



11 November 2024

By Electronic Lodgement

Market Announcements Office
ASX Ltd
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Firetrail S3 Global Opportunities Fund (Managed Fund) (ASX:S3GO) – Monthly Investment Update

Please find attached a copy of the investment update for the month ending 31 October 2024.

For further information, please contact 1300 010 311.

Authorised by:

Calvin Kwok
Company Secretary

Pinnacle Fund Services Limited as responsible entity of Firetrail S3 Global Opportunities Fund (Managed Fund)

FIRETRAIL S3 GLOBAL OPPORTUNITIES FUND (MANAGED FUND)¹ ASX: S3GO

MONTHLY REPORT | OCTOBER 2024

PERFORMANCE (AFTER FEES)²

	Month	Quarter	6 Months	1 Year	Since S3GO listing date (p.a.) ³	Since inception ⁴ (p.a.)
Fund ⁵	1.99%	1.15%	8.59%	29.13%	22.52%	8.25%
Benchmark	3.82%	2.14%	10.17%	29.22%	22.58%	10.54%
Excess Return	-1.82%	-0.99%	-1.57%	-0.08%	-0.06%	-2.28%

1. The name of the Fund was changed from Firetrail S3 Global Opportunities Fund to Firetrail S3 Global Opportunities Fund (Managed Fund) on 11 October 2022 to facilitate quotation of the fund on the ASX. 2. Past performance is not indicative of future performance. 3. S3GO Active ETF listing date is 11 October 2022. 4. Fund inception is 3 November 2021.

ABOUT FIRETRAIL

Firetrail is an investment management boutique which is majority owned by the Firetrail investment team. Additionally, the investment team is invested alongside clients in the investment strategies.

S3 GLOBAL OPPORTUNITIES FUND

The Firetrail S3 Global Opportunities Fund (Managed Fund) ("Fund") is a concentrated portfolio of approximately 30 stocks from both developed and emerging markets. The strategy is built on fundamental, deep dive research with a focus on finding unappreciated positive change attributes.



SUSTAINABLE PLUS
CERTIFIED BY RIAA

Firetrail S3 Global Opportunities Fund (Managed Fund) has been classified "Sustainable Plus" – the highest certification from Responsible Investment Association Australasia (RIAA). This certification indicates that the Fund goes beyond basic responsible investment criteria by ensuring Sustainability objectives are prominent, the portfolio is aligned with sustainability objectives, and progress is measured and tracked. See www.responsiblereturns.com.au for more details.⁶

INVESTMENT OBJECTIVE

The Fund aims to outperform the MSCI World Net Total Return Index over the long term (after fees).

PORTFOLIO POSITIONING – 31 OCT 2024

Top 5 Overweight Holdings (Alphabetical)

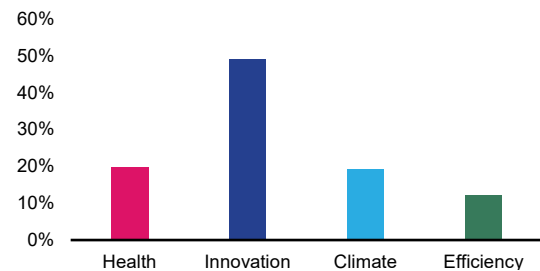
American Tower Corporation
Greatland Gold plc
Interactive Brokers Group, Inc. Class A
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR
Visa Inc. Class A

FUND DETAILS

Unit Prices	31 October 2024
Application price	\$6.2177
Redemption Price	\$6.1991
NAV Price	\$6.2084
Fund Details	
ASX Code	S3GO
APIR Code	WHT7794AU
Benchmark	MSCI World Net Total Return Index
Inception date	3 November 2021
Risk/Return Profile	Very High
Number of Holdings	37
Fund size	\$39 mil
Management fee*	0.72% p.a.
Performance fee*	15% of net outperformance above the Fund's Benchmark

*Please read the Product Disclosure Statement for more details

THEMATIC POSITIONING – 31 OCT 2024



FIRETRAIL OPPORTUNITY THEMES:

- Health – Enabling better lives**
- Innovation – Opportunities for everyone**
- Climate – Adjusting to a lower carbon world**
- Efficiency – Efficient use of resources**

5. Firetrail S3 Global Opportunities Fund (Managed Fund) ('Fund') 6. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

THE FIRETRAIL S3 GLOBAL OPPORTUNITIES FUND (MANAGED FUND)

This Fund brings you a unique exposure to global equity markets through:

- A high conviction, concentrated portfolio of approximately 30 stocks from both developed and emerging markets.
- Stock specific opportunities focused on finding unappreciated positive change attributes.
- Unique risk management to ensure that stocks drive returns rather than macro drivers.

