

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

Following a very strong run since January, our benchmark index declined 1.25% in May. This represented a strong outcome in a month when the benchmark US index (S&P500) fell by 6.5%. The Fund marginally under-performed, by 22 basis points. The largest positive contributors were Audinate Group Limited (+28.2%), City Chic Collective Ltd (+11.1%) and Austal Ltd (+9.0%). Audinate is a high quality, global tech business with a meaningful competitive advantage in the early stages of its life cycle. The business is entering an acceleration phase, with adoption rates increasing even as the business prepares to launch a second vertical in video.

On the negative side, Citadel Group Ltd declined 38% during the month. Revenues for the current half are now expected to be much lower than flagged, very largely caused by delays in expected project extensions, and lower new spend, both the consequence of the Federal Election. As such Citadel expects to win the revenue into FY20, however the market reacted poorly as CGL had only recently reiterated previous guidance. We reduced our position size.

PERFORMANCE

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

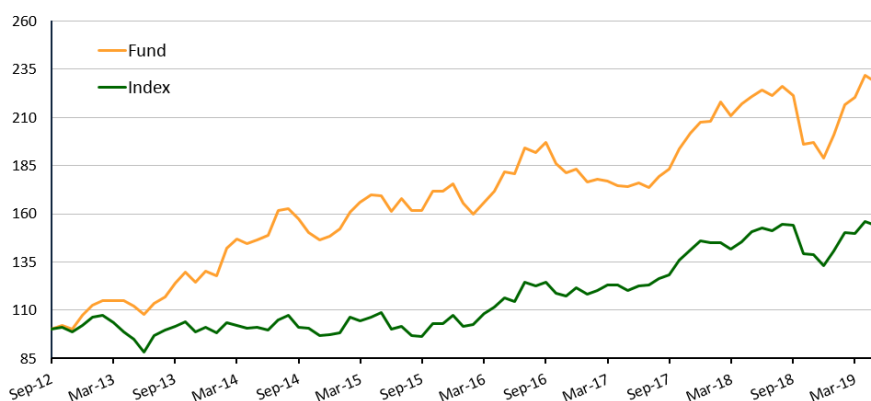


Chart Footnotes: Returns sourced from 8iP and S&P/ASX as on 31/05/2019 in Australian dollars. Fund returns are gross returns.

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

KEY FACTS

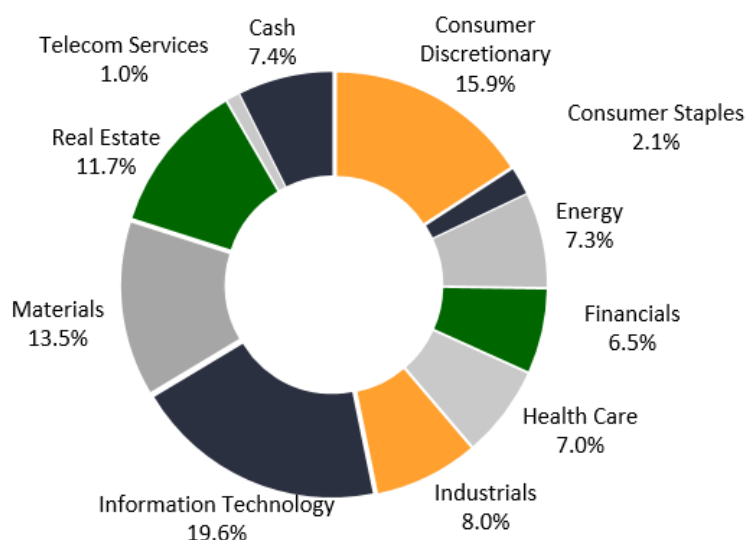
Inception Date	Current Portfolio Team commenced 1/10/2012
No of Stock Holdings	54
Fund Size	\$11.2m
Liquidity	Daily
Benchmark	S&P/ASX Small Ordinaries Accumulation Index.
Domicile & Status	Registered Managed Investment Scheme domiciled in Australia
Base Currency	Australian dollars
Distributions	Paid annually, shortly after 30 June; reinvested unless otherwise instructed
Unit Prices at 31/05/2019	Buy Price: \$1.0575 Sell Price: \$1.0491

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	-

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)	-1.48%	+5.50%	+15.78%	+3.45%	+7.87%	+9.26%	+13.18%
S&P/ASX Small Ordinaries Accumulation Index	-1.25%	+2.69%	+10.91%	+2.07%	+9.84%	+8.82%	+6.70%
Active Return (gross of fees)	-0.22%	+2.81%	+4.87%	+1.38%	-1.97%	+0.44%	+6.48%
8iP Small Companies Fund (net of fees)	-1.58%	+5.19%	+15.11%	+2.16%	+6.38%	+7.70%	+11.02%

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**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.

**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.

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
Credit Corp Group	4.2%
Cooper Energy Limited	4.2%
Ingenia Communities Group	3.8%
Redcape Hotel Group	3.6%
GDI Property Group	3.3%

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:	Link Fund Solutions
Custodian:	Link Fund Solutions

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