



8IP AUSTRALIAN SMALL COMPANIES FUND

Fund Update: September 2021

KEY FACTS

INCEPTION DATE	Current Portfolio Team commenced 1/10/2012
NO OF STOCK HOLDINGS	62
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 30/09/2021	Buy Price: \$1.2237 Sell Price: \$1.2139

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 +13.45%, and outperformance of +5.31% p.a. (net).

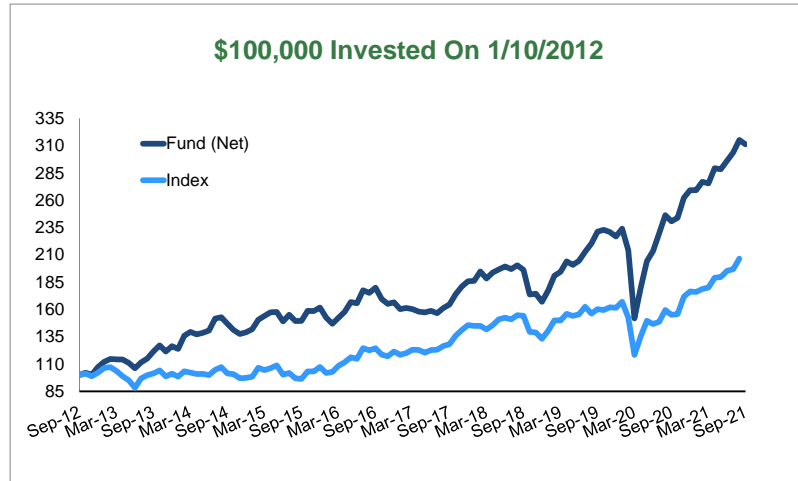
The Fund is rated Investment Grade by Lonsec Research - please contact 8IP for more information.

Commentary

The fund returned -1.28% post-fees in September, +0.85% against the index. Quarterly performance was +5.07%, +1.64% relative. Calendar year-to-date performance sits at +15.60%.

In a choppy market, our best performers were Tamboran (TBN, +56.5%), Lifestyle Communities (LIC, +12.8%) and Cogstate (CGS, +26.4%). We spoke about TBN's improved performance last month; at time of writing it has recovered to just below the issue price. We were able to add to our position near the bottom. LIC has continued to appreciate after its very strong result. The stock should benefit from a reopening. CGS is a new position for the fund. It is developing mobile (i.e testing *in situ* at the GP or home) application-based

PERFORMANCE



Note: Returns sourced from 8IP and S&P/ASX as on 30/09/2021 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 - %)	-1.28%	5.07%	12.98%	29.26%	16.61%	11.57%	13.45%
S&P/ASX Small Ordinaries Accumulation Index (%)	-2.14%	3.44%	12.23%	30.41%	9.43%	10.18%	8.13%
Active Return (net of fees - %)	0.85%	1.64%	0.76%	-1.15%	7.18%	1.39%	5.31%

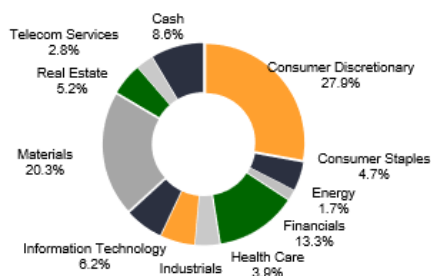
Net of fees returns is the Fund return after the deduction of ongoing fees and expenses based on end of month redemption prices assuming the reinvestment of all distributions. Past performance is not an indicator of future performance. Returns for periods of one year or more are annualised.

TOP HOLDINGS

Top 5 Holdings (Alphabetical)

City Chic Collective
Corporate Travel Management
Hub24
Lifestyle Communities
Webjet Limited

SECTOR ALLOCATION



Source: 8IP and Bloomberg.

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

Alzheimer's testing. Alzheimer's diagnosis and treatment is receiving increasing attention from Big Pharma, and we think CGS is well positioned to take advantage of the momentum in the space.

Worst performers were Uniti Group (UWL; -7.6%), ProMedicus (PME; -9.4%) and Bellevue Gold (BGL; -10.5%). UWL traded down following unexpected press reports that an Executive Director faces charges related to trading in another stock. The Director has stated he will defend the action. The company's response was good, and we don't believe the incident presents a risk to future earnings. Clearly, we will continue to monitor the situation. PME's valuation pulled back over the month following a strong August result. We've held the stock for several years - it trades at a high multiple (reflective of its very high quality) and as such is prone to some choppiness. We are used to this, and recent contract announcements point to continued business strength. BGL sold down in a relatively weak recent gold price environment, and following a capital raising of approximately \$131m which sees it fully funded to production. The cap raise came alongside a better than expected second stage Feasibility Study and we continue to expect the size of the high-grade resource to expand.

Outlook

The market is focused on weaknesses in the global macro story. Bond yields, the USD and energy prices have all moved up, each of which tends to act as what our economic advisers term a "growth tax". US economic growth updates have been weaker than expected and the prospects for President Biden's stimulus package are uncertain. Additionally, the China growth outlook appears at risk given debt levels and negative demographics and markets have continued to decline.

The Australian reopen is the obvious trade of the moment, alongside rising energy prices as global movement normalises against weak supply. We are finding stocks where the market is perhaps underestimating forward earnings momentum, but it is difficult to find them at a low price. We retain a balanced portfolio as we've done for much of the past twelve months.

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. 8iP Small Companies Fund's Target Market Determination is available here at <https://www.8ip.com.au/australian-small-companies-fund/>. A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.