



8IP AUSTRALIAN SMALL COMPANIES FUND

Fund Update: January 2023

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 31/01/2023	Buy Price: \$0.7353 Sell Price: \$0.7317

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 8.47% per annum, outperforming by 2.66% p.a.

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

Commentary

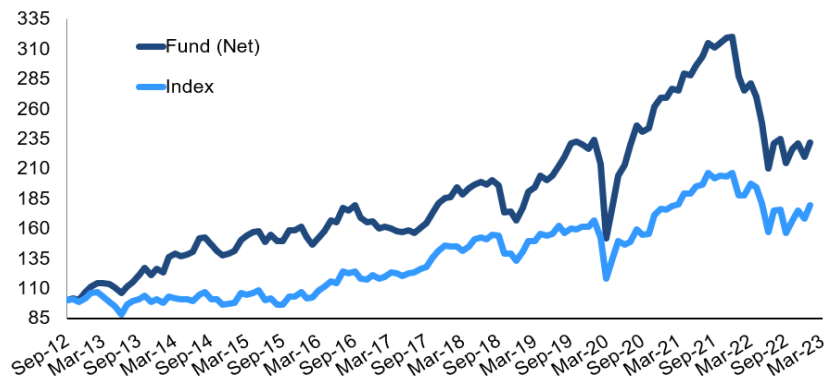
January saw local and global equity markets rebound strongly with the fund returning +5.46% after fees, -1.09% against the benchmark which posted a return of +6.56%. Our best performers were Pro Medicus, De Grey Mining and Boss Energy.

Pro Medicus (PME, +20.97%) outperformed considerably throughout the month signing two new deals worth \$A37 million. These contracts reflect increasing organic sales momentum within the business and further validate our view that the company is one of the highest quality growth investments in our universe.

De Grey Mining (DEG, +15.95%) traded strongly benefiting from a higher gold

PERFORMANCE

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



Note: Returns sourced from 8IP and S&P/ASX as on 31/12/2022 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)	5.46%	2.29%	0.23%	-19.40%	-0.31%	4.47%	8.47%
S&P/ASX Small Ordinaries Accumulation Index	6.56%	7.64%	2.35%	-4.44%	2.41%	4.35%	5.81%
Active Return (net of fees)	-1.09%	-5.34%	-2.11%	-14.97%	-2.72%	0.12%	2.66%

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)

AUB

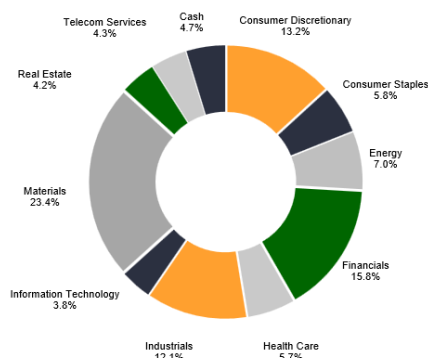
Charter Hall Long Wale

GQG Partners

HUB24

Pro Medicus

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.

price (+6.52%) and weaker US dollar (-3.42%). The company also released its December quarterly report which showed the company is on track to complete its DFS in mid-2023.

Boss Energy (BOE, +20.66%) bounced after being sold off heavily the previous month helped by a firmer uranium price (~+4.38%). The company also released its December quarterly which showed that the restart of the Honeymoon mine is on time and on budget with first production targeted in 4QCY23.

Our worst performers were Austal, OFX Group and Jervois.

Austal (ASB, -20.19%) sold off heavily after announcing a disappointing and unexpected downgrade to earnings. The reduction was on the back of increased costs in the construction of US T-ATS vessels. Whilst the company is engaging in cost recovery, the probability of this occurring is difficult to quantify, and additional business is maturing which may see margin risk. Given this we have since exited our position.

OFX Group (OFX, -17.23%) was weaker following the release of a mixed third quarter trading update. Whilst the company reiterated its full year guidance, the market focused on its slowing consumer segment which showed a 14% reduction QoQ. However, the higher quality corporate business unit performed well and the stock is not trading on a demanding multiple.

Jervois (JRV, -10.91%) underperformed throughout the month after releasing its

fourth quarter result. The company advised of construction delays and increased capex at their Idaho Cobalt operation and reported a weaker financial result at their Kokkola cobalt refinery. Cobalt prices were also weaker.

Outlook

Positive sentiment following softer inflation numbers and a dovish speech from Federal Reserve Chairman Sentiment reversed in early February. Job numbers surprised to the upside, leading economists to build in the potential for further interest rate rises. We continue to apply our process and are increasingly finding attractively priced ideas.

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



EIGHT INVESTMENT PARTNERS

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.