Eiger Australian Small Companies Fund

The Eiger Australian Small Companies Fund is an actively managed, style unaware portfolio of small to medium companies. The Eiger team follow a disciplined and proven investment management approach which seeks to identify quality companies that can deliver over the medium term.

Key features of the Fund

- **Diversified portfolio:** provides access to a portfolio of small to medium sized companies diversified across all sectors in Australia and New Zealand.
- **Experienced investment professionals:** access to a specialist investment team with over 70 years' combined experience investing in small to medium sized companies.
- **Robust investment process:** stringent research process driven by fundamental, in-depth and comprehensive analysis of a business's operations. This is applied practically in two ways; site and company visits (external research) and detailed financial modelling (internal research).
- **Access to growing companies and industries:** the small companies market is comprised of many fast-growing businesses that capitalise on changing industry dynamics and innovation.

How does the Fund work?

Investment philosophy

Eiger employs an active, fundamental approach to investing in smaller companies using a philosophy focused on price to intrinsic value.

Intrinsic value is calculated by discounting estimated future cashflow. Key drivers of cashflow are forecast revenue growth, operating margin and capital and working capital expenditure.

Discrepancies between the market price and estimated intrinsic value arise from market behaviour and differing fundamental estimates. This provides opportunities to outperform.

This opportunity is particularly pronounced in the less researched, small cap segment of the market.

The most common behavioural errors involve overreaction to short-term noise and under-reaction to structural change. Eiger's philosophy supports our ability to maintain discipline in the face of short-term noise and is forward looking so as to incorporate structural change and key trends.

Fund characteristics

Inception date:
26 March 2019

Objective:
The Fund aims to outperform its benchmark over rolling five-year periods (after fees).

Benchmark:
S&P/ASX Small Ordinaries Accumulation Index

Minimum initial investment:
$10,000 or $1,000 with Regular Savings Plan

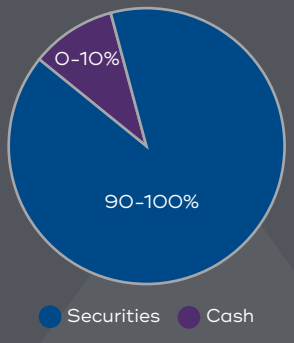
Management fee:
1.00% p.a.

Performance fee:
20% of the Fund's daily return (after fees and expenses, and after adding back distributions paid) above the Performance Benchmark*.

Distribution frequency:
Quarterly

APIR code:
HOW2967AU

Asset allocation ranges:



Investment process

We follow a disciplined, repeatable five-step investment process, paying strong attention to risk management.

1. **Idea generation:** We utilise a quantitative screening tool combined with an intensive company meeting program (over 500 meetings annually) to determine a list of stocks for more in-depth analysis.
2. **Industry and company research:** We forecast future cash flows and employ our '9 Commandments' to assess a company's attractiveness.
3. **Eiger Valuation System:** The proprietary alpha score determines a price/value ranking for each company.
4. **Portfolio construction:** Construction of the portfolio is based on the alpha price/value ranking and a set of strict portfolio guidelines.
5. **Risk management:** Proprietary risk models determine the overall risk of the portfolio.

The result is a concentrated portfolio of 30-50 stocks that we believe provide the highest risk-adjusted valuation upside.

About Eiger

Eiger Capital is an active boutique Australian equities investment manager specialising in small companies. Eiger was founded in 2019 by Stephen Wood, Victor Gomes and David Haddad, who have worked together since 2011 and have over 70 years combined investment experience.

- We are conviction investors – our portfolios hold **our best ideas**
- We form long term views – by undertaking **detailed and robust company and industry work**
- We invest consistently – our experienced team uses a proprietary cash flow valuation and **our small cap 9 Commandments**

Investment team

Stephen Wood
Principal and Portfolio Manager

Victor Gomes
Principal and Portfolio Manager

David Haddad
Principal and Portfolio Manager

Sam Cox
Analyst

Christopher Marlow
Analyst

All investments carry some risk. For information about the risks applicable to this Fund, please consider the PDS.

Find out more

To find out more, please contact your local Fidante Business Development Manager or call the Fidante Adviser Services Team on 1800 195 853 or visit us at: www.eigercapital.com

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

Important information
This material has been prepared by Eiger Capital Pty Ltd (ABN 72 631 838 607 AFSL 516751 (Eiger), the investment manager of Eiger Australian Small Companies Fund (Fund). Fidante Partners Limited ABN 94 002 835 592 AFSL 234668 (Fidante) 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 and Fidante 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 and Fidante may receive remuneration or other benefits in respect of financial services provided by the parties. 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. *D4_20241223.*

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