S3 refers to the three attributes of the ideal stocks for the portfolio - Sustainable business models, Sustainable earnings, and Sustainable positive change. We assess a company against these attributes not today, but on our forecasting 5 years into the future.

PORTFOLIO COMMENTARY

The Fund returned 1.99% (after fees) for the month ending 31 October 2024, underperforming the MSCI World Index by 1.82%.

CONTRIBUTORS TO RETURNS

Positive contributors included Interactive Brokers, Taiwan Semiconductor and GXO Logistics. Negative contributors included Elevance Health, Aptiv, and American Tower. We discuss each further in our commentary below.

POSITIVE CONTRIBUTORS

Interactive Brokers

Interactive Brokers, the US listed global, low-cost online brokerage, continues to demonstrate impressive growth and innovation. The company's strong Q3 2024 performance, with revenues reaching \$1.37 billion, underscores its ability to capitalize on increasing trading volumes and expanding customer base. Looking ahead, Interactive Brokers is well-positioned to leverage the growing trend of retail investor participation in financial markets. The company's focus on technology-driven solutions and product innovation, such as new forecast contracts and expanded market hours, positions it to capture a larger share of the global brokerage market. As more investors seek sophisticated trading tools and low-cost execution, Interactive Brokers stands to benefit from its reputation for cutting-edge technology and competitive pricing.

Taiwan Semiconductor

Taiwan Semiconductor Manufacturing Company (TSMC) is riding the wave of artificial intelligence adoption, positioning itself as a key player in the AI chip manufacturing space. The company's impressive Q3 2024 results, with a 54% surge in net profit, reflect its strategic focus on high-performance computing and AI applications. TSMC's ambitious plans for new manufacturing facilities and its optimistic outlook for AI-related demand suggest significant growth potential in the coming years. As AI continues to revolutionize industries across the board, TSMC's advanced chip manufacturing capabilities place it at the forefront of this technological revolution, with ample opportunities to expand its market share and profitability.

GXO Logistics

GXO Logistics is capitalizing on the ongoing e-commerce boom and the increasing demand for sophisticated supply chain solutions. The company's strong market position in warehousing and automation, combined with its strategic acquisitions, positions it for substantial growth in the evolving logistics landscape. GXO's recent acquisition of Wincanton opens up new opportunities in aerospace and industrials across Europe, diversifying its revenue streams and enhancing its market position. As businesses continue to prioritize efficient and technologically advanced supply chain management, GXO is well-placed to benefit from this trend, potentially expanding its services and client base across various industries.

NEGATIVE CONTRIBUTORS

Elevance Health

Elevance Health is navigating short-term challenges in its Medicaid business while positioning itself for long-term growth in the evolving healthcare landscape. The company's proactive approach to addressing temporary issues in the Medicaid segment demonstrates its adaptability and strategic foresight. Elevance Health's focus on specialized populations and unique capabilities in managed care sets the stage for future growth as states expand their managed care programs. The company's diverse portfolio, including its commercial and Medicare Advantage businesses, provides a solid foundation for navigating market fluctuations. As healthcare continues to shift towards value-based care and population health

management, Elevance Health's integrated approach and technological investments position it to capitalize on these trends, potentially leading to expanded market share and improved profitability in the medium term.

Aptiv

Aptiv is at the forefront of the automotive industry's transformation towards electrification and autonomous driving. Despite near-term headwinds in production schedules, the company's focus on advanced technologies positions it well for future growth. Aptiv's record third quarter operating income and margin, achieved amidst challenging conditions, showcase its operational efficiency and adaptability. The company's proactive approach to updating its outlook and aligning with evolving industry trends demonstrates its agility in a dynamic market. As the automotive sector continues its shift towards electric and autonomous vehicles, Aptiv's expertise in electrical architecture and advanced driver assistance systems (ADAS) presents significant growth opportunities. The company's investments in next-generation technologies and its global presence position it to benefit from the increasing demand for smart, connected, and electrified vehicles in the coming years.

