
Cooper Energy	3.76%
Worley Parsons	3.24%

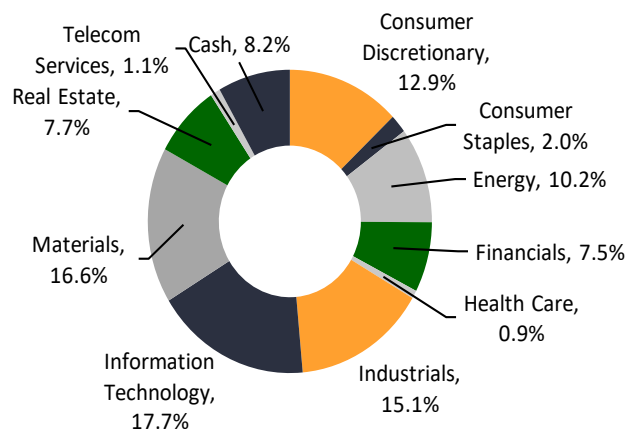
IMPORTANT INFORMATION

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.

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

Total Management Costs*	1.2% p.a.
Performance Fee (inc. GST)	20% over hurdle

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

Fund Identifiers

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

8IP

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