

Uncomfortable opportunities



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Firetrail

Invest with Conviction



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Past performance is not a reliable indicator of future performance.

Firetrail High Conviction Strategy Composite Performance

Firetrail Australian High Conviction Fund ('Fund'). Net Fund returns are calculated based on exit price with distributions reinvested, after ongoing fees and expenses but excluding taxation. Fund inception is 14 March 2018.

To give a longer-term view of our performance for this asset class, we have also shown returns for the Firetrail High Conviction Strategy Composite ('Strategy') which has been operating since 29 November 2005. Strategy performance has been calculated using the monthly returns (after fees) of the Fund from 14 March 2018 to current date, as well as the monthly returns of the Macquarie High Conviction Fund (after fees) between 29 November 2005 to 23 November 2017. The Fund employs the same strategy as was used by the same investment team that managed the Macquarie High Conviction Fund as at 23 November 2017. Firetrail has records that document and support the performance achieved as the Macquarie High Conviction Fund. The composite returns for the Strategy and the S&P/ASX 200 Accumulation Index (Benchmark) exclude returns between 24 November 2017 and 13 March 2018. During this period the investment team did not manage the Strategy. As such, the annualised performance periods stated are inclusive of the combined composite monthly returns, and do not include the period when the team were not managing the Strategy. For example, the annualised return over 5 years for the Strategy and benchmark are inclusive of 60 monthly performance periods available in the composite return period, excluding the period between 23 November 2017 and 13 March 2018. For additional information regarding the performance please contact us through the link on our website. Net Fund returns are in AUD terms. Net Fund returns are calculated based on exit price with distributions reinvested, after ongoing fees and expenses but excluding taxation.

Past performance is for illustrative purposes only and is not a reliable indicator of future performance.

Firetrail Australian High Conviction Fund

1 Identifying uncomfortable opportunities

2 New world?
Time for old world assets

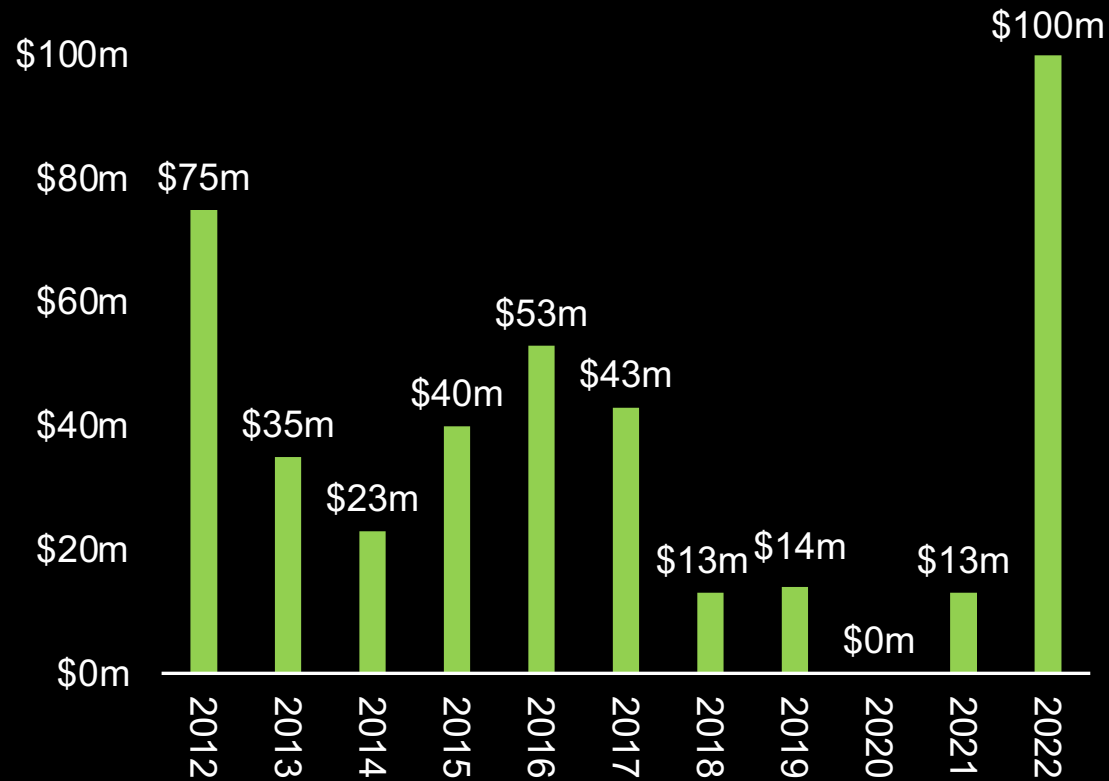
3 Two out of favour opportunities

A concentrated portfolio with a proven track record

Where do you find uncomfortable opportunities?

