

Eiger Australian Small Companies Fund

ARSN 631 961 398 APIR HOW2967AU

Monthly Fact Sheet October 2020

Fund Performance

Eiger Australian Small Companies Fund Performance (after fees) as at 31 Oct 2020

Performance ¹	1 month %	3 months %	1 year %	3 years % p.a	5 years % p.a	7 years % p.a	Inception % p.a ²
Eiger Australian Small Companies Fund	2.24	6.89	7.65	-	-	-	12.86
S&P/ASX Small Ordinaries Accumulation Index	0.46	4.69	-2.40	-	-	-	3.06
Active return	1.78	2.20	10.05	-	-	-	9.80

¹ Returns are calculated after fees have been deducted and assume distributions have been reinvested. No allowance is made for tax when calculating these figures. Past performance is not a reliable indicator of future performance. Past performance figures that are less than 12 months are for informational purposes only and are not to be relied upon when considering the likely performance of the Fund. **Source: Fidante Partners Limited, 31 Oct 2020.**

² The inception date for the Fund is 26 March 2019

Track Record of Investment Strategy

Historical performance of the investment strategy applicable to the Fund³ - as at 31 Oct 2020

Performance	1 month %	3 months %	1 year %	3 years % p.a	5 years % p.a	7 years % p.a	Inception % p.a ³
Investment strategy	2.24	6.89	7.65	9.67	11.66	11.86	9.31
S&P/ASX Small Ordinaries Accumulation Index	0.46	4.69	-2.40	4.64	8.57	5.91	2.72
Active return	1.78	2.20	10.05	5.03	3.09	5.95	6.59

³Eiger Capital launched the Fund on 26 March 2019. Eiger Capital's Stephen Wood and Victor Gomes apply the same strategy to the Fund as they applied between 1 April 2011 and 31 March 2019 to a mandate they managed whilst at another large asset management firm, including the same investment process, methodology and investment universe. For information purposes, we have provided the historical performance of the strategy since 1 April 2011. The strategy's performance represented here is on an after fees basis, whereby returns are adjusted to reflect the Fund's fees as if applied throughout the relevant performance period of the strategy. **Source: Fidante Partners Limited, 31 Oct 2020.**

Fund facts

Portfolio managers	Stephen Wood, Victor Gomes, David Haddad
Fund inception date	26 March 2019
Investment objective	The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over rolling five year periods (after fees).
Management fee	1.00%
Performance fee	20% of the Fund's daily return (after fees and expenses and after adding back any distributions paid) above the Performance Benchmark. ⁴
Buy/sell spread	+0.40% / -0.40%
Fund size	\$15.7M
Distribution frequency	Quarterly

⁴The Benchmark for the Fund is the S&P/ASX Small Ordinaries Accumulation Index

Fund features

Concentrated: A best-ideas portfolio of small company opportunities. Typically 30-40 stocks, diversified across industry sectors and actively risk managed.

Nursery for future leaders: We focus on identifying small companies with potential to strongly compound up growth over the medium term regardless of economic cycles. We prefer companies that have enduring quality-based franchise factors.

Experienced and aligned: The investment team has more than 60 years of combined industry experience. We have materially invested in the Fund alongside our clients and also own a majority of equity in Eiger Capital.

Disciplined and proven process: We take a longer term view than the market, intrinsically valuing small companies using our proprietary 6 year cashflow-based valuation model. We then apply our "9 Commandments" qualitative investment rules, distilled from our 60 years of industry experience. This proven investment process has delivered our clients strong long term investment returns through varying phases of equity markets.

Top 3 active positions (alphabetical)

Lifestyle Communities Ltd
Lynas Corporation
Technology One Limited

Stock attribution (alphabetical)

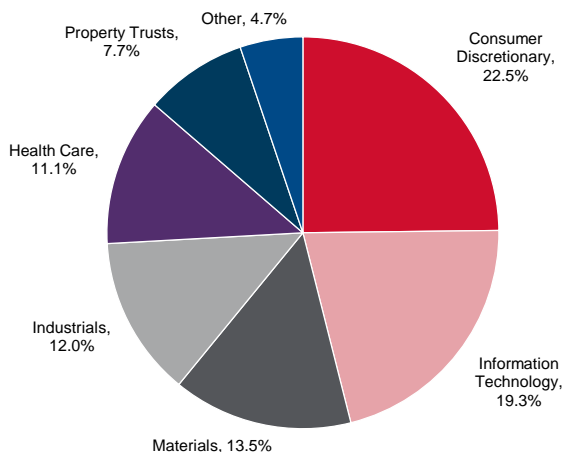
Top contributors (month)

Lynas Corporation
Mesoblast Limited
Pilbara Minerals Ltd

Top detractors (month)

Catapult Group International Ltd
Marley Spoon AG
St Barbara Limited

Asset allocation	Actual %	Range %
Security	90.81	90-100%
Cash	9.19	0-10%



Fund performance summary

The S&P/ASX Small Ordinaries Accumulation Index returned +0.46% for the month. The fund outperformed the market and delivered a +2.24% return over the month.

