



12 February 2025

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 January 2025.

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 | JANUARY 2025

PERFORMANCE (AFTER FEES)²

	Month	Quarter	6 Months	1 Year	Since S3GO listing date (p.a.) ³	Since inception ⁴ (p.a.)
Fund ⁵	3.47%	8.89%	10.14%	28.30%	24.34%	10.45%
Benchmark	2.77%	10.74%	13.11%	28.66%	25.30%	13.18%
Excess Return	+0.70%	-1.85%	-2.97%	-0.36%	-0.96%	-2.73%

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 JAN 2025

Top 5 Overweight Holdings (Alphabetical)

Deere & Company

Interactive Brokers Group, Inc. Class A

McKesson Corporation

Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR

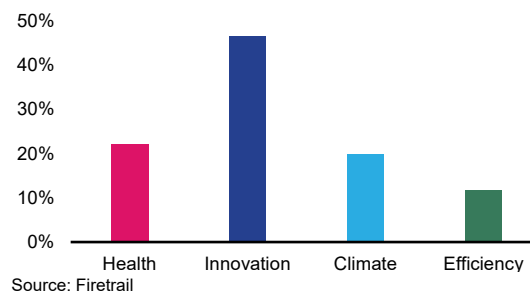
Visa Inc. Class A

FUND DETAILS

Unit Prices	31 January 2025
Application price	\$6.7341
Redemption Price	\$6.7139
NAV Price	\$6.7240
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	34
Fund size	\$41 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 JAN 2025



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 3.47% for the month ending 31 January 2025, outperforming the MSCI World Net Total Return Index by 0.70%

CONTRIBUTORS TO RETURNS

Positive contributors included Interactive Brokers, NEC Corp, and Deere. Negative contributors included BE Semiconductor, and Booking Holdings. We discuss each further in our commentary below.

POSITIVE CONTRIBUTORS

Interactive Brokers

Interactive Brokers, a US-listed global, low-cost online brokerage, outperformed in January. The strength was driven by a strong quarterly result as the company continued to deliver 20-30% account growth amid higher equity markets and higher for longer interest rates. Higher interest rates have increased the interest income on its substantial cash balances, while more active and elevated equity markets have led to increased trading commissions. We remain excited in 2025 as Interactive Brokers remains well-positioned to capitalize on these favourable market conditions, leveraging its technological edge and competitive pricing to continue to grow its client base in the double digits.

NEC Corp

NEC, a Japanese IT service provider outperformed in January following a strong quarterly result where it beat consensus earnings and lifted full year guidance. We continue to be optimistic on the outlook for NEC as it benefits from strengthening IT services demand as both the public and private sectors in Japan embark on digital transformation. This combined with managements renewed focus on profitability after years of running unprofitable projects means NEC remains attractive as we look forward.

Deere

Deere & Company, a leading manufacturer of agricultural, construction, and forestry machinery, outperformed in January. Deere is a high quality yet cyclical company that rallied as the agriculture cycle showed signs of troughing after a deep-down cycle over 2024. Deere remains poised to benefit as the cycle turns with its leading market share and strong fundamentals.

NEGATIVE CONTRIBUTORS

BE Semiconductor

BE Semiconductor shares underperformed in January as the AI trade took a pause. BE Semiconductor remains a key holding into 2025 as we expect a cyclical recovery in the base business and demand continuing to build for its hybrid bonding machines, a next generation chipmaking technology enabling advanced chips for AI and Edge computing.

Booking Holdings

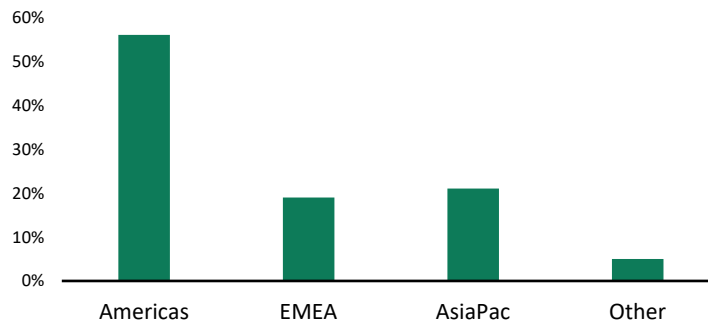
Booking, a leading Online Travel platform underperformed in January on limited news flow. Booking remains a key holding as we continue to see a positive outlook for global travel demand as well as increasing optimism around margins as management apply increasing focus on costs and margin expansion as we look forward.

PORTFOLIO POSITIONING AND OUTLOOK

The current portfolio is:

- A concentrated portfolio of 34 value and growth companies
- Highly differentiated positioning compared with the index and peers
- Overweight Firetrail's positive change themes
- 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, January 2025.

ONE INTERESTING THING THAT HAPPENED THIS MONTH...

Was the emergence of DeepSeek, a relatively unknown Chinese AI start-up, which sent U.S. markets into a frenzy with the launch of its new AI reasoning model, 'R1'. DeepSeek made headlines as its R1 model demonstrated similar capabilities to its U.S. counterparts such as ChatGPT, causing the market to reconsider the consensus view of U.S. dominance in the AI space. Notably DeepSeek reported their model was developed at a fraction of the cost of its US peers, stating that it took only 2 months and spent around \$6 million to train its R1 bot. This is in stark contrast to estimates of the hundreds of millions spent by U.S. companies to develop similar AI models.

However, many investors and industry experts have raised doubts about the validity of DeepSeek's claims, suggesting that the development costs are likely far higher than reported. Some speculate that these figures could be an attempt to subvert the U.S. export restrictions on NVIDIA chips, which limit Chinese companies to use less advanced and less powerful processors when compared to what is available to U.S based companies.

While the accuracy of DeepSeek's reports remains uncertain, its impact on the market has been undeniable. The tech-heavy NASDAQ dropped significantly later in the month, reflecting investor concerns, and NVIDIA saw its largest single-day decline in value, with a 17% drop on January 27th, erasing around \$600 billion in market capitalization. The volatility in the stock market underscores the uncertainty and speculation surrounding AI investments.

Since the market volatility triggered by DeepSeek, there has been a continuous stream of news. Chinese competitor Alibaba unveiled a new version of its AI model, claiming it surpasses both DeepSeek's and OpenAI's offerings. Meanwhile, OpenAI has suggested that DeepSeek may have "inappropriately" copied ChatGPT in developing its own models. With these developments, we expect the news surrounding DeepSeek to keep unfolding, as in just under a week, it has already prompted investors to profoundly reassess their consensus views on the AI market.

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>

**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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