Eiger Australian Small Companies Fund

March 2024

Fund Performance[1]

Eiger Australian Small Companies Fund Performance (net of fees) as at 31 March 2024

	1 month %	3 month %	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 (net)	4.4	8.1	11.9	-0.1	3.4	9.8	-	10.0
S&P/ASX Small Ordinaries Accumulation Index	4.8	7.5	13.8	-0.6	2.7	5.4	-	5.6
Active return	**-0.4**	**0.6**	**-1.9**	**0.5**	**0.7**	**4.4**	**-**	**4.4**

Track Record of Investment Strategy

Historical performance of the investment strategy applicable to the Fund[3] (net of fees) as at 31 March 2024

	1 month %	3 month %	1 year %	2 years % p.a	3 years % p.a	5 years % p.a	10 years % p.a	Inception % p.a[3]
Investment strategy (net)	4.4	8.1	11.9	-0.1	3.4	9.8	10.5	9.1
S&P/ASX Small Ordinaries Accumulation Index	4.8	7.5	13.8	-0.6	2.7	5.4	6.7	3.8
Active return	**-0.4**	**0.6**	**-1.9**	**0.5**	**0.7**	**4.4**	**3.8**	**5.3**

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.
Source: Fidante Partners Limited, 31 March 2024.

2 The inception date for the Fund is 26 March 2019.

3 Eiger 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 March 2024.

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	$402.5M
Distribution frequency	Quarterly

Fund features

Concentrated

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

Nursery for future leaders

We focus on identifying small and medium 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.

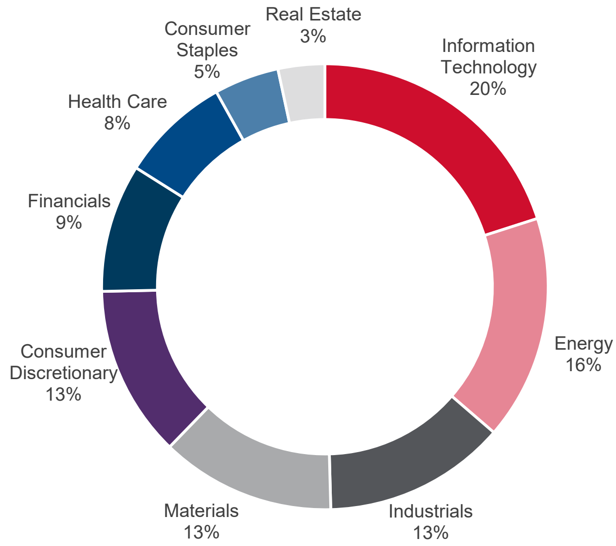
Disciplined and proven process

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
NextDC
Technology One

Stock attribution (alphabetical)	
Contributors	
Boss Energy	Positive industry tailwinds
Life360	Strong annual result, advertising opportunity
NextDC	Strong result, positive industry tailwinds
Detractors	
Domino's Pizza	Earnings downgrade
Lifestyle Communities	Surprise capital raising
Ryman Healthcare	Sales downgrade

Asset allocation	Actual %	Range %
Security	92.7	90-100%
Cash	7.3	0-10%



4 The Performance Benchmark is the daily return of the S&P/ASX Small Ordinaries Accumulation Index.

Fund performance summary

The S&P/ASX Small Ordinaries Accumulation Index returned 7.5% for the quarter. The fund outperformed the market and returned 8.1% (net) over the same period.

Market overview

The S&P/ASX Small Ordinaries Index (XSO) increased by 7.5% during the quarter. The Small Industrials increased by 9.6%, while the Small Resources also increased by 1.4%. The XSO finished the month on a 2yr forecast P/E ratio of 17.0x which is 1.6% below its 5-year average. This valuation is a 3.4% premium to the ASX200.

The best performing sectors for the quarter were Retail (+20.8%), Banks (+20.7%), IT Products & Services (+19.2%) and Metals & Mining - Base & Industrial Metals (+15.2%). The worst performing sectors for the quarter were Metals & Mining - Critical Minerals (-25.0%), Metals & Mining - Steel (-13.3%), Infrastructure & Utilities (-2.7%) and Industrial Technology (-0.2%).

The best performing stocks within the XSO Index during the quarter were Zip (ZIP +118.9%), BrainChip (BRN +82.4%), Mesoblast (MSB +79.0%), and Life360 (360 +73.2%). ZIP reported 1H cash EBTDA of $31m vs a loss of $43m a year ago. BrainChip, apart from releasing its Akida 2.0 IP solution in the December quarter, is benefitting from the market interest in AI technology. Mesoblast was cleared by the FDA to resubmit its application for remestemcel-L. Life360 announced is intention to sell advertising to its very large free user base in addition to strong growth in its full year accounts.

The worst performing stocks in the XSO index were Leo Lithium (LLL -100%), SSR Mining (SSR -63.6%), Calix (CXL -57.3%), and Bowan Coking Coal (BCB -48%). Leo Lithium was removed from the XSO index under suspension. SSR Mining suffered a collapse of its heap leach pad in Turkiye. Calix continues to face delays in monetising its carbon reduction technologies. Bowan Coking Coal announced that the Bluff mine was transitioned to care and maintenance and sought a capital injection from New Hope Corp.

Market outlook

Global equity markets have continued to rally into the first quarter with the S&P500 up 10% this year, on top of the 11% climb in the final quarter of last year. While rate cut expectations have dominated the equity rally, the AI boom has provided a further tailwind for global indices. Chip designer, Nvidia added more than $1trn in market value during the first quarter, equivalent to one fifth of the gain in global stock markets over the period.

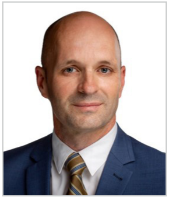
Stock valuations remain undeterred by the delay to rate cuts and are buoyant on more resilient economic data and earnings than anticipated. Inflation has moderated but appears sticky at current levels given elevated housing, core services and wage inflation. Despite this, more dovish rhetoric from Central Banks in recent weeks has underpinned market confidence in rate cuts being months away. With the European economy on weaker footing in 2024 than previously expected, policymakers have signalled concern about risks to growth should rates remain at current levels. There is little sign of labour market weakness thus far in the US, Australia, and most developed markets. While consumer spending appears more value-oriented it continues to be buffered by job security on the back of historically low unemployment.

China remains burdened by an indebted real estate sector which continues to suppress consumer confidence. Measures by the government to stimulate homebuyer demand through rate cuts appear to have done little to boost consumer confidence. To cushion the impact of its property woes, China appears to be doubling down on manufacturing and domestic tech investment. Recent data for manufacturing and non-manufacturing PMI reflect some early signs of stabilisation in China however a trend would need to emerge to confirm this. Negative sentiment on China remains as globalisation unwinds, SOE credit fuelled growth can no longer be sustained, and a consumer-led recovery appears hopeful.

In equities, longer duration compound growth assets may be the better performers in the year ahead on peak rates and a weakening growth outlook. However, this assumes that long duration growth assets can continue to grow, which implies that their growth is structural.

Eiger Capital team

Stephen Wood
Principal and Portfolio Manager



Victor Gomes
Principal and Portfolio Manager

David Haddad
Principal and Portfolio Manager

For further information, please contact:

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