

Eiger Australian Small Companies Fund

February 2025

Fund Performance¹

Eiger Australian Small Companies Fund Performance (net of fees) as at 28 February 2025

	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)	-4.9	-6.1	3.5	5.2	1.5	8.0	-	8.2
S&P/ASX Small Ordinaries Accumulation Index	-2.8	-1.5	7.3	7.6	2.1	5.6	-	5.2
Active return	-2.1	-4.6	-3.8	-2.4	-0.6	2.4	-	3.0

Track Record of Investment Strategy

Historical performance of the investment strategy applicable to the Fund³ (net of fees) as at 28 February 2025

	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)	-4.9	-6.1	3.5	5.2	1.5	8.0	9.2	8.4
S&P/ASX Small Ordinaries Accumulation Index	-2.8	-1.5	7.3	7.6	2.1	5.6	6.5	3.7
Active return	-2.1	-4.6	-3.8	-2.4	-0.6	2.4	2.7	4.7

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, 28 February 2025.

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, 28 February 2025.

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	\$328.5M
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.

Stock attribution (alphabetical)

Contributors

Domain	Takeover offer
Generation Developments	Favourable results & Capital Raising
Zip Co	Reiterated favourable guidance

Detractors

AMP	Disappointing dividend
Fisher & Paykel Healthcare	Impact from US tariff threat
Integral Diagnostics	No guidance provided

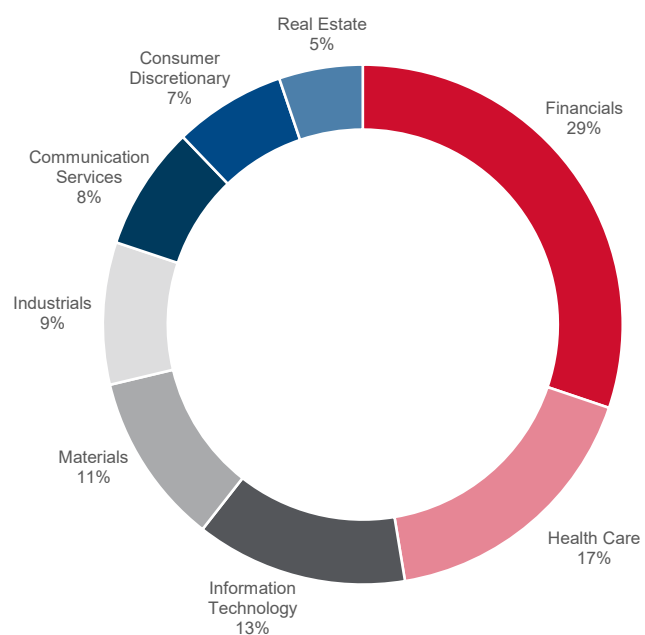
Top 3 active positions (alphabetical)

Life360

Technology One

Zip Co

Asset allocation	Actual %	Range %
Security	97.0	90-100%
Cash	3.0	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 decreased 2.8% for the month. The fund underperformed the market and decreased 4.9% over the same period.

Market overview

The S&P/ASX Small Ordinaries Index (XSO) decreased 2.8% during the month. The Small Industrials decreased by 2.5%, while the Small Resources decreased by 3.7%. The XSO finished the month on a 2-year forecast P/E ratio of 19.4x which is 11.8% above its 5-year average. This valuation is a 8.2% premium to the ASX 200.

The best performing sectors for the month were Media (+13.2%), Automotive (+4.9%), Building & Construction Products (+3.2%) and Commercial Services (+2.8%). The worst performing sectors were Energy (-13.4%), Biotechnology (-12.6%), Industrial Technology (-11.6%) and Banks (-10.3%). The best performing stocks within the XSO Index were Domain (DHG +59.4%), Mayne Pharma (MYX +58.0%), Nanosonics (NAN +36.2%) and Arafura Rare Earths (ARU +30.8%). Domain was identified as a takeover target when it received an unsolicited, non-binding indicative proposal from CoStar Group to acquire all of its issued capital for \$4.20 per share, with Co-Star already owning 16.9% of equity at this price. Mayne Pharma entered a Scheme of Implementation Deed with Cosette Pharmaceuticals whereby the latter acquires 100% of Mayne Pharma at a premium to the prevailing market price prior to the takeover. Nanosonics 1H results were in line with guidance with the market responding positively to upgraded FY25 guidance, with a mix of brokers' ratings and target prices upgraded. Arafura 1H results were an improvement on the prior corresponding period, driven by less project development expenses, and were significantly favourable against consensus.

