

# Eiger Australian Small Companies Fund

January 2025

## Fund Performance<sup>1</sup>

Eiger Australian Small Companies Fund Performance (net of fees) as at 31 January 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 <sup>2</sup>
Eiger Australian Small Companies Fund (net)	4.2	2.8	11.7	6.2	2.0	7.7	-	9.2
S&P/ASX Small Ordinaries Accumulation Index	4.6	2.7	12.3	7.1	3.1	4.3	-	5.7
<b>Active return</b>	<b>-0.4</b>	<b>0.1</b>	<b>-0.6</b>	<b>-0.9</b>	<b>-1.1</b>	<b>3.4</b>	<b>-</b>	<b>3.5</b>

## Track Record of Investment Strategy

Historical performance of the investment strategy applicable to the Fund<sup>3</sup> (net of fees) as at 31 January 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 <sup>3</sup>
Investment strategy (net)	4.2	2.8	11.7	6.2	2.0	7.7	10.7	8.9
S&P/ASX Small Ordinaries Accumulation Index	4.6	2.7	12.3	7.1	3.1	4.3	7.7	3.9
<b>Active return</b>	<b>-0.4</b>	<b>0.1</b>	<b>-0.6</b>	<b>-0.9</b>	<b>-1.1</b>	<b>3.4</b>	<b>3.0</b>	<b>5.0</b>

<sup>1</sup> 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 January 2025.

<sup>2</sup> The inception date for the Fund is 26 March 2019.

<sup>3</sup> 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 January 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. <sup>4</sup>
Buy/sell spread	+0.40% / -0.40%
Fund size	\$346.8M
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

Genesis Minerals	Strong gold production
Ingenia Communities	Upgraded earnings guidance
Telix Pharmaceuticals	Exceeded FY24 guidance

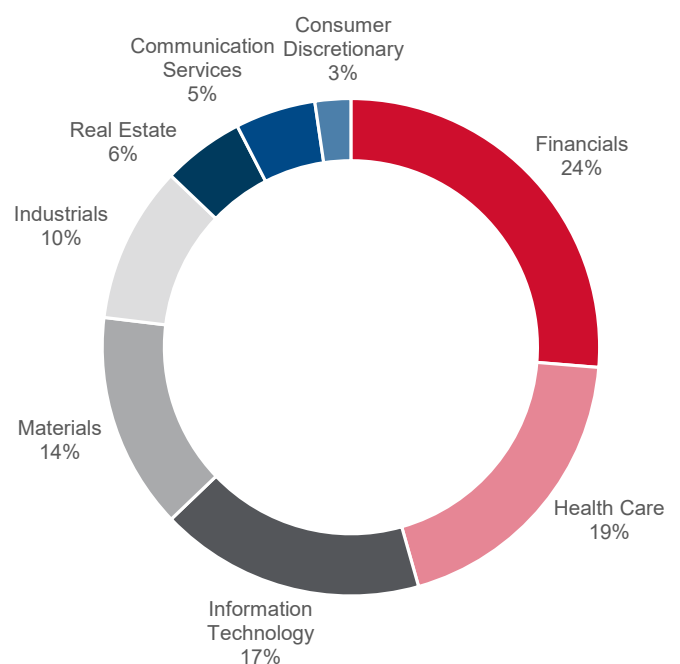
### Detractors

Cash	NA
Infratil	Impact from DeepSeek
Zip Co	Reaction to Quarterly update

## Top 3 active positions (alphabetical)

Life360
Technology One
Telix Pharmaceuticals

Asset allocation	Actual %	Range %
Security	91.3	90-100%
Cash	8.7	0-10%



<sup>4</sup> 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 increased 4.6% for the month. The fund underperformed the market and increased 4.2% over the same period.

## Market overview

The S&P/ASX Small Ordinaries Index (XSO) increased 4.6% during the month. The Small Industrials increased by 3.3%, while the Small Resources increased by 8.3%. The XSO finished the month on a 2yr forecast P/E ratio of 19.3x which is 11.1% above its 5-year average. This valuation is a 4.4% premium to the ASX200.

The best performing sectors for the month were Aged Living (+18.5%), Metals & Mining - Precious (+15.6%), Asset Management (+7.1%) and Biotechnology (+7.0%). The worst performing sectors were Industrial Technology (-5.5%), Metals & Mining - Base & Industrial Metals (-2.3%), Financial Services (-2.0%) and Metals & Mining - Steel (-0.2%).

The best performing stocks within the XSO Index were Opthea (OPT +40.8%), Boss Energy (BOE +36.2%), Emerald Resources (EMR +33.2%) and Genesis Minerals (GMD +29.2%). Opthea announced trial results and an intention to advance a clinical development program in Diabetic Macular Edema. Boss Energy confirmed FY25 production guidance and declared commercial production at its Honeymoon Uranium Project in South Australia. Emerald Resources' Okvau Operations exceeded quarterly production guidance, as well as increasing the quantity of gold which sold at higher prices. Genesis Minerals confirmed FY25 production guidance as well as recording record quarterly gold production.

The worst performing stocks in the XSO Index were Weebit Nano (WBT -37.0%), Star Entertainment (SGR -36.8%), Nuix (NLX -29.0%) and Novonix (NVX -25.2%). Weebit Nano released a positive Q1 activities and financial update in October and signed a Tier 1 customer for its resistive random access memory technology which saw the share price rerate in November and December. There has been a pullback in the share price post two strong months of performance. Star Entertainment's update on closing cash and liquidity was unfavourable, particularly considering that the first tranche of the Group's debt facility was fully drawn down to meet operational needs. Nuix provided a 1H25 trading update and delivered softened guidance, with some pipeline deals having moved from the first to second half of the fiscal year. Novonix announced the intention to enter into the purchase of land for a new manufacturing plant in Tennessee, USA.

## Market outlook

Australian Equities were strong across the board post a weak December with both the S&P/ASX 200 and S&P/ASX Small Ordinaries rallying 4.6% each, with the ASX Mid 50 increasing further by 5.6%. Globally the Dow Jones Industrial Average performed strongly by 4.8%, marginally stronger than local Australian markets. As US President Trump's Cabinet Secretary nominations, tax cuts as well as see-sawing tariff decisions contribute to market uncertainty, volatility in the US and Global markets can be expected.

The US Federal Open Market Committee ('FOMC') voted unanimously to maintain interest rates at 4.5% during the month of January, reflecting a desire to assess further progress on inflation. Considerations for the next 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.

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 governments response can be described as restrained.

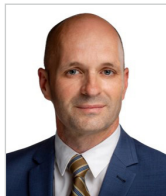
Australia remains a laggard in the global battle to beat inflation, with the IMF forecasting inflation to be higher than most foreign peers. Inflation in 2025 is forecast to jump as the energy bill subsidies expire. Investors increasingly expect the Reserve Bank of Australia ('RBA') will begin cutting interest rates in February. Positively, local unemployment is low and remains at 4.0% and is one of the lowest jobless rates globally. The deliberate choice by the Central Bank to not tighten as much as their global counterparts allowed them to protect these employment gains. However, if the job market remains strong, labour productivity does not improve and inflation remains persistent it will be difficult for the RBA to enact 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. In equities, we still anticipate that longer duration compound growth assets will be the better performers as rates decline (or have at least peaked in the case of Australia) 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



**Stephen Wood**  
Principal and Portfolio  
Manager



**Victor Gomes**  
Principal and Portfolio  
Manager



**David Haddad**  
Principal and Portfolio  
Manager



**Rachel Thomson**  
Senior Analyst

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