

Eiger Australian Small Companies Fund

ARSN 631 961 398 APIR HOW2967AU



Monthly Fact Sheet August 2022

Fund Performance

Eiger Australian Small Companies Fund Performance (after fees) as at 31 Aug 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	3.20	2.59	-19.00	8.34	9.28	-	-	10.76
S&P/ASX Small Ordinaries Accumulation Index	0.58	-2.59	-14.66	5.13	4.09	-	-	5.14
Active return	2.63	5.18	-4.34	3.21	5.19	-	-	5.62

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 Aug 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 31 Aug 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	3.20	2.59	-19.00	8.34	9.28	10.95	12.00	9.25
S&P/ASX Small Ordinaries Accumulation Index	0.58	-2.59	-14.66	5.13	4.09	6.85	6.29	3.39
Active return	2.63	5.18	-4.34	3.21	5.19	4.10	5.72	5.86

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 Aug 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	\$321.1M
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)

Life360 Inc
Lifestyle Communities Ltd
Pilbara Minerals Ltd

Stock attribution (alphabetical)

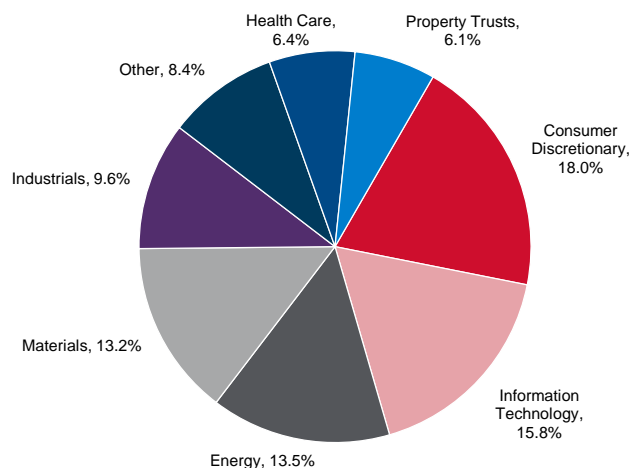
Top contributors (month)

Life360 Inc
Pilbara Minerals Ltd
Whitehaven Coal Ltd

Top detractors (month)

ARB Corp Ltd
Liontown Resources Ltd
NEXTDC Ltd

Asset allocation	Actual %	Range %
Security	91.12	90-100%
Cash	8.88	0-10%



Fund performance summary

The S&P/ASX Small Ordinaries Accumulation Index returned +0.58% for the month. The fund outperformed the market and delivered a +3.20% return over the month.

Contributors

Life360 Inc (360)

Tech sector rebound

Pilbara Minerals Ltd (PLS)

Strong cash flow

Whitehaven Coal Ltd (WHC)

Strong cash flow

Detractors

ARB Corp Ltd (ARB)

Cautious market response

Liontown Resources Ltd (LTR)

Project update.

NEXTDC Ltd (NXT)

Market concern around supply constraints

Market overview

The S&P/ASX Small Ordinaries Index (XSO) was up 0.58% during August. The Small Industrials decreased by 1.04%, while the Small Resources increased by 5.55%. The XSO finished the month on a 2yr forecast P/E ratio of 16.1x which is 5.5% below its 5-year average. This valuation is a 3.5% premium to the ASX200.

The best performing sectors in August were: Metals & Mining – Advanced Materials (28.1%), Mining Services & Engineering (13.8%), Metals & Mining – Steel (9.5%), and Energy (6.5%). The worst performing sectors during the month were Banks (-18.4%), Telecommunications (-9.5%), Metals & Mining – Precious (-8.4%), and Real Estate Management & Development (-6.1%).

The best performing stocks within the XSO Index were Sayona Mining (SYA 51.3%), Nearmap (NEA 49.6%), Tyro Payments (TYR 47.7%), and Lake Resources (LKE 44.4%). Sayona's performance was driven by an update about its North American Lithium mine restart, Nearmap accepted a takeover offer from software investment firm Thoma Bravo, the market responded positively to Tyro's headcount management and improved FY23 guidance, and Lake Resources appears to have been buoyed by optimistic support for its Lithium project.

The worst performing stocks in the XSO index were PPK Group (PPK -42.7%), Redbubble (RBL -39.8%), Appen (APX -35.7%), and Service Stream (SSM -30.5%). The market continued to sell off PPK to ~\$1.5 from its October 2021 high of ~\$20, Redbubble reversed its July gains after providing increased cost guidance, Appen updated its pre-reported results with weakened guidance, and Service Stream disappointed the market with its FY22 results and lack of guidance.

Market outlook

World markets continue to be concerned about the rate and trajectory of recovery from the Omicron COVID wave in China and the ever-increasing concerns around inflation. Central banks are now in an unenviable position. They need to stamp out a worldwide inflation outbreak while growth is weakening, and geopolitical risk is very high. We continue to monitor the risk of recession closely and note a significant increase in mention and discussion of this theme across the market.

The price of hard and soft commodities and particularly energy, have risen significantly over the last 12 months. Energy costs have begun to feed into widespread price rises further driving inflation. 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 persistent COVID lockdowns. These inflationary impacts will need to unwind quickly to avoid an inflation/wage cost spiral.

During the last six months equity markets have compressed the premium valuation of growth and tech stocks. Tech stocks, which often have no earnings, have been hit particularly hard as interest rates have risen. We believe the focus of equity markets is now likely to shift to who can manage cost pressures - whether a company is viewed as low growth, high growth, or loss-making tech. We believe a wave of earnings downgrades

is possibly already underway with resources companies reporting significant cost pressures.

The August report season was, overall, better than expected. However, we remain very wary as we believe that general economic conditions continue to deteriorate.

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.