



8IP AUSTRALIAN SMALL COMPANIES FUND

Fund Update: July 2022

KEY FACTS

INCEPTION DATE	Current Portfolio Team commenced 1/10/2012
NO OF STOCK HOLDINGS	63
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 31/07/2022	Buy Price: \$0.7336 Sell Price: \$0.7300

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 8.90% per annum, outperforming by 3.03% p.a.

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

Commentary

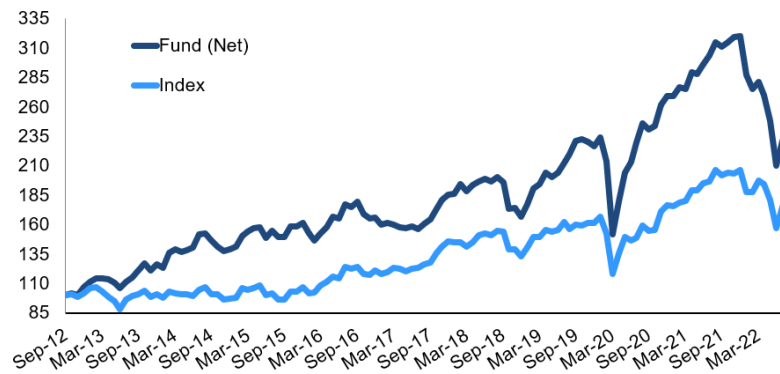
July saw a strong rebound in global and local equity markets. The fund returned 9.97% post fees in July, -1.46% against the benchmark, which added 11.43%. Our best performers were Megaport, Lovisa and Johns Lyng Group.

Megaport (MP1, +77.8%) experienced strong price appreciation after reporting an improved fourth quarter result. Momentum appears to be returning with the company reporting significantly increased recurring revenue. We have increased confidence in the direct-indirect strategy after doing our homework into the result.

Lovisa (LOV, +28.89%) rallied through the month on no company specific news. Though a retailer, LOV is more insulated

PERFORMANCE

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



Note: Returns sourced from 8IP and S&P/ASX as on 31/07/2022 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)	9.97%	-14.36%	-19.59%	-23.89%	2.81%	8.11%	8.90%
S&P/ASX Small Ordinaries Accumulation Index	11.43%	-9.94%	-6.63%	-10.93%	2.55%	7.30%	5.87%
Active Return (net of fees)	-1.46%	-4.42%	-12.96%	-12.96%	0.26%	0.81%	3.03%

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)

Johns Lyng Group

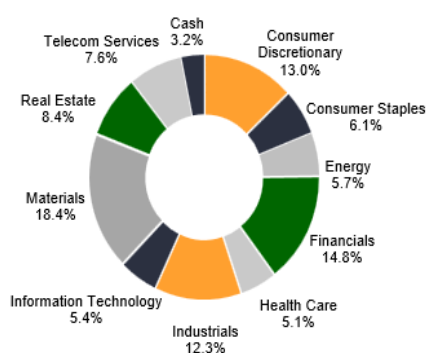
Lovisa Holdings

Megaport

Paladin Energy

SCA Property Group

SECTOR ALLOCATION



Source: 8IP and Bloomberg.

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



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.

than peers against a weakening consumer. Its unit economics are exceptional. We expect an acceleration in its store rollout, an aim of the new CEO.

Johns Lyng Group (JLG, +31.36%), a recent addition to our portfolio, outperformed following an earnings upgrade and the likelihood of further upward revisions given recent severe weather in NSW. Readthroughs from domestic insurers note the expectation of continued LaNina weather patterns; we expect improved understanding of the company's US strategy will be a catalyst following its September investor day.

Our worst performers were Elders, Champion Iron and Ridley.

Elders (ELD, -10.41%) and Ridley (RIC, -5.59%) were weaker after reports surfaced that Foot-and-mouth disease (FMD) had been detected in Indonesia and the corollary that Australia's risk of infection has risen. The companies and government, however, have stated that the increase in risk to the domestic cattle industry is low, and a swift response has mitigated any incremental threat.

Champion Iron (CIA, -10.95%) fell as Iron Ore slid -4.08% (MoM) closing at US\$117.5 per tonne. Several factors contributed including softer June steel production out of China (-6% MoM),

weaker economic growth expectations and negative reports in relation to Chinese property developers.

Outlook

Equity markets remain highly uncertain with the key variables (Fed, Geopolitical, Inflation) largely unchanged. Assets which had become oversold against their fundamental values rose strongly over the month. Into reporting season, we have increased our holdings in stocks where earnings are most predictable – this means preferring companies less exposed to macro trends (even though no company is completely insulated from its environment).

Earnings reports out of the US this month suggested a relatively strong consumer and profit margins impacted by higher input costs. Falling commodity markets should help the situation somewhat in coming months. How robust consumers will remain over the course of the next 6-12 months is uncertain. We note that the bond market is allowing for a reduction in US rates in early 2023, suggesting the potential for an early abatement in inflation. We are limiting how aggressively we position because so much remains unpredictable and emphasising individual stock-picks.

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:	0.95% p.a. including GST
Performance Fee:	20% over hurdle
Minimum Investment:	\$5,000



8IP is a boutique investment group with offices in Brisbane and Sydney. 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 above the 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 07 3155 6509 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.