



8IP AUSTRALIAN SMALL COMPANIES FUND

Fund Update: March 2021

KEY FACTS

INCEPTION DATE	Current Portfolio Team commenced 1/10/2012
NO OF STOCK HOLDINGS	55
FUND SIZE	\$15.5m
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 26/02/2021	Buy Price: \$1.2488 Sell Price: \$1.2388

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 +5.49% p.a. (net).

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

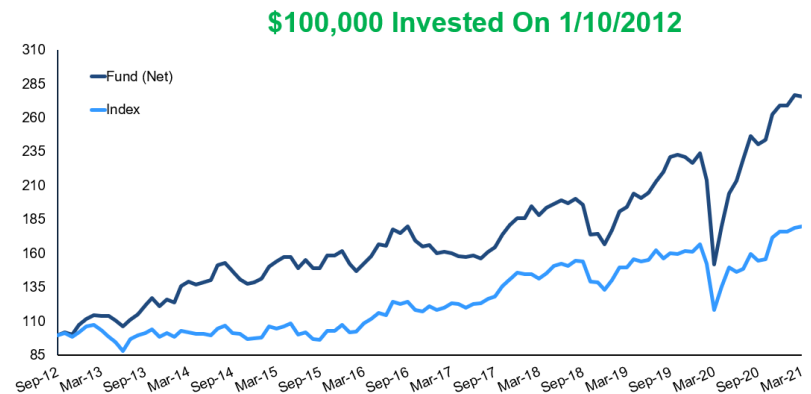
COMMENTARY

The fund returned -0.52% net of fees in March against the index at +0.79%.

Our best performing holdings were Digital Wine Ventures (DW8; +128.6%), Ramelius Resources (RMS; +16.6%), and Sealink (SLK; +8.1%).

DW8 is a new holding in the fund, but a story we've followed for a while. The business is in its early stages but has seen rapid appreciation in its share price after a series of material and positive announcements since the end of 2020. The core of the business is a logistics platform; wine vendors traditionally pay high shipment costs to transport from cellar door to consumer or wholesale purchasers. DW8 rationalise shipment by moving product in bulk from cellar door to warehouses in urban centres, from which it is delivered to purchasers (a) far more cheaply and (b) very quickly. Warehousing is currently rented from Australia Post, and temperature controlled. The next phase of the business will see it

PERFORMANCE



Note: Returns sourced from 8IP and S&P/ASX as on 26/02/2021 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)	-0.52%	+2.31%	+14.41%	+81.45%	+13.51%	+12.56%	+12.66%
S&P/ASX Small Ordinaries Accumulation Index	+0.79%	+2.09%	+16.20%	+52.15%	+8.33%	+10.69%	+7.17%
Active Return (net of fees)	-1.31%	+0.23%	-1.80%	+29.31%	+5.18%	+1.88%	+5.49%

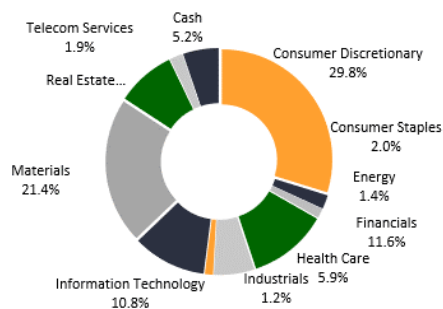
Net of fees returns is the Fund return after the deduction of ongoing fees and expenses based on end of month redemption prices assuming the reinvestment of all distributions. Past performance is not an indicator of future performance.

TOP HOLDINGS

Top 5 Holdings (Alphabetical)

Codan Limited
Credit Corp Group
Ramelius Resources
Sealink Travel Grp
Virgin Money UK PLC

SECTOR ALLOCATION



Source: 8IP and Bloomberg.

Please note that 8IP may reallocate sector classifications where we believe it appropriate.

leverage its logistics platform into a Wholesale (B2B) *Marketplace*. This has the potential to cause exponential growth in the volume of wine DW8 will ship. Currently, around 500 Australian and International wineries have been onboarded onto the platform. The company has signed an MOU with eBay, a contract to provide logistics and backend technology connectivity to US marketplace Vivino, and recently a significant contract with an Australian wine distributor with significant ties in the restaurant industry. We have taken some profit on the stock, but remain holders, believing the story is not yet understood by most of the market.

Ramelius benefited from the general rerating of gold stocks over the month, and SLK continued to rerate following its strong result. We have taken profit in the latter but remain invested in both businesses.

Our worst performers this month were Cleanspace (CSX; -67.2%), loneer (INR, -23.5%), and Whispir (WSP; -19.7%). We were expecting that a shift in focus from PPE to vaccinations in its key US market would have some impact on CSX. However, the severity of the drop off in demand over the first few months of the year was extreme. This being said, we view the company's product, about which we've written before, as positively exposed to long term tailwinds around PPE in hospitals.

loneer has traded down as the market awaits positive news around financing for its Lithium project in Nevada. We think that their core asset is "globally significant", and that news flow should be positive over the next year.

OUTLOOK

We remain positive on the outlook for markets. The "reopen" story should accelerate in the next few months, especially offshore. A marked feature of earnings reports globally has been structural beats as analysts have under-appreciated the positive impacts of structural changes made by management teams in the face Covid, and government support. We expect continuing news flow in this vein.

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, Head of Research at Wilson HTM, and Head of Asia (ex-Japan) Consumer Research at WI Carr / Credit Lyonnais.

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.