



8IP AUSTRALIAN SMALL COMPANIES FUND

Fund Update: February 2023

KEY FACTS

INCEPTION DATE	Current Portfolio Team commenced 1/10/2012
NO OF STOCK HOLDINGS	60
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 28/02/2023	Buy Price: \$0.7070 Sell Price: \$0.7034

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 8.00% per annum, outperforming by 2.61% p.a.

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

Commentary

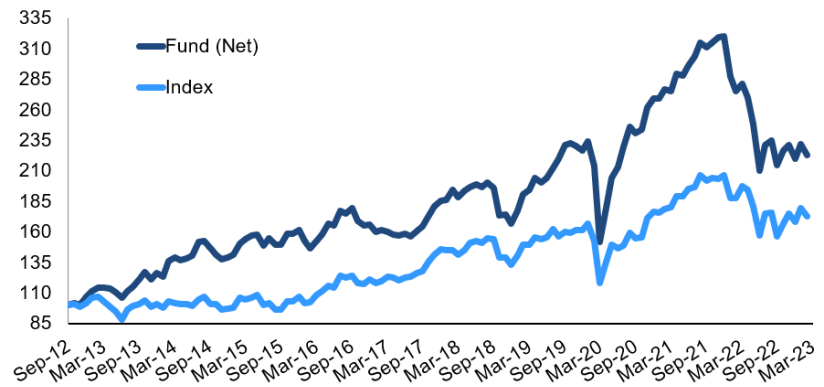
February saw local and global equity markets correct with the fund returning -3.87% after fees, -0.17% against the benchmark which posted a return of -3.70%. Our best performers were AUB, HUB24 and Ridley.

AUB (AUB, +17.44%) performed strongly after releasing an 8.5% beat against market expectations for their 1H23 net profit result and upgrading full year guidance for a second time. The result was assisted by positive trading conditions and the company's recent acquisition, Tysers, which performed ahead of expectations.

HUB24 (HUB, +11.33%) continued its upward trajectory reporting a strong 1H23 result. Whilst the result was

PERFORMANCE

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



Note: Returns sourced from 8IP and S&P/ASX as on 28/02/2023 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)	-3.87%	-3.82%	-5.07%	-19.03%	1.32%	2.71%	8.00%
S&P/ASX Small Ordinaries Accumulation Index	-3.70%	-1.21%	-2.01%	-7.97%	4.24%	3.56%	5.39%
Active Return (net of fees)	-0.17%	-2.61%	-3.07%	-11.07%	-2.92%	-0.85%	2.61%

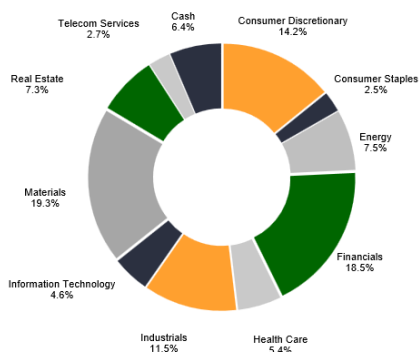
Net of fees returns is the Fund return after the deduction of ongoing fees and expenses based on end of month redemption prices assuming the reinvestment of all distributions. Past performance is not an indicator of future performance. Returns for periods of one year or more are annualised.

TOP HOLDINGS

Top 5 Holdings (Alphabetical)

AUB
Charter Hall Long Wale
HUB24
Lovisa
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.

broadly in line with consensus expectations, top line growth surprised to the upside driven by higher-than-expected Funds Under Advice (FUA). The company continues to deliver on its stated goals, and we remain favourable on the long-term growth thematic for the platform division.

Ridley (RIC, +13.70%) traded positively after releasing its 1H23 result. All metrics were a beat to expectations with Revenue (+25% YoY), EBITDA (+13% YoY) and NPAT (+21% YoY). The outlook for the business was also firm with 2H23 EBITDA expected to improve on the prior period.

Our worst performers were Westgold Resources, PWR and Global Lithium.

Westgold (WGX, -21.81%) traded weaker on no company specific news, however, gold, was softer (-5.58%) and compounding this was the weakness in the AUD against the USD (-4.66%). These moves were somewhat driven by higher cash rate expectations being priced in to curb persistent inflationary pressures.

PWR (PWH, -17.8%) corrected throughout the month on a 1H23 result which looked at face value a miss to market expectations. However, once you add back revenue which was written just post half year end, the earnings result was in line with consensus. We are still highly favourable of the company which has had a strong price performance since June 2022 and continued to hold our position.

Global Lithium (GL1, -32.46%) was sold off aggressively in line with the overall lithium sector as benchmark lithium prices continued to fall on a weakening demand picture for electric vehicles. In company specific news, GL1 released an economically positive scoping study for its Manna project in WA.

Outlook

Softer inflation numbers and a dovish speech from Federal Reserve Chairman early February reversed the previous positive sentiment in January. Job numbers surprised to the upside, leading economists to build in the potential for further interest rate rises.

At time of writing, problems in the global banking system have caused upheaval in stock and bond markets. Though creating lots of volatility, such issues are symptomatic of the ongoing unwinding of global liquidity which should lead to reduced global inflation (as well as growth) leading many to conclude the Fed's tightening cycle is nearing an end. This would mark an important point in this cycle and bring the end of the bear market a significant step nearer.

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.