



5 March 2018

ASX Announcement

8EC Response to AFR Article

The Board of 8IP Emerging Companies Limited (“8EC”) acknowledges the article in the Australian Financial Review (“AFR”) on Saturday 3 March which reports the purchase of 1 million shares in Big Un Limited (“BIG”) by Eight Investment Partners Pty Limited (“8IP”), the Investment Manager for 8EC.

These shares were purchased by 8IP on behalf of 8EC in June 2017 at 75c per share, representing a total investment by 8EC of \$750,000. The purchase was made via an institutional placement of existing shares at around a 12% discount to the then prevailing market price. At the time of purchase, the position was just under 1.8% of 8EC’s gross portfolio value. This modest position is consistent with an initial investment for 8EC, given the portfolio typically holds around 30 positions. Just under half of 8EC’s BIG holding was sold later, generating proceeds for 8EC in excess of its total original investment.

As at close of business on Friday 1 March 2018, 8EC held 513,381 BIG shares which represented just under 2.5% of 8EC’s gross portfolio value based on the last traded price. 8EC will request the Fund Administrator to review the valuation of this residual holding and will keep the market informed of any material change.

8IP’s business, and that of the listed investment company, 8EC, is to invest in small companies. 8IP analyses a very broad universe of small and emerging companies and constructs portfolios with stocks of different levels of risk. This includes investing in early stage companies that are higher risk and have the potential for higher returns. 8EC’s specific mandate with 8IP is to invest in emerging companies with market capitalisations of less than \$500 million at the time of purchase. The investment in BIG shares was consistent with 8EC’s investment mandate to invest in early stage, fast growth emerging companies and with 8IP’s investment philosophy.

Furthermore, and for the sake of completeness, all trading in BIG shares by interests associated with Mr Series were made in accordance with 8IP’s staff securities trading policy.

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