

# Eiger Australian Small Companies Fund

May 2025

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

Eiger Australian Small Companies Fund Performance (net of fees) as at 31 May 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)	9.0	6.6	7.3	7.5	7.1	9.7	-	9.0
S&P/ASX Small Ordinaries Accumulation Index	5.8	3.8	9.8	10.3	4.7	6.8	-	5.6
<b>Active return</b>	<b>3.2</b>	<b>2.8</b>	<b>-2.5</b>	<b>-2.8</b>	<b>2.4</b>	<b>2.9</b>	<b>-</b>	<b>3.4</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 May 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)	9.0	6.6	7.3	7.5	7.1	9.7	9.8	8.8
S&P/ASX Small Ordinaries Accumulation Index	5.8	3.8	9.8	10.3	4.7	6.8	6.7	3.9
<b>Active return</b>	<b>3.2</b>	<b>2.8</b>	<b>-2.5</b>	<b>-2.8</b>	<b>2.4</b>	<b>2.9</b>	<b>3.1</b>	<b>4.9</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 May 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 May 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	\$314.6M
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

Life360 Positive quarterly update

Technology One Upgraded guidance

Regis Healthcare Positive update

### Detractors

Perseus Mining Not owned

ARB No specific news

Zip Co US Consumer sentiment

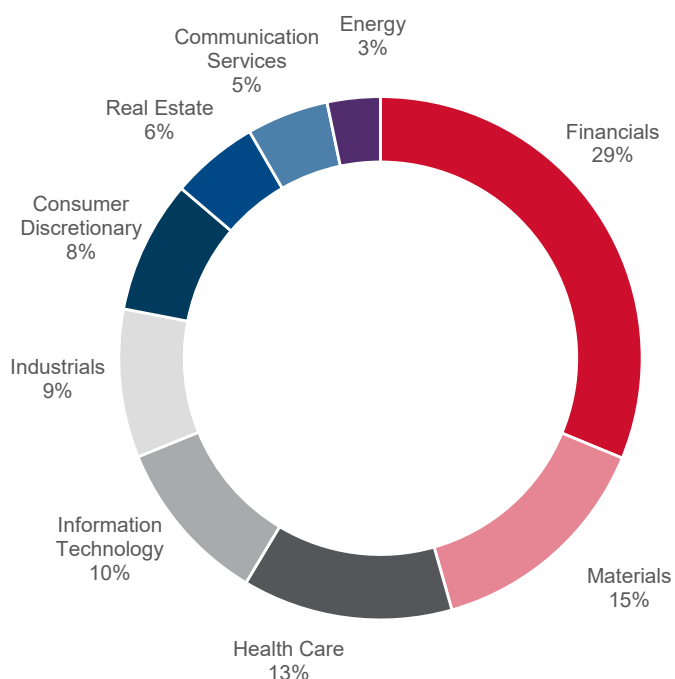
## Top 3 active positions (alphabetical)

AUB

Life360

Regis Healthcare

Asset allocation	Actual %	Range %
Security	94.5	90-100%
Cash	5.5	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 1.8% for the month. The fund outperformed the market and increased 2.8% over the same period.

## Market overview

The S&P/ASX Small Ordinaries Index (XSO) increased 5.8% during the month. The ASX 200 increased by 4.2%. The Small Industrials increased by 4.0%, while the Small Resources increased by 10.1%. The XSO finished the month on a 2-year forecast P/E ratio of 15.2 which is 12.9% below its 5-year average. This valuation is a 15.7% discount to the ASX 200.

The best performing sectors for the month were Metals & Mining – Base & Industrial Metals (+15.8%), Metals & Mining – Precious (+12.9%), Energy (+11.1%) and Asset Management (+8.7%). The worst performing sectors were Biotechnology (-11.2%), Industrial Technology (-8.3%), Metals & Mining – Critical Minerals (-7.9%) and Healthcare (-6.7%). The best performing stocks within the XSO Index were Catapult Group (CAT +43.0%), Generation Development Group (GDG +34.5%), Audinate (AD8 +29.5%) and MAC Copper (MAC +29.1%). Catapult Group released favourable FY25 results, notable the rise in free cashflow and the margin strength keeping EBITDA in-line with forecasts. Generation Development Group released no specific news, but the market expects one of its products – the investment bond - to be a beneficiary of Labours proposed increases tax on Superannuation. Audinate initiated brokerage coverage by an Australian Broker with significant upside. MAC Copper entered into a binding scheme of implementation deed to be 100% acquired by Harmony Gold.

The worst performing stocks in the XSO Index were Coronado Global Resources (CRN -43.6%), Nufarm (NUF -38.2%), OFX Group (-OFX -36.3%) and Mayne Pharma (MYX -29.6%). Coronado Global Resources received a second ratings downgrade from Moody's in as many months, with an additional downgrade from S&P and unfavourable quarterly update. Nufarm unfavourable 1H25 results announcement which failed to meet consensus estimates, unfavourable revenue and increased capex. OFX Group failed to meet consensus estimates for their FY25 results, with the market response being swift and severe. Mayne Pharma suffered a double whammy; the FDA accused Mayne of giving a misleading impression of the risks associated with its product, with Cosette Pharmaceuticals then claiming that a material adverse change had occurred and was to exercise rights to terminate the previous Scheme of Arrangements whereby Cosette had proposed to wholly acquire Mayne.

## Market outlook

Australian Equities rebounded with the S&P/ASX 200 and S&P/ASX Small Ordinaries rising by 4.2% and 5.8% respectively. Similarly, the Russell 2000 gained 5.3% while the S&P500 gained 6.3%. Market volatility is expected to persist as the implications of evolving US tariffs on the global economy are assessed.

The RBA further eased monetary policy by cutting interest rates in May (the second cut this year), which positively impacted local markets, particularly smaller companies. However, the IMF has revised Australia's 2025 GDP growth forecast downwards to 1.6% from 2.1%, underscoring domestic concerns regarding short-term growth prospects.

The "Liberation Day" tariffs on US imports, introduced on April 2nd, initially caused unease in global financial markets. Despite a subsequent recovery in equity markets to late-March levels (nearing February highs), a broad 10% levy on nearly all US imports commenced on April 5th, followed by "reciprocal" tariffs on major US trade partners from April 9th. The effective tariff on most Chinese goods remains above 30%, with some exceptions like automotive and mobile phone imports. Notably, these tariffs faced a legal challenge in late May, being briefly overturned by the US International Trade Court before being reinstated by the US Court of Appeals for further consideration.

The scale of these tariffs is unprecedented, pushing America's average tariff rates to their highest in decades. This has fuelled concerns about a significant rise in US inflation, a reduction in consumer spending, and an increased risk of a US recession. The global response to these tariffs will be closely watched in the coming months.

Given these developments, the short-term global outlook is anticipated to remain challenging and uncertain. Investors are continuing to seek safe-haven assets, with gold reaching an all-time intra-day high of \$3,500 in April and maintaining broadly within 5% these levels. We are cognisant of the volatility within the market and have positioned the portfolio with a more defensive tilt while continuing to hold several high conviction positions which we will look to add to in the coming months.

## Eiger Capital team



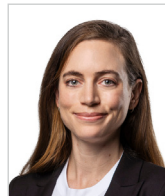
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Portfolio Manager



**Victor Gomes**  
Principal and  
Portfolio Manager



**David Haddad**  
Principal and  
Portfolio Manager



**Rachel Thomson**  
Senior Analyst



**Sam Cox**  
Analyst



**Christopher Marlow**  
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