


## Firetrail S3 Global Opportunities Fund (Hedged) | Key Holdings | 30 June 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.




**Air Liquide**  
Listed: France

**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.


**What Matters**

- 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.

Positive Change Theme



Sustainable World




**Carrier Global**  
Listed: US

**Carrier Global** is a multinational heating, ventilation and air conditioning (HVAC) company. It was founded by Willis Carrier, the man credited for inventing modern air conditioning. New HVAC units are 33% more energy efficient than old units, reducing both energy bills and carbon emissions. New HVAC units also improve health and wellbeing by improving air quality.


**What Matters**

- Residential housing** - 95% of new houses get fitted with a new air conditioning unit. Paris Agreement-driven US subsidies are also encouraging households to upgrade their air conditioning units. High energy costs are providing greater incentive to switch to a newer, energy-efficient unit.
- Commercial growth** - Heating and cooling buildings makes up a large share of global carbon emissions. Through new climate policy, the US is investing significantly in upgrades to commercial building HVAC.

Positive Change Theme



Health & Wellbeing




**Darling Ingredients**  
Listed: US

**Darling Ingredients** collects food waste and animal by-products (from restaurants, bakeries, abattoirs etc.), and transforms them into ingredients for customers across the food, animal feed, pharmaceuticals, and bioenergy industries.


**What Matters**

- Renewable diesel exposure** – Darling transforms waste from restaurants into 'renewable diesel', a 100% substitute for traditional diesel. Renewable diesel is an important transition fuel as the world adopts EVs.
- Secure feedstock supply** – Feedstocks are the inputs Darling collects to produce its ingredients. Darling's strong relationships allow it to collect from over 140,000 restaurants and other businesses, giving it a ~40% share of the collection market in cooking oil, a key feedstock.

Positive Change Theme



Climate Impact




**Schneider Electric**  
Listed: France

**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.


**What Matters**

- 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.

Positive Change Theme



Climate Impact




**Micron Technology**  
Listed: US

**Micron Technology** produces semiconductor memory chips which store data in your smartphone, computer, and many other devices you use every day.

**What Matters**

- 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.

Positive Change Theme




Innovation & Equality

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Research Rating  


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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](mailto:service@pinnacleinvestment.com)

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