The worst performing stocks in the XSO Index were BrainChip Holdings (BRN -35.4%), Silex Systems (SLX -33.7%), Integral Diagnostics (IDX -31.7%) and Polynovo (PNV -31.6%). Brainchip Holdings announced its intention to investigate redomiciling from Australia to the US to pursue a listing on a US-based exchange, resulting in a corresponding de-listing from the ASX. The Australian market consequently sold down in anticipation of index rebalancing and de-listing. Silex Systems 1H results were largely in line with expectations, however the market responded poorly to the revised guidance on timing of the completion of uranium pilot demonstration program which had yet to commence. Integral Diagnostics financial results were soft, with the recently acquired Capitol Health business being the star contributor to what otherwise appeared to be a general pressure on margins. The market reaction was largely due to lack of confidence in management, their articulation of results and a disappointing reluctance to provide FY25 guidance post-acquisition.

Market outlook

Australian Equities reversed previous month's gains with the S&P/ASX 200 and S&P/ASX Small Ordinaries declining by 3.8% and 2.8% respectively. Globally, the Russell 2000 suffered a 5.3% decline, with the Nasdaq fairing marginally better with a 3.9% pull-back. As US President Trump's proposed tax cuts, see-sawing tariff decisions and fiscal policy changes and Elon Musk's DOGE activities continue to contribute to market uncertainty, volatility in the US and Global markets can be expected.

Considerations for the next US Federal Open Market Committee ("FOMC") meeting - expected to be held in mid-March - would include any impact of US President Trump's proposed tariffs, US unemployment and fiscal policy announcements made by the new Federal Government. In most countries, inflation is now hovering close to central bank targets, allowing for monetary easing across major central banks. Unemployment across much of the developed world is still at historical lows. While the US economy is soaring, the Eurozone appears in stark contrast where signs of economic weakness are growing. The economic impact to any potential assistance provided to Ukraine remains to be seen.

In China, the property market remains the biggest drag to growth with the downturn worsening as new home prices fell in September at the fastest pace in almost a decade. In early November, China announced that 10 trillion yuan (\$1.4 trillion) would be used to tackle local government debt through a debt swap, a clear departure from the all-out direct stimulus strategies used to revive growth in the past and potentially left more optimistic investors disappointed. The market response to tariffs levied by the US haven't been significant, and the Chinese government's response can be described as restrained.

Australia remains a laggard in the global battle to beat inflation, with the IMF forecasting inflation to be higher than most foreign peers. During the month of February 2025, investors welcomed the first rate-cut by the Reserve Bank of Australia ('RBA') since November 2020; seeing a 25bps reduction to take the official cash rate to 4.1%. Positively, local unemployment is low and remains at 4.0% and is one of the lowest jobless rates globally. The downwards trajectory of local inflation may have reached a turning-point with concerns over acceleration in the near-term being a key market theme for 2025, particularly with any significant changes to fiscal policy arising from the upcoming Federal election. If the job market remains strong, labour productivity does not improve and inflation remains persistent it will be difficult for the RBA to enact additional rate cuts in 2025. Impending Trump tariffs and the risk of a full-blown trade war could impact certain stocks within our universe, and we remain mindful of these dynamics at play although they remain quite fluid at this point. In equities, we still anticipate that longer duration compound growth assets will be the better performers as rates decline and into a weakening growth outlook across several geographies. As such, we continue to hold long duration growth assets with structural growth to deliver returns.

Eiger Capital team



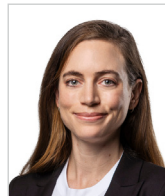
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