

Eiger Australian Small Companies Fund

ARSN 631 961 398 APIR HOW2967AU



Monthly Fact Sheet April 2022

Fund Performance

Eiger Australian Small Companies Fund Performance (after fees) as at 30 Apr 2022

Performance ¹	1 month %	3 months %	1 year %	2 years % p.a	3 years % p.a	5 years % p.a	10 years % p.a	Inception % p.a ²
Eiger Australian Small Companies Fund	-6.54	-4.53	-0.52	23.32	13.45	-	-	14.21
S&P/ASX Small Ordinaries Accumulation Index	-1.50	3.68	2.91	19.98	7.64	-	-	9.16
Active return	-5.04	-8.21	-3.43	3.34	5.81	-	-	5.05

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, 30 Apr 2022.**

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 30 Apr 2022

Performance	1 month %	3 months %	1 year %	2 years % p.a	3 years % p.a	5 years % p.a	10 years % p.a	Inception % p.a ³
Investment strategy	-6.54	-4.53	-0.52	23.32	13.45	13.43	11.77	10.14
S&P/ASX Small Ordinaries Accumulation Index	-1.50	3.68	2.91	19.98	7.64	9.63	5.96	4.43
Active return	-5.04	-8.21	-3.43	3.34	5.81	3.80	5.81	5.72

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, 30 Apr 2022.**

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	\$312.8M
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)

ARB Corp Ltd
 Johns Lyng Group Ltd
 Pilbara Minerals Ltd

Stock attribution (alphabetical)

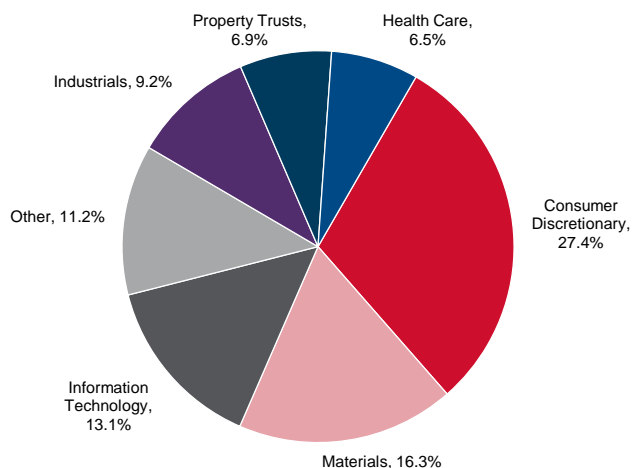
Top contributors (month)

Elders Ltd
 Flight Centre Travel Group Limited
 Megaport Ltd

Top detractors (month)

EML Payments Limited
 Life360 Inc
 Lynas Rare Earths Ltd

Asset allocation	Actual %	Range %
Security	90.66	90-100%
Cash	9.34	0-10%



Fund performance summary

The S&P/ASX Small Ordinaries Accumulation Index returned -1.50% for the month. The fund underperformed the market and delivered a -6.54% return over the month.

Contributors

Elders Ltd (ELD)

Record crops and prices fuelling optimism in rural sector.

Flight Centre Travel Group Limited (FLT)

Ongoing strength in travel rebound.

Megaport Ltd (MP1)

Not held by the fund.

Detractors

EML Payments Limited (EML)

Downgraded guidance.

Life360 Inc (360)

Market concern at negative operating cash flow in 1Q (overdone in our view).

Lynas Rare Earths Ltd (LYC)

Stabilising near long term highs.

Market overview

The S&P/ASX Small Ordinaries Index (XSO) was down 1.5% during April 2022. The Small Industrials decreased by 2.2%, while the Small Resources increased by 0.1%. XSO finished the month on a 2yr forecast price to earnings (P/E) ratio of 16.4x which is 4% below its 5-year average. This valuation is a 3.1% premium to the ASX200.

The best performing sectors were: Metals & Mining - Steel, (+50%), Energy (+36.9%), Agricultural Products (+16%) and Metals & Mining – Advanced Materials (+9.4%). The worst performing sectors during April were Financial Services (-21.3%), Aged Living (-22.1%), Retail (-26.1%), and Biotechnology (-39.4%).

The best performing stocks within the XSO Index were Sayona Mining (SYA, +33%), Select Harvests (SHV, +23%), Syrah Resources (SYR, +22%) and Graincorp (GNC-AU, +22%). Sayona and Syrah both benefitted from strong commodity prices. Sayona also published drilling update and a new Lithium discovery. Graincorp and Select Harvests both benefitted from strong soft commodity prices and favourable weather conditions.

The worst performing stocks in the XSO index were EML Payments (EML, -47%), Megaport (MP1, -38%), Life360 (360, -32%) and Kogan (KGN, -31%). We believe that Life360 was principally impacted by the rotation away from high growth, high valuation equities. We believe the Life360 quarterly update revealed ongoing strong growth. Kogan announced weaker sales due to weakened consumer demand, whilst Megaport guided to slowed growth in the short term.

Market outlook

World markets in one month have flipped from concern about the rate and trajectory of recovery from the Omicron COVID wave (excluding China) and the persistence of inflation to the impact of the Russian conflict in Ukraine. The conflict and associated sanctions, which continue to grow in scope, have had a major impact on commodity prices. Russia and Ukraine are major exporters of minerals, including aluminium, gold and energy. In addition, Russia has significant market share in the export of nickel, platinum and palladium. Russia and Ukraine are also major suppliers of soft commodities notably wheat. The prospect of significant price increases in commodity prices, particularly oil and gas, is highly likely to lift inflation expectations both in size and duration. Central banks are now in an unenviable position. The US bond market has strengthened as the markets grapple with a traditional flight to quality of \$US and the risk of an economic slowdown.

The price of hard and soft commodities and particularly energy, which had risen over the last 12 months, have now jumped significantly. Energy costs are likely to feed into widespread price rises if they persist at anything like spot levels. In addition, the ability of China to supply the world with a just-in-time supply on a huge range of consumer and intermediate goods had already been impacted by high shipping costs and now severe COVID lockdowns. These inflationary impacts seem unlikely to unwind quickly.

Out of all this volatility we can only conclude that, following a decade of reduced exploration and production investment, high quality commodity exposures are likely to be important investments in a portfolio.

For further information, please contact:

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This material has been prepared 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 a member of the Challenger Limited group of companies (Challenger Group) and is the responsible entity of the Fund. Other than information which is identified as sourced from Fidante in relation to the Fund, Fidante is not responsible for the information in this material, including any statements of opinion. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable to your circumstances. The Fund's Target Market Determination and Product Disclosure Statement (PDS) available at www.fidante.com should be considered before making a decision about whether to buy or hold units in the Fund. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Past performance is not a reliable indicator of future performance. Eiger Capital and Fidante Partners have entered into arrangements in connection with the distribution and administration of financial products to which this material relates. In connection with those arrangements, Eiger Capital and Fidante Partners may receive remuneration or other benefits in respect of financial services provided by the parties. Fidante is not an authorised deposit-taking institution (ADI) for the purpose of the Banking Act 1959 (Cth), and its obligations do not represent deposits or liabilities of an ADI in the Challenger Group (Challenger ADI) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Fidante. Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Accordingly, the performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any member of the Challenger Group.