Eiger Australian Small Companies Fund

November 2023

Fund Performance[1]

Eiger Australian Small Companies Fund Performance (net of fees) as at 30 November 2023

	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)	2.6	-5.8	-2.0	-9.7	4.0	-	-	8.2
S&P/ASX Small Ordinaries Accumulation Index	7.0	-2.9	-3.2	-8.8	-0.5	-	-	2.9
Active return	**-4.4**	**-2.9**	**1.2**	**-0.9**	**4.5**	**-**	**-**	**5.3**

Track Record of Investment Strategy

Historical performance of the investment strategy applicable to the Fund[3] (net of fees) as at 30 November 2023

	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)	2.6	-5.8	-2.0	-9.7	4.0	8.2	10.3	8.5
S&P/ASX Small Ordinaries Accumulation Index	7.0	-2.9	-3.2	-8.8	-0.5	4.0	5.5	2.7
Active return	**-4.4**	**-2.9**	**1.2**	**-0.9**	**4.5**	**4.2**	**4.8**	**5.8**

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, 30 November 2023.

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, 30 November 2023.

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	$361.4M
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.

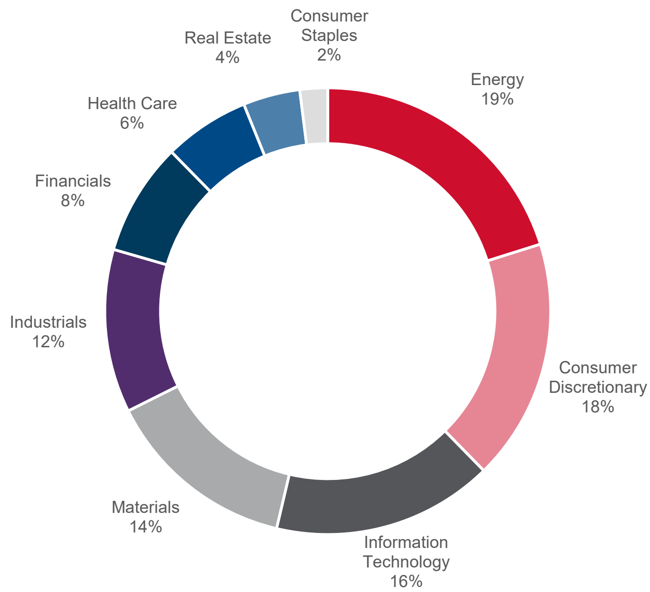
Top 3 active positions (alphabetical)
Domino's Pizza
Life360
Technology One

Stock attribution (alphabetical)

Contributors	
Audinate	No news
Calix	Weak in prior month
Elders	Strong 1H cashflow

Detractors	
Integral Diagnostics	Poor earnings update
Karoon Energy	Impact of capital raise
New Hope	Stagnant coal price

Asset allocation	Actual %	Range %
Security	95.4	90-100%
Cash	4.6	0-10%



Fund performance summary

The S&P/ASX Small Ordinaries Accumulation Index returned 7.0% for the month. The fund underperformed the market and returned 2.6% over the same period.

Market overview

The S&P/ASX Small Ordinaries Index (XSO) increased by 7.0% during the month. The Small Industrials increased by 8.6%, while the Small Resources increased by 3.1%. The XSO finished the month on a 2yr forecast P/E ratio of 16.2x which is 5.2% below its 5-year average. This valuation is a 6.7% premium to the ASX200.

The best performing sectors for the month were Biotechnology (+31.2%), Real Estate Management & Development (+14.9%), Asset Management (+14.7%), and IT Products & Services (+11.8%). The worst performing sectors were Critical Minerals (-3.5%), Energy (-2.8%), Base & Industrial Metals (-1.8%), and Telecommunications (+2.0%).

The best performing stocks within the XSO Index were Imugene (IMU +155.8%), Temple & Webster (TPW +45.3%), Neuren Pharma (NEU +44.6%), and Zip (ZP1 +42.1%). Imugene provided a positive phase 1 update on its treatment for bile duct and other cancers. Temple & Webster reported strong sales growth for the July-November period including very strong (+100%) growth over the Black Friday sales period. Neuren announced details of the royalty stream they expect to get over the next few quarters from the successful launch of DAYBUE by their partner Acadia Pharma.

The worst performing stocks in the XSO index were Integral Diagnostics (IDX -33.5%), APM Human Services (APM -27.8%), Appen (APX -23.6%), and Core Lithium (CXO -22.2%). Integral Diagnostics released a disappointing update despite the medical imaging market growing at close to 10%. APM similarly provided a disappointing update noting that 1H24 earnings will be lower than 1H23. Appen announced a capital raising despite recent significant share price weakness.

Market outlook

There are a growing number of signs that inflation is finally moderating and could stay lower for longer after the fastest pace of interest rate increases in more than three decades. US economic growth remains strong but needs to be supported by very high levels of government spending (leading to record government debt). The key indicator to watch, for any imminent US economic weakness, will be a rising unemployment rate or other signs of a weakening jobs market. Consumers will keep spending so long as they remain confident in their jobs. Chinese economic growth is still challenging and is burdened by a very indebted real estate sector populated with numerous zombie property developers. European economic indicators have become a bit less negative recently but navigating the coming winter from an energy cost and availability perspective will be a key factor. Australia continues to perform well economically, but just like the US, any emerging signs of employment weakness will be a key determinant for the economic outlook.

Overall economic growth looks less promising and when combined with signs of moderating inflation suggest that long bond rates may have peaked, and no further rate rises will be needed. To the contrary we may see rate cuts sooner than expected if the jobs market turns south. In this environment, the outlook for commodity prices including energy could be more challenging. Gold is the exception and is now comfortably above US$2000/oz. In equities, longer duration compound growth assets may be the better performers in the year ahead if we see peaking rates and a weakening growth outlook.

Our gold exposure is currently neutral compared to our index and will benefit from lower inflation and weaker growth. We anticipate growth equity stocks will benefit from this more subdued outlook provided they can continue to grow in these tougher economic times. Overall, we remain a little wary but to some extent encouraged by the more positive valuation outlook for our growth compounder's in this weakening macroeconomic environment.

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:

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