



8IP AUSTRALIAN SMALL COMPANIES FUND

Fund Update: October 2020

KEY FACTS

INCEPTION DATE	Current Portfolio Team commenced 1/10/2012
NO OF STOCK HOLDINGS	61
FUND SIZE	\$12.9m
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 June; reinvested unless otherwise instructed
UNIT PRICES AT 30/10/2020	Buy Price: \$1.1062 Sell Price: \$1.0974

FUND SNAPSHOT

The 8IP Australian Small Companies Fund ("Fund") provides diversified exposure to small companies. The Fund aims to deliver outperformance above the S&P/ASX Small Ordinaries Accumulation Index with a diversified portfolio of equities within the Australian small companies segment.

Since inception* in October 2012, the fund has delivered outperformance of +6.04% p.a. (net).

The Fund is rated Investment Grade by Lonsec Research - please contact 8IP for more information.

COMMENTARY

The fund appreciated by +1.35% net of fees in October, +0.89% ahead of benchmark. Calendar year-to-date performance is +7.59% net, +11.21% ahead of benchmark.

Strength over the month came from Cleanspace (CSX, +56.5%), HUB24 (HUB, +24.2%) and Viva Leisure (VVA, +16.9%).

CSX's strong performance on IPO reflects its positive exposure to post-pandemic thematics. The company provides compact respirators to staff in hospitals, industry, and mines. The latter industries have traditionally made up the bulk of CSX's earnings, and order volumes should return as global lockdowns unwind. Perhaps more excitingly, CSX was able to produce and ship its hospital-tailored units with success throughout the pandemic. The focus Covid has placed on PPE inventories in hospitals under pressure to minimise working capital represents an opportunity for CSX. Their equipment requires a higher upfront capital investment but involves a much lower

PERFORMANCE

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

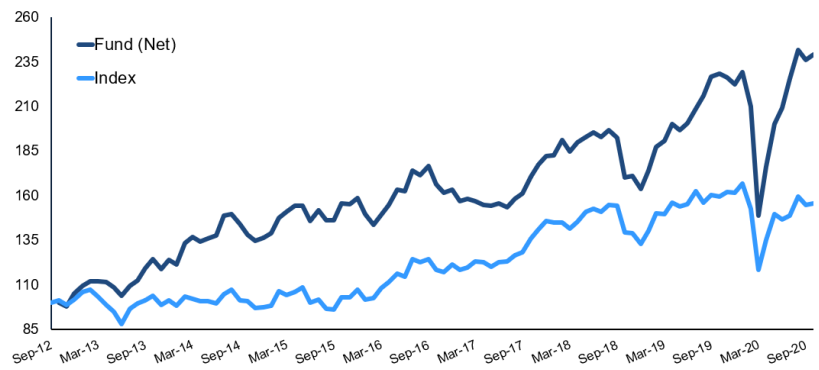


Chart Footnotes: Returns sourced from 8IP and S&P/ASX as on 30/10/2020 in Australian dollars. Fund returns are net returns.

*The inception date is the date that current management took responsibility for investing this Fund.

8IP Small Companies Fund vs Benchmark	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
8IP Small Companies Fund (net of fees)	+1.35%	+6.20%	+35.73%	+4.77%	+11.95%	+8.98%	+11.66%
S&P/ASX Small Ordinaries Accumulation Index	+0.46%	+4.69%	+15.10%	-2.40%	+4.63%	+8.56%	+5.62%
Active Return (gross of fees)	+0.89%	+1.51%	+20.63%	+7.17%	+7.32%	+0.42%	+6.04%

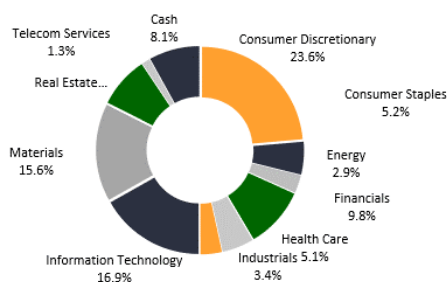
Past performance is not an indicator of future performance. All returns are shown to two decimal places. Returns for periods of more than one year are annualised. Total returns include realised and unrealised gains and losses plus income and are time-weighted rates of return that adjust for external cash flows. Valuations are computed and performance reported in Australian dollars. Net-of-fees performance returns are presented after management and performance fees.

TOP HOLDINGS

Top 5 Holdings

Chalice Gold Mines
 Credit Corp Group
 HUB24 Limited
 IDP Education Limited
 Sealink Travel Group Limited

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.

consumables cost than disposable masks, meaning hospitals who invest in CSX equipment can carry a higher level of PPE inventory at a lower cost. Moreover, their technology provides far better protection to users.

HUB outperformed over the month with the announcement of a significant acquisition. The company has performed extremely well during the pandemic, and we anticipate its market share will continue to grow.

Underperformers in the month were Megaport (MP1, -16.3%), Corporate Travel (CTD, -15.3%), and Mach 7 (M7T, -15.3%). MP1's quarterly update contained no major surprises, and we continue to like the stock's long-term revenue and earnings growth. The negative reaction to its update might indicate, however, a market which has come to expect consistent delivery of earnings beats. Given this, we are cautious.

CTD and M7T pulled back after very strong runs in September; as time of writing both stocks have rebounded. Each is positively exposed to a Covid reopening, and we remain invested.

OUTLOOK

Low interest rates and central bank stimulus will continue as defining themes through early 2021. Combined with vaccines, widespread government stimulus, and extremely high levels of household savings across major economies, the macro backdrop bodes well for markets into 2021.

My thanks to our investors for your continued support. Feedback and/or comments are always welcome.

Stephen Walsh

Chief Investment Officer

KEY FUND INFORMATION

Investment Manager: Eight Investment Partners Pty Ltd (8IP)
Responsible Entity: Equity Trustees Limited
 ABN: 46 004 031 298
 AFSL: 240975

FUND IDENTIFIERS

ARSN: 143 454 013

FEES

Management Costs: 1.20% p.a. including GST
Performance Fee: 20% over hurdle
Minimum Investment: \$5,000

STEPHEN WALSH,

Chief Investment Officer



With over 30 years' experience, Stephen has held director level roles in equities research and investment banking in Australia and overseas.

He was Banks Analyst at Macquarie (2000-2004), Head of Research at Wilson HTM (2005-2011), and Head of Asia (ex-Japan) Consumer Research at Credit Lyonnais (1996-2000).

Previously, he worked in senior strategy roles for LEK Consulting and Standard Chartered Bank.



8IP is a boutique investment group with offices in Sydney and Brisbane. Our senior staff have decades of experience in small cap investing. We employ a unique philosophy combining insights from our experience and academia to select between 40-60 stocks for the 8IP Australian Small Cap Fund, which is our flagship product. The objective of the fund is to deliver positive investment returns of at least 5% above benchmark over a rolling 5-year period.

For more information about our team and products, please visit www.8ip.com.au

IMPORTANT INFORMATION

Equity Trustees Limited ("Equity Trustees") ABN 46 004 031 298 | AFSL 240975, is the Responsible Entity for the 8IP Small Companies Fund (the 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 by Eight Investment Partners Pty Ltd ("8IP") ABN 22 139 616 783 | AFSL 342305, the investment manager for the Fund, to provide you with general information only. In preparing this document, 8IP 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 8IP, Equity Trustees nor any of their related parties, their employees or directors, provide any 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 8IP on +61 2 8274 2088 or emailing them at enquiries@8ip.com.au.