

## 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. It holds between 25 and 75 companies with quality businesses and management.

The Fund is rated Recommended by Lonsec Research - please contact the 8IP team for more information.

### OUTLOOK

July was a strong month for global markets. To the end of July, the S&P500 has risen by 18.9% this calendar year; similarly, our benchmark has risen 22.1%. Over the same period the fund has appreciated by 28.3%.

Best contributors during the month were *Clover* (+20.2%), *Eclix* (+10.9%), *Austal* (+18.7%), *Atomos* and *EML* (+10.1%). We have written on each of these names recently other than *Atomos*, which is a new holding. We have been watching the company for some time and having waited for an attractive entry point, we acquired our position via a placement at \$1.00 at the end of June. *Atomos* manufactures image monitoring and processing equipment for professional cinematographers and videographers. This is a niche, global market in which we see *Atomos* as having created substantial competitive advantage. Its potential is driven by the growth of video as a medium across traditional and social media platforms. The stock closed the month at \$1.375, + 37.5% on the acquisition price. Our worst performer was *Bellevue Gold* (-18.5%), which declined from 70cps to 57cps. We remain strong supporters and used the opportunity afforded by the raising to increase our weight.

### PERFORMANCE

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

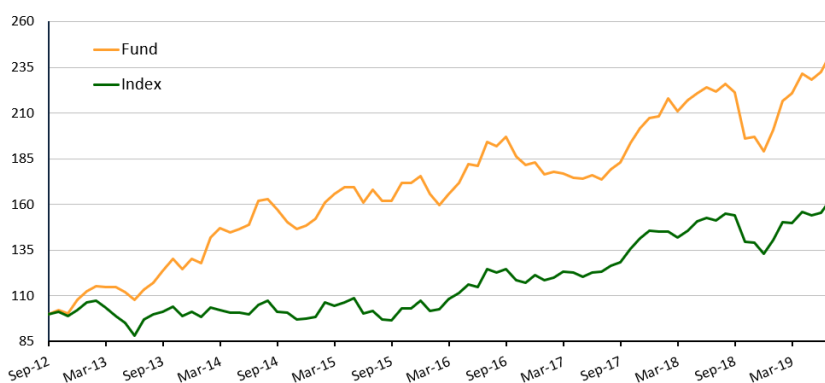


Chart Footnotes: Returns sourced from 8IP and S&P/ASX as on 31/07/2019 in Australian dollars. Fund returns are gross returns.

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

### KEY FACTS

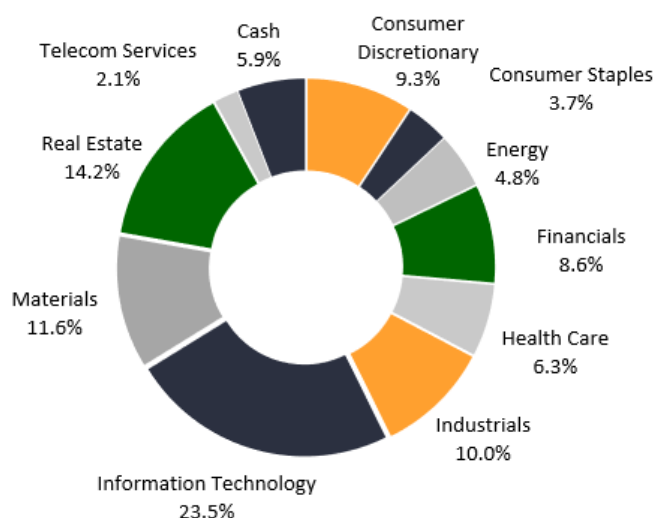
<b>Inception Date</b>	Current Portfolio Team commenced 1/10/2012
<b>No of Stock Holdings</b>	47
<b>Fund Size</b>	\$11.8m
<b>Liquidity</b>	Daily
<b>Benchmark</b>	S&P/ASX Small Ordinaries Accumulation Index.
<b>Domicile &amp; Status</b>	Registered Managed Investment Scheme domiciled in Australia
<b>Base Currency</b>	Australian dollars
<b>Distributions</b>	Paid annually, shortly after 30 June; reinvested unless otherwise instructed
<b>Unit Prices at 31/07/2019</b>	Buy Price: \$1.0225 Sell Price: \$1.0143

### 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
30/06/2014	-

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)	+4.16%	+4.59%	+20.61%	+9.38%	+7.68%	+8.40%	+13.82%
S&P/ASX Small Ordinaries Accumulation Index	+4.51%	+4.15%	+15.65%	+7.61%	+9.27%	+9.18%	+7.36%
Active Return (gross of fees)	-0.35%	+0.44%	+4.96%	+1.77%	-1.59%	-0.78%	+6.46%
8IP Small Companies Fund (net of fees)	+4.06%	+4.28%	+19.93%	+8.05%	+6.21%	+7.00%	+11.68%

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**

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

**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](http://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](mailto:enquiry@8ip.com.au). Past performance is no indication of future performance.

**TOP HOLDINGS**

Top 5 Holdings	Portfolio Weight
Cooper Energy Limited	4.4%
Emerchants Limited	4.2%
Appen Limited	4.2%
Ingenia Communities Group	3.8%
Clover Corporation Limited	3.8%

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