Contributors

Lynas Corporation (LYC)

China announced review of export controls and strong global EV (electric vehicle) sales.

Mesoblast Limited (MSB)

Failure to get FDA approval for flagship drug.

Pilbara Minerals Ltd (PLS)

Strong global EV sales and bid for Altura Mining (in receivership).

Detractors

Catapult Group International Ltd (CAT)

Nothing specific. Possible concern around COVID outbreaks impacting Northern Hemisphere winter sport.

Marley Spoon AG (MMM)

Capital raising to fund growth.

St Barbara Limited (SBM)

Weaker than expected September quarter.

Market overview

The S&P/ASX Small Ordinaries Index (XSO) increased by 0.46% during October 2020. The Small Industrials increased by 0.61%, while the Small Resources decreased by 0.24%. XSO finished the month on a forecast FY22 price-to-earnings ratio of 18.4x which is 16% above its 5-year average. This valuation is 2% higher than the equivalent ratio for the ASX200.

The best performing sectors were: Metals & Mining - Other, (+16.4%), Automotive (+14.3%), Banks (+11.9%), Metals & Mining – Base Metals (+9.4%) and Financial Services (6.1%). The worst performing sectors during October were Biotechnology (-24.7%), Chemicals (-10.7%), Metals & Mining - Precious (-8.3%) and Telecommunications (-6.3%).

The best performing stocks within the XSO Index were ioneer (INR, +46%), Nickel Mines (CTD, +33%), Pilbara Minerals (PLS, +29%) and Virgin Money (IEL, +27%). ioneer, Nickel Mines and Pilbara are all exposed to battery materials for electric vehicles. The sales of electric vehicles have been strong in China and Europe despite the COVID downturn. Virgin Money rebounded from an 80% decline over the last 18 months.

The worst performing stocks in the XSO index were Mesoblast (MSB, -40%), Opthea (OPT, -24%) and Mayne Pharma (MYX, -23%). Mesoblast failed to secure FDA (US Food and Drug Administration) approval for its headline treatment and looks likely to have to undertake a lengthy and expensive additional trial.

Market outlook

The market and economic outlook are dominated by the rate of recovery from COVID-19. The economic damage measured by rises in unemployment is likely to be significant in a historical context. However, the depth of this impact and whether the recovery is steep or slow or in fact W shaped will keep markets guessing for the near future. The acceleration or re-emergence of COVID cases in many places is now a concern with lockdowns across Europe. We believe whatever the shape of the downturn and recovery that interest rates will remain low and debt will remain very high.

The ongoing trade dispute between the US and China has become more pronounced during the COVID-19 lockdown period. At the time of writing the outcome of the US elections is unknown as is the direction of the relationship between the US and China. In recent days there have been additional impact on Australian exports to China.

Resources and their related mining services suppliers are also dependent on the US\$/A\$ exchange rate. The A\$ is currently trading at around US0.72c. The A\$ seems to have established a post COVID-19 trading range of US0.70c to US0.73c and it will be beneficial for exports if this continues. The farming community also looks set to significantly benefit from record crops across Australia following best in a decade condition. The biggest concern at present seems to be finding enough people to pick the crops given COVID restrictions.

For further information, please contact:

Fidante Partners Investor Services | p: 13 51 53 | e: info@fidante.com.au | w: www.fidante.com.au

Unless otherwise specified, any information contained in this publication is current as at the date of this report and is provided by Eiger Capital Limited ABN 72 631 838 607 AFSL 516 751 (Eiger Capital), the investment manager of the Eiger Australian Small Companies Fund ARSN 631 961 398 (**Fund**). Fidante Partners Limited ABN 94 002 835 592 AFSL 234 668 (**Fidante Partners**) is the responsible entity and issuer of interests in the Fund. The information in this publication should be regarded as general information and not financial product advice, and has been prepared without taking into account of any person's objectives, financial situation or needs. Because of that, each person should, before acting on any such information, consider its appropriateness, having regard to their objectives, financial situation and needs. Each person should obtain and consider the Product Disclosure Statement (PDS) and any additional information booklet (AIB) for the Fund before deciding whether to acquire or continue to hold an interest in the Fund. A copy of the PDS and AIB can be obtained from your financial adviser, our Investor Services team on 13 51 53, or on our website www.fidante.com.au. Please also refer to the Financial Services Guide on the Fidante Partners website. Past performance is not a reliable indicator of future performance. Neither your investment nor any particular rate of return is guaranteed. The information contained in this document is not intended to be relied upon as a forecast and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy, nor is it investment advice. If you acquire or hold the product, we, Fidante Partners or a related company will receive fees and other benefits which are generally disclosed in the PDS or other disclosure document for the Fund. Neither Fidante Partners nor a Fidante Partners related company and its respective employees receive any specific remuneration for any advice provided to you. However, financial advisers (including some Fidante Partners related companies) may receive fees or commissions if they provide advice to you or arrange for you to invest in the Fund. Eiger Capital, some or all Fidante Partners related companies and directors of those companies may benefit from fees, commissions and other benefits received by another group company.