

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

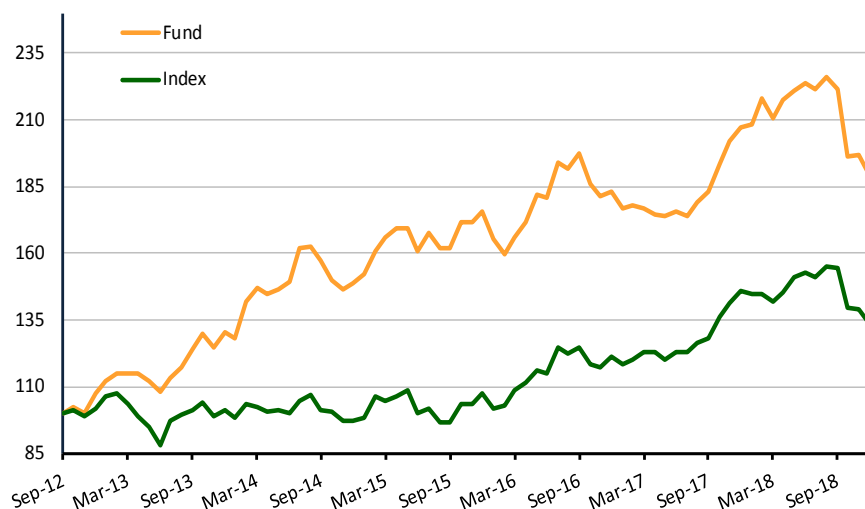
December was another challenging month for markets with the S&P/ASX Small Ordinaries Index returning -4.18%, making it the 4th down month in a row. The Fund performed largely in line with the benchmark with a net of fees return of -4.27%.

The top positive contributors to return were Cooper Energy, Regis Resources ("Regis"), and St. Barbara. Both Regis and St. Barbara are gold stocks which benefitted from the market uncertainty. The main detractors for the month were Orocobre, Jumbo Interactive and Mod Resources.

Resource stocks excluding the gold sector were generally weaker given concerns of slowing global growth.

The portfolio remains defensively positioned with a cash holding of 9.8% at month end. This reflects our concern that markets still face the headwind of global monetary policy tightening and the risk of slower economic growth domestically and internationally.

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



	1m	3m	6m	1yr	3yr	5yr	Inception*
					% p.a	% p.a	% p.a
Fund (gross of fees)	-4.17%	-14.61%	-15.66%	-8.90%	2.50%	7.74%	10.71%
Index	-4.18%	-13.70%	-12.74%	-8.67%	7.45%	5.62%	4.68%
Active Return (gross of fees)	0.01%	-0.91%	-2.91%	-0.23%	-4.95%	2.12%	6.03%
Fund (net of fees)	-4.27%	-14.90%	-16.23%	-10.14%	1.08%	5.73%	8.55%

Source: 8IP and S&P.

* Inception is from the date the current team commenced managing this Fund on 1/10/2012.

Key Facts

Inception	Fund commenced: 30/11/2007 Current Portfolio Team commenced: 1/10/2012
Domicile & Status	Registered Managed Investment Scheme domiciled in Australia
No of Stock Holdings	48
Liquidity	Daily
Base Currency	Australian dollars
Distributions	Paid annually, shortly after 30 June; reinvested unless otherwise instructed
Unit Prices	31 Dec 2018
Buy Price	Sell Price
\$0.8794	\$0.8724

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.

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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 appreciation.

The Team



Kerry Series, Chief Investment Officer, Portfolio Manager

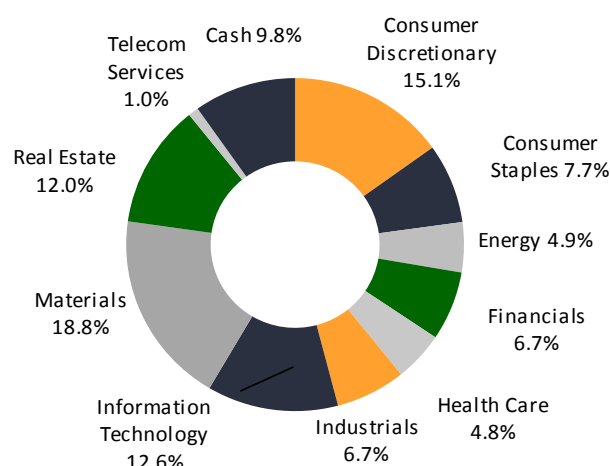
Founder of 8IP, Kerry has more than 30 years of experience in equity markets. He's previously held senior roles with AMP Capital where he was Head of Asia Pacific Equities, Investment Director at HSBC Asset Management and co-founder of Perennial Investment Partners.



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.

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*	1.20% p.a.
Performance Fee (inc. GST)	20% over hurdle

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

Top 5 Holdings

St Barbara Ltd	4.4%
Cooper Energy Ltd	4.3%
Regis Resources Ltd	3.8%
Costa Group Holdings Ltd	3.8%
Rural Funds Group Ltd	3.1%

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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