



8IP AUSTRALIAN SMALL COMPANIES FUND

Fund Update: July 2021

KEY FACTS

INCEPTION DATE	Current Portfolio Team commenced 1/10/2012
NO OF STOCK HOLDINGS	64
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 30/07/2021	Buy Price: \$1.1946 Sell Price: \$1.1850

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 an annualized return of +13.41%, and outperformance of +5.44% p.a. (net).

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

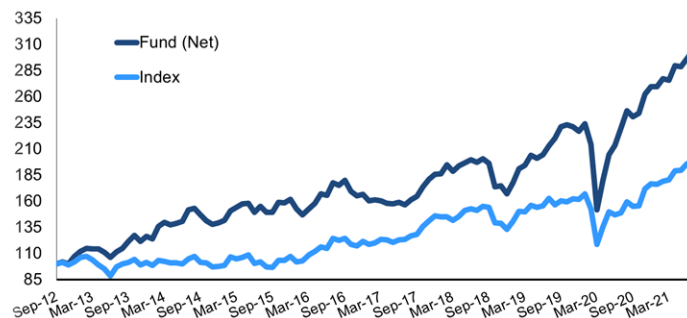
Commentary

The fund returned 2.57% (net) in July against the index at 0.69%. CYTD performance is +12.85% (net), +1.33% versus the index.

Best performers this month were Toys'R'Us, (TOY; +45.5%), Pilbara Minerals (PLS; +22.1%) and Lynas (LYC; +28.5%). TOY upgraded strongly on a relaunch of the brand and public announcement of their strategy. We view the opportunity as highly unusual: a globally recognised brand relaunching online, with immediate access to a nationally competitive number of SKUs, under the leadership of a smart, experienced CEO. To-date, the business has optimised its warehousing and recently debuted its Babys'R'Us website, all of which has contributed to its strong share price performance. We think the

PERFORMANCE

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



Note: Returns sourced from 8IP and S&P/ASX as on 30/07/2021 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 - %)	2.57%	4.97%	12.84%	32.22%	15.54%	11.33%	13.41%
S&P/ASX Small Ordinaries Accumulation Index (%)	0.69%	4.06%	11.80%	32.30%	9.22%	9.57%	7.96%
Active Return (net of fees - %)	1.89%	0.92%	1.03%	-0.08%	6.32%	1.76%	5.44%

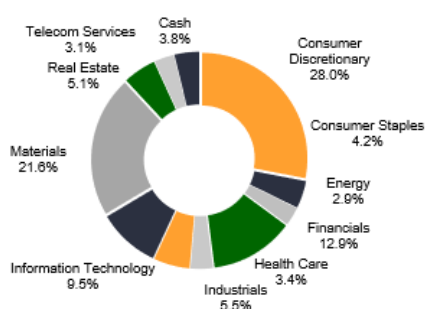
Net of fees returns is the Fund return after the deduction of ongoing fees and expenses based on end of month redemption prices assuming the reinvestment of all distributions. Past performance is not an indicator of future performance. Returns for periods of one year or more are annualised.

TOP HOLDINGS

Top 5 Holdings (Alphabetical)

ARB Corporation Ltd
Chalice Mining Ltd
City Chic Collective
Uniti Group Ltd
Virgin Money UK PLC

SECTOR ALLOCATION



Source: 8IP and Bloomberg.

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

next 12 months should see strong sales growth.

PLS and LYC benefited from the increased momentum of the EV market. Renewable energy has played an increasingly noticeable part in capital markets in the last 12 months. Exposure to green economy plays, given the strength of the underlying thematic, is important, but valuations are currently high. We think there is potential for stocks in the space to run for a while but are mindful of valuation and the increasing tendency for capital to rotate out of large producers and into more speculative, higher-cost projects. We will be cautious in that space.

Underperformers over the month were HUB24 (HUB; -15.6%), Megaport (MP1; -9.8%) and Tamboran (TBN; -17.5%). HUB and MP1 both traded down from all-time highs reached in June as interest rates reduced. We have high conviction in both. Tamboran is a new stock, having come to market via an IPO process early in the month. It listed at 40cps and disappointingly sold down to 35cps in July. The business is a gas explorer with assets in the Northern Territory, and an excellent, proven management team.

Drill results are imminent and hopefully these will assist the stock's performance.

Outlook

Australian lockdowns are looking to resolve with vaccinations as opposed to eradication of the virus. Overseas, normalisation is already well underway in developed economies. In preparation for reporting season, we note that analyst expectations appear high in many stocks which outperformed at the first half. We've given ourselves exposure to the obvious M&A boom underway, maintained and added to our position in battery materials, and increased our weighting in insurance names likely to benefit from continued rate hardening. The environment remains at best neutral for our style – low rates are supportive of valuations, but the market retains a distinct value-style bias. Our processes have delivered long run out-performance and will remain unchanged.

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, 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.



EIGHT INVESTMENT PARTNERS

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: EOT). 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.