

# LSN Emerging Companies Fund



## High-Conviction Investing in Australian Emerging Leaders

The LSN Emerging Companies Fund (the 'Fund') is a specialist Australian Small Cap strategy that launched in December 2021.

The Fund invests in high-quality Australian emerging companies through an actively managed portfolio of 30–50 positions, predominantly outside the ASX Top 100.

Through disciplined, research-driven stock selection, the strategy aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long-term.

## Key Features of the Fund

### » Investment Process

A fundamental stock selection process, supported by a robust portfolio management framework and strong risk controls.

### » Alignment

LSN is founder-led and wholly owned by Nick Sladen and Nick Leidl, who are also significant investors in the Fund, aligning their interests with clients.

### » Deep Networks

LSN's extensive broker and management networks enable early identification of strategic shifts, mispriced growth expectations, margin inflections, catalyst-driven events and structural tailwinds.

## Why invest in Australian Small Cap Companies?



### High Growth Potential

Small cap Australian companies often offer higher growth potential than large caps due to their smaller base, greater agility, exposure to high-growth sectors, and underappreciated market opportunities.



### Market Inefficiencies

Less analyst coverage and lower liquidity create opportunities to uncover mispriced securities.



### Access to Founder-led Companies

Founder-led firms, typically outside the ASX Top 100, can provide strong alignment as founders hold significant equity and focus on long-term growth.



### Broad sector universe

Investing across a wide range of industries, the Fund offers a larger opportunity set and lower sector concentration than the ASX Top 100.



### Balanced Risk Profile

The portfolio is actively managed to balance high-conviction positions with a disciplined risk management framework.

Several specific risks are associated with investing in the Fund. This can include but is not limited to: market risk, fund risk, inflation risk, interest rate risk, smaller company risk, and investment manager risk. Refer to section 4 of the Fund's Product Disclosure Statement for more information about risks of investing in the Fund.

## The LSN Stock Selection Process

LSN's framework is designed to identify high-quality businesses with durable earnings, strong balance sheets, and attractive long-term return potential, all while maintaining a rigorous focus on risk management.

### Return Profile

Return on invested capital (ROIC) profile shows the quality and sustainability of the business.

### Strong Margins

Strong margins reflect the strength of its market position and helps navigate economic cycles.

### Growth

Earnings growth is the key driver of shareholder returns over the long term.

### Strong Balance Sheet

Flexible balance sheet provides financial independence.

### Management

Founder led companies are highly valued and ensure strong shareholder alignment.

### Valuation

Paying the right price is a key determinate of future returns.

# LSN Emerging Companies Fund



## Fund Facts

<b>Investment Manager</b>	LSN Capital Partners Pty Ltd (ABN 97 651 222 301) (AFSL:550265)
<b>Responsible Entity</b>	Equity Trustees Limited (AFSL No. 240975)
<b>APIR Code</b>	LSP6493AU
<b>Registry &amp; Fund Admin, Custodian</b>	MUFG Corporate Markets
<b>Inception Date</b>	15 December 2021
<b>Investment Objective</b>	The fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long-term (after fees)
<b>Cash Holding</b>	No more than 20% on average
<b>Applications / Redemptions</b>	Daily
<b>Minimum Initial Investment</b>	A\$25,000 initial investment (unless otherwise agreed)
<b>Management Fee</b>	1.20% (including GST, net of RITC) of Fund Nav
<b>Performance Fee</b>	20% (including GST) of the total return of the fund in excess of the Benchmark over a quarterly performance period and provided any underperformance has been recovered
<b>Distributions</b>	Annually, at the end of each financial year.
<b>Platform Access</b>	Netwealth, HUB24, PowerWrap

## About LSN Capital Partners

LSN Capital Partners is an independent investment manager led by Nick Sladen and Nick Leidl, who together bring over 40 years of Australian equity market experience and a proven track record of successful investing.



**Nick Leidl**  
Executive Director, Co-Chief Investment Officer

Nick has enjoyed a career in financial markets spanning more than 24 years', with over 16 years of Global Investment Management experience. Nick was a key member of a small and highly rated investment team at K2 Asset Management.



**Nick Sladen**  
Executive Director, Co-Chief Investment Officer

Nick has more than 24 years of financial services experience including over 16 years of direct Australian Equity Investment Management experience with a track record of outperformance. Prior to establishing LSN Capital Partners, Nick was Portfolio Manager – Australian Equities at Myer Family Investments.

## Research Ratings



## For More Information

**CONTINENTAL**  
Funds Group

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[continentalfg.com.au](http://continentalfg.com.au)

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