American Tower

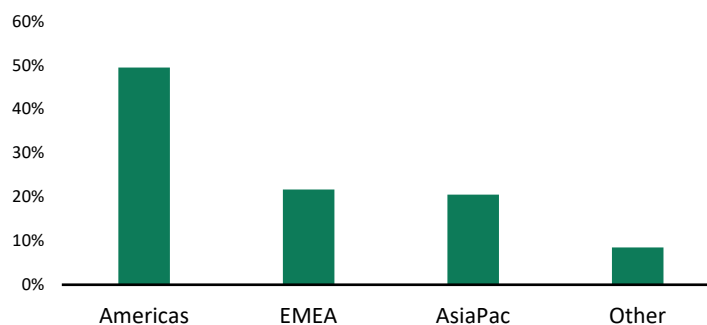
American Tower is strategically positioned to benefit from the ongoing global transition to 5G technology and the increasing demand for data connectivity. Despite facing temporary challenges, the company's core business remains robust, with strong demand across its global portfolio. American Tower's proactive approach to cost management and strategic settlements demonstrates its financial acumen and adaptability in a dynamic market. As 5G rollouts continue worldwide and data consumption grows exponentially, American Tower's extensive infrastructure portfolio presents significant opportunities for expansion and increased tenancy. The company's focus on executing new business opportunities and driving margin expansion positions it well to capitalize on the growing need for wireless infrastructure. Additionally, American Tower's exploration of edge computing and potential synergies with evolving network architectures could open up new revenue streams in the medium term, further enhancing its growth prospects in the evolving telecommunications landscape.

PORTFOLIO POSITIONING AND OUTLOOK

The current portfolio is:

- A concentrated portfolio of 37 value and growth companies
- Highly differentiated positioning compared with the index and peers
- Overweight Firetrail's positive change themes
- Overweight Europe, underweight America and Asia
- Returns driven mainly by stock specific risk, rather than macro risk
- Significantly lower carbon intensity than the index¹

Figure 1: Geographical exposure of the Fund by source of revenue



Source: Firetrail, October 2024.

ONE INTERESTING THING THAT HAPPENED THIS MONTH...

Is watching OpenAI's remarkable growth, despite not being listed in public markets. The company's Chief Financial Officer, Sarah Friar, recently shared some striking insights into their business model and expansion trajectory. OpenAI's revenue structure is heavily weighted towards consumer subscriptions, with approximately 75% of their business coming from this segment.

¹ For more information on the carbon emissions estimate for the Fund, refer to the Firetrail website: <https://firetrail.com/funds/firetrail-s3-global-opportunities-fund-managed-fund/#offset-your-emissions>

The company boasts an impressive user base and conversion rates, with 250 million weekly active users for ChatGPT and a 5% to 6% conversion rate from free to paid users. Additionally, they have reached 1 million paid users for corporate versions of ChatGPT. Despite the consumer focus, OpenAI's enterprise offerings are showing promise, with Friar noting that their young enterprise businesses are already generating "an incredible amount of annualized revenue".

In a striking example of AI's potential, Friar mentioned that their new model is capable of performing work equivalent to that of a \$2,000 per hour paralegal. This highlights the significant cost-saving potential of AI in professional services. OpenAI is prioritizing staying at the forefront of AI development, with a focus on advancing towards artificial general intelligence (AGI). To support this goal, the company is advocating for substantial infrastructure investments, including an unprecedented data center build-out in the US. This rapid growth and ambitious vision make OpenAI a company to watch closely, even for those primarily focused on public markets.

**Get vital insights direct from the Firetrail investment team –
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We interview Firetrail's Portfolio Managers and Equity Analysts about a stock we have invested in to provide you with the **Firetrail Equity Edge**.

The questions are always the same:

- What is the company and what does it do to make money?
- What is the stock market missing regarding the company's outlook?
- What is the bear- and bull-case for the company?

All in under 10 minutes.

The podcast has proven to be a hit, with recent episodes covering Schneider Electric, 3i, GXO Logistics, Ryan Specialty, Micron Technology, Fortum, United Rentals and Booking.com.

Simply scan the QR code below or listen via your favourite podcast platform. Simply search for "Firetrail Equity Edge".



Signatory of:



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Link to the Product Disclosure Statement: [WHT7794AU](#)

Link to the Target Market Determination: [WHT7794AU](#)

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

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