

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's value declined by -0.75% pre- fees in November, underperforming its benchmark by -2.31%. Cumulative calendar year-to-date appreciation of the fund reached +39.72%, +18.01% ahead of its benchmark.

As we forecast last month, market tone changed in November. There was a clear "switch to value" as markets had another go at anticipating a US-China trade deal. Cyclical stocks, in which we tend to be underweight, took off; conversely, growth stocks, and especially those outside the benchmark, were sold down. Large mandate changes churning through the market exacerbated these factors, and of the top 30 performing benchmark stocks, no fewer than 22 were cyclicals. Driven by these flows, each of Clover Corp (-7.76%), Whispir (-19.47%) and Fineos (-10.58%) declined substantially on no stock-specific news.

The month wasn't without its bright spots and three of our favourite stocks performed well. EML Payments kicked +19.71%, announcing the strategic acquisition of PFS. The deal will result in new solutions for EML customers, including digital banking and multi-currency offerings, and is 25% accretive. Audinate Group rose +22.10% and Ingenia rose +6.82%. We took profits in some of these, mindful of the potential to buy in lower.

As we write, November's market conditions are persisting into the first half of December. Boris Johnson's substantial electoral win has removed the short-term chance of a "calamitous", "no-deal" Brexit and cyclical optimism is rising. We remain focused on finding stocks with the structural characteristics we describe overleaf. In a world characterised by over-capacity, these will be the ones which deliver long term outperformance.

KEY FACTS

Inception Date	Current Portfolio Team commenced 1/10/2012
No of Stock Holdings	42
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: \$1.1095 Sell Price: \$1.1007

PERFORMANCE

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

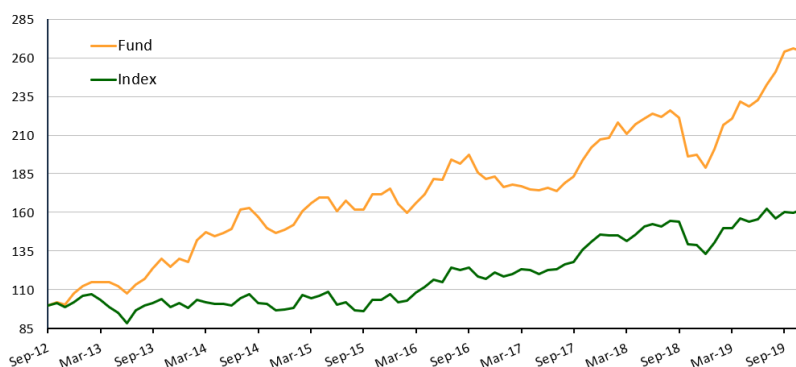


Chart Footnotes: Returns sourced from 8iP and S&P/ASX as on 31/08/2019 in Australian dollars. Fund returns are gross returns.

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

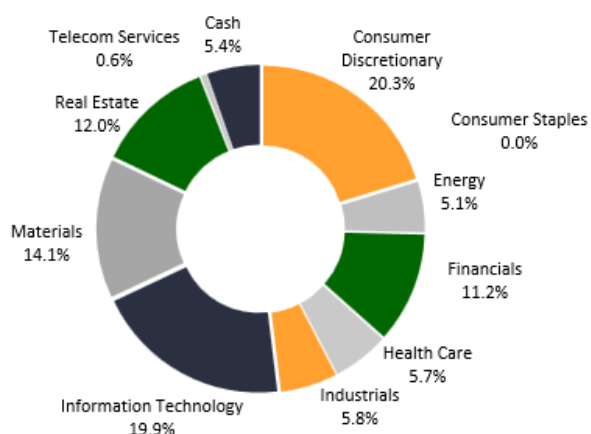
DISTRIBUTIONS (LAST 5 YEARS)

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)	-0.75%	+5.11%	+15.64%	+33.89%	+13.31%	+12.48%	+14.49%
S&P/ASX Small Ordinaries Accumulation Index	+1.56%	+3.68%	+5.15%	+16.62%	+11.39%	+10.81%	+6.96%
Active Return (gross of fees)	-2.31%	+1.43%	+10.49%	+17.27%	+1.92%	+1.67%	+7.53%
8iP Small Companies Fund (net of fees)	-0.85%	+4.81%	+14.97%	+32.35%	+11.82%	+10.92%	+12.38%

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

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.

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.

TOP HOLDINGS

Top 5 Holdings	Portfolio Weight
EML Payments Limited	6.5%
Ingenia Communities Group	5.1%
City Chic Collective Limited	4.6%
Eclix Group Limited	4.5%
Austral Limited	4.4%

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