

Eiger Australian Small Companies Fund

ARSN 631 961 398 APIR HOW2967AU

Monthly Fact Sheet February 2021

Fund Performance

Eiger Australian Small Companies Fund Performance (after fees) as at 28 Feb 2021

| 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 | 3.70 | 11.91 | 32.65 | - | - | - | 20.93 |
| S&P/ASX Small Ordinaries Accumulation Index | 1.55 | 4.08 | 17.18 | - | - | - | 10.15 |
| Active return | 2.16 | 7.82 | 15.47 | - | - | - | 10.78 |

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, 28 Feb 2021.**

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 28 Feb 2021

| 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 | 3.70 | 11.91 | 32.65 | 13.24 | 15.76 | 13.73 | 10.90 |
| S&P/ASX Small Ordinaries Accumulation Index | 1.55 | 4.08 | 17.18 | 7.23 | 11.71 | 8.14 | 4.06 |
| Active return | 2.16 | 7.82 | 15.47 | 6.01 | 4.04 | 5.59 | 6.83 |

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, 28 Feb 2021.**

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 | \$29.8M |
| 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)

AP Eagers Limited
IDP Education Ltd
Pilbara Minerals Ltd

Stock attribution (alphabetical)

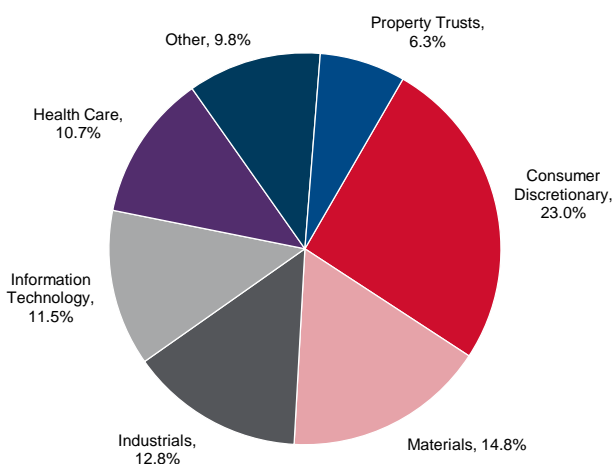
Top contributors (month)

IDP Education Ltd
Lynas Rare Earths Ltd
Starpharma Holdings Limited

Top detractors (month)

Redbubble Ltd
Virgin Money UK PLC
Zip Co Ltd

| Asset allocation | Actual % | Range % |
|------------------|----------|---------|
| Security | 88.83 | 90-100% |
| Cash | 11.17 | 0-10% |



Fund performance summary

The S&P/ASX Small Ordinaries Accumulation Index returned +1.55% for the month. The fund outperformed the market and delivered a +3.70% return over the month.

Contributors

IDP Education Ltd (IEL)

Better than expected interim result. International student market continues to recover.

Lynas Rare Earths Ltd (LYC)

Deal with US Department of Defence to expand operation in Texas. Firming rare earth prices.

Starpharma Holdings Limited (SPL)

European approval for Viraleze anti COVID-19 spray.

Detractors

Redbubble Ltd (RBL)

Interim result impacted by weaker than expected 2Q margins.

Virgin Money UK PLC (VUK)

Positive 1Q trading update.

Zip Co Ltd (Z1P)

Strong customer growth delivered at interim result.

Market overview

The S&P/ASX Small Ordinaries Index (XSO) increased by a 1.55% during February 2021. The Small Industrials increased by 1.40%, while the Small Resources increased by 2.22%. XSO finished the month on a forecast FY22 price to earnings (P/E) ratio of 21.1x which is 30% above its 5-year average. This valuation is a 13% premium to the ASX200.

The best performing sectors were: Metals & Mining – Base, (+14.2%), Metals & Mining - Other (+13.2%), Consumer Discretionary (+12.4%), Financial Services (+8.1%) and Media (6.7%). The worst performing sectors during February were Engineering & Mining Services (-10.5%), Metals & Mining - Precious (-10.1%), Banks (-7.7%) and IT Products & Services (-6.4%).

The best performing stocks within the XSO Index were Zip Co (Z1P, +52%), Starpharma (SPL, +43%), Virgin Money (VAH, +43%) and Pact (PGH, +37%). Zip announced that its US subsidiary was growing faster than expected. Starpharma received European approval for its Viraleze nasal spray which can prevent COVID-19 from passing to the lungs via nasal passages.

The worst performing stocks in the XSO index were Service Stream (SSM, -38%), Bellevue Gold (BGL, -28%) and NRW (NWH, -26%). NWH delivered a worse than expected interim result. Bellevue Gold is exposed to a gold price that has been weak for a few months.

Market outlook

The market and economic outlook are dominated by the rate of recovery from COVID-19 and vaccine rollout rates. Currently markets are anticipating a strong recovery in industrial production in 2021. In the UK and North America, in particular, there is a race to rollout vaccines as fast as possible. Infection rates in those countries now appear to be falling rapidly. We believe whatever the shape of the downturn and recovery that interest rates will remain relatively low and debt will remain very high despite recent ructions in the global bond markets.

The ongoing trade dispute between The US and China has become more pronounced during the COVID-19 lockdown period. The election of Joe Biden as the new US President has led to a pause while markets wait to see what path the new administration in The US will take on the China trade dispute. Australia is caught up in this dispute with several exports targeted. Despite this commodity prices are rising, particularly LNG and thermal coal, key exports for Australia. Iron ore has remained strong throughout the quarter.

Resources and their related mining services suppliers are also dependent on the US\$/A\$ exchange rate. The A\$ is currently trading around US\$0.77c. The A\$ has strengthened as optimism on world growth in 2021 has improved. The farming community also looks set to significantly benefit from record crops across Australia following best in a decade growing conditions. Despite the China trade bans there seems to be

significant demand for the record Australian wheat crop and barley. Wine exports, the initial focus of China imports tariffs, have also held up much better than expected. The biggest concern at present seems to be finding enough people to pick the crops.

For further information, please contact:

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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.