



8IP AUSTRALIAN SMALL COMPANIES FUND

Fund Update: November 2020

KEY FACTS

INCEPTION DATE	Current Portfolio Team commenced 1/10/2012
NO OF STOCK HOLDINGS	63
FUND SIZE	\$13.9m
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 30/11/2020	Buy Price: \$1.1892 Sell Price: \$1.1798

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 +5.69% p.a. (net).

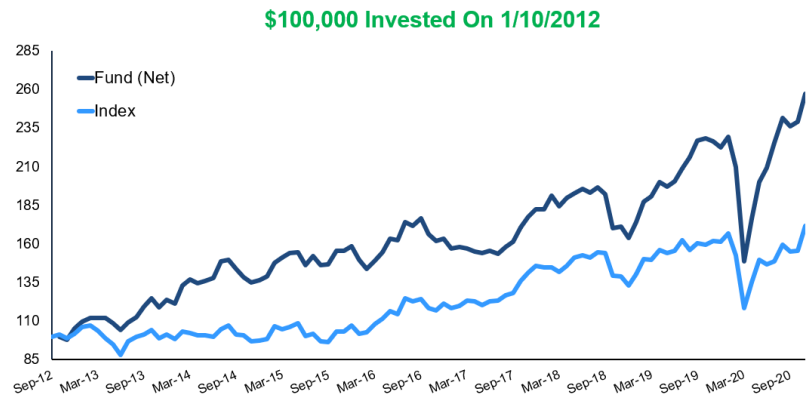
The Fund is rated Investment Grade by Lonsec Research - please contact 8IP for more information.

COMMENTARY

The fund returned +7.51% net of fees in November, -2.76% behind its benchmark. In the Calendar Year to date, the fund has returned +15.67% net, +9.38% ahead of the index.

Efficacy results of vaccines released by Pfizer, Moderna, and Oxford precipitated a violent rotation into stocks which had been "uninvestible" since the beginning of the pandemic. Advertising, travel, energy and some materials stocks rose very strongly; including many of those whose forward fundamental prospects had been worst impacted by Covid. We had anticipated the rotation and had been rebalancing the portfolio towards our favoured cyclicals gradually over the previous months, and many of our top holdings did very well. However, we did not enter November overweight cyclicals, and as a result fell behind a market pouring money into "vaccine trades" irrespective of quality.

PERFORMANCE



Note: Returns sourced from 8IP and S&P/ASX as on 30/11/2020 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)	+7.51%	+6.49%	+28.50%	+13.61%	+13.16%	+10.60%	+12.53%
S&P/ASX Small Ordinaries Accumulation Index	+10.27%	+7.66%	+14.78%	+5.98%	+6.73%	+10.70%	+6.84%
Active Return (net of fees)	-2.76%	-1.17%	+13.73%	+7.63%	+6.43%	-0.10%	+5.69%

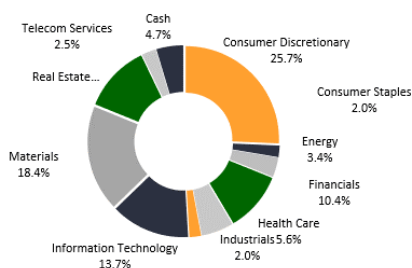
Net of fees returns is the Fund return after the deduction of ongoing fees and expenses based on end of month redemption prices assuming the reinvestment of all distributions. Past performance is not an indicator of future performance.

TOP HOLDINGS

Top 5 Holdings

Chalice Gold Mines
 Credit Corp Group
 IDP Education Limited
 Sealink Travel Group Limited
 Corporate Travel Management

SECTOR ALLICATION



Source: 8IP and Bloomberg.

Please note that 8IP may reallocate stocks' sector classifications where in 8IP's view it is appropriate to do so.

Corporate Travel (CTD, +37.0%), Credit Corp (CCP, +29.8%) and IDP Education (IEL, +26.9%) all benefited as the market outlook for their respective industries was transformed by news of the vaccine. Mineral Resources (MIN, +29.7%), Lynas (LYC, +33.5%), and NRW (NWH, +21.6%) were lifted as sentiment towards the mining sector, in particular Iron Ore and commodities with exposure to Electric Vehicles (NdPr, Lithium), improved.

Key underperformers included Fineos (FCL, -16.7%), Kogan (KGN, -20.1%), and Codan (CDA, -9.9%). While we sold Kogan on corporate governance concerns following a controversial AGM, we remain invested in both Fineos and Codan. FCL's valuation came under pressure following softer than expected guidance on sales growth in the near term. However, our view remains that the longer-term opportunity is very large, and FCL's product is well-placed to take advantage of it.

We added selectively to our portfolio over the month. Unibail-Rodamco-Westfield (URW) appreciated rapidly on news of the vaccine, but we see remaining significant upside from its portfolio of unique and prestigious assets. Maca (MLD) is both well placed to take advantage of the high levels of demand in the mining services space, and relatively cheap within its sector. We like management's disciplined approach to job-

selection, and believe the business has a credible path to significant revenue and profit upgrades. We added Universal Stores (UNI) at its IPO; the company offered an attractive valuation considering the quality of its existing network and more importantly its substantial growth prospects.

OUTLOOK

The macro environment appears highly conducive to medium-term economic growth. The major risks of the past 6 months are dissipating, and we expect the next period to be full of activity. The stock market has seen a remarkable number of capital raisings of late, many by businesses taking advantage of new opportunities to scale. Other businesses are clearly looking to capitalise on market share gains made during the pandemic. Government stimulus will also play a major role, as will central banks who promise that interest rates will remain low for the foreseeable future.

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

Stephen Walsh

Chief Investment Officer

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 WI Carr / Credit Lyonnais (1996-2000).

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

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



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 (7) 3184 9118 or emailing them at enquiry@8ip.com.au.