

Firetrail S3 Global Opportunities Fund (Hedged) | Key Holdings | 31 December 2023


The Firetrail S3 Global Opportunities Fund (Hedged) is a concentrated portfolio (approximately 30 companies) of Firetrail's best global equity ideas. The investment process employs fundamental analysis to identify the most attractive investment opportunities with sustainable positive change characteristics.

 <p>Air Liquide Listed: France</p>	<p>Air Liquide is an industrial gases company. It produces and sells gases such as oxygen, nitrogen and hydrogen to companies all over the world. These gases are used by customers across diverse industries such as healthcare, construction, food production and electronics.</p> <p>What Matters</p> <ol style="list-style-type: none"> Industrial gas demand – Industrial gas demand has rebounded post-COVID lockdowns. Air Liquide has a defensive earnings profile, underwritten by long-term contracts protected from energy price inflation. A key player in the energy transition – Air Liquide is an expert in carbon capture and storage technology (CCS) and a pioneer in the development of green hydrogen infrastructure. CCS and green hydrogen will be crucial for the world to realise its net-zero ambitions. 	<p>Positive Change Theme</p>  <p>Sustainable World</p>
 <p>McKesson Listed: US</p>	<p>McKesson is a US pharmaceutical distributor founded in the 1830s. Distributors act as a toll road for the pharmaceutical industry, taking a clip of most transactions. Over decades, McKesson has developed critical distribution infrastructure to ensure drugs get from manufacturers to pharmacies for end users to purchase.</p> <p>What Matters</p> <ol style="list-style-type: none"> Market position - McKesson is the largest player in a three-player market. Its scale and infrastructure make it very hard for new entrants to compete. Economics - While pharma distribution is a low margin industry, McKesson is still able to generate high returns on capital for shareholders due to the immense volume of product that moves through its distribution network and the company's strong working capital management. 	<p>Positive Change Theme</p>  <p>Health & Wellbeing</p>
 <p>Interactive Brokers Listed: US</p>	<p>Interactive Brokers is an investment trading platform founded by current Chairman Thomas Peterffy in 1977. Interactive Brokers continues to achieve strong account number growth with its customer-centric model, delivering best execution for its users at a low cost.</p> <p>What Matters</p> <ol style="list-style-type: none"> Best-in-class customer proposition – Interactive Brokers' mission is to deliver its customers an institutional-grade trading experience at the lowest possible cost. As a result, it attracts high value, sophisticated investors to its platform and has achieved strong long term account number growth. Undervalued – Despite its high quality characteristics and long-term growth track record, Interactive Brokers is trading at a significant discount to history. While we acknowledge there are short-term cyclical headwinds, Interactive Brokers' current share price implies material upside on a medium-term view. 	<p>Positive Change Theme</p>  <p>Innovation & Equality</p>
 <p>Schneider Electric Listed: France</p>	<p>Schneider Electric is a French multinational specialising in the electrification and automation of buildings and industrial processes. Its CEO, Jean-Pascal Tricoire, was one of the original founders of the UN Sustainable Development Goals.</p> <p>What Matters</p> <ol style="list-style-type: none"> Organic growth – Schneider is currently growing revenue at 5-8% p.a., driven by the increased energy efficiency and electrification requirements of modern buildings. Margins – Have been incredibly steady over the long-term at around 15%, and Schneider is finding ways to slowly increase these. 	<p>Positive Change Theme</p>  <p>Climate Impact</p>
 <p>Micron Technology Listed: US</p>	<p>Micron Technology produces semiconductor memory chips which store data in your smartphone, computer, and many other devices you use every day.</p> <p>What Matters</p> <ol style="list-style-type: none"> Industry consolidation – The memory chip market has consolidated from 40+ players in the 1990s to just 3 with 95% market share today (Micron, Samsung & SK Hynix). The memory cycle – With long lead times to build new manufacturing plants, high demand periods can force chip prices higher, resulting in higher revenue for Micron. Looking forward, artificial intelligence, 5G and cloud computing are expected to cause significantly higher demand for memory. 	<p>Positive Change Theme</p>  <p>Innovation & Equality</p>

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Research Rating

RECOMMENDED

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Link to the Product Disclosure Statement: [WHT4609AU](#)

Link to the Target Market Determination: [WHT4609AU](#)

For historic TMD's please contact Pinnacle client service Phone 1300 010 311 or Email service@pinnacleinvestment.com

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