Opportunity:

Assets / Businesses that are valuable



Where do you find uncomfortable opportunities?

Opportunity:

Assets / Businesses that are valuable



Uncomfortable:

Are they OUT OF FAVOUR?

1988



2022



Valuable assets that are out of favour are attractive

New World? Time for old world assets

- Old world assets are becoming more attractive
- Building new things is getting harder
 - Increasing expectations
 - Blue collar constraints
- Areas of interest
 - Energy / Commodities
 - Brands / Customer bases

New World? Time for old world assets



- ✓ **Quality, long life growth options**
- ✓ **Growing copper production**



- ✓ **4 million retail customers**
- ✓ **Gas and gas-fired power stations**
- ✓ **Large renewable portfolio**

- **Old world assets are becoming more attractive**
- **Building new things is getting harder**
 - Increasing expectations
 - Blue collar constraints
- **Areas of interest**
 - Energy / Commodities
 - Brands / Customer bases

New World? Time for old world assets



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**UNDER
TAKEOVER
30% premium**

- Old world assets are becoming more attractive
- Building new things is getting harder
 - Increasing expectations
 - Blue collar constraints



- ✓ 4 million retail customers
- ✓ Gas and gas-fired power stations
- ✓ Large renewable portfolio

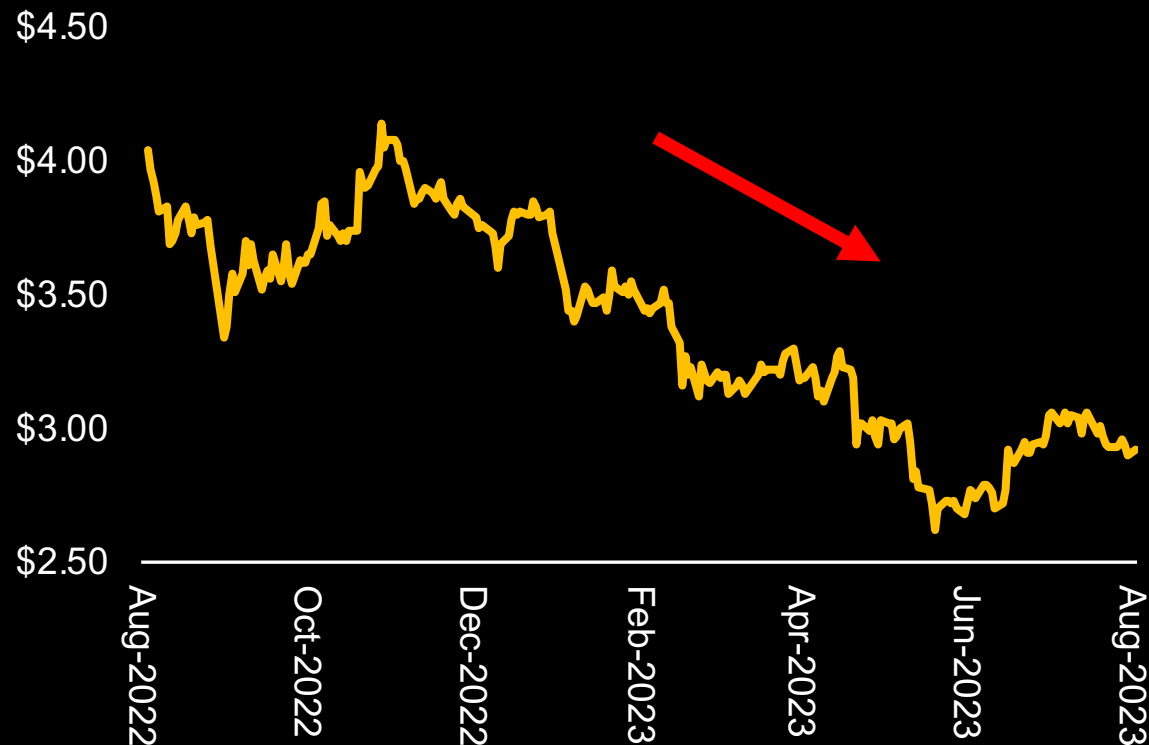
**UNDER
TAKEOVER
53% premium**

- Areas of interest
 - Energy / Commodities
 - Brands / Customer bases

Old world assets looking more attractive in the new world

Incitec Pivot – uncomfortable cyclical opportunity

Share price has disappointed in past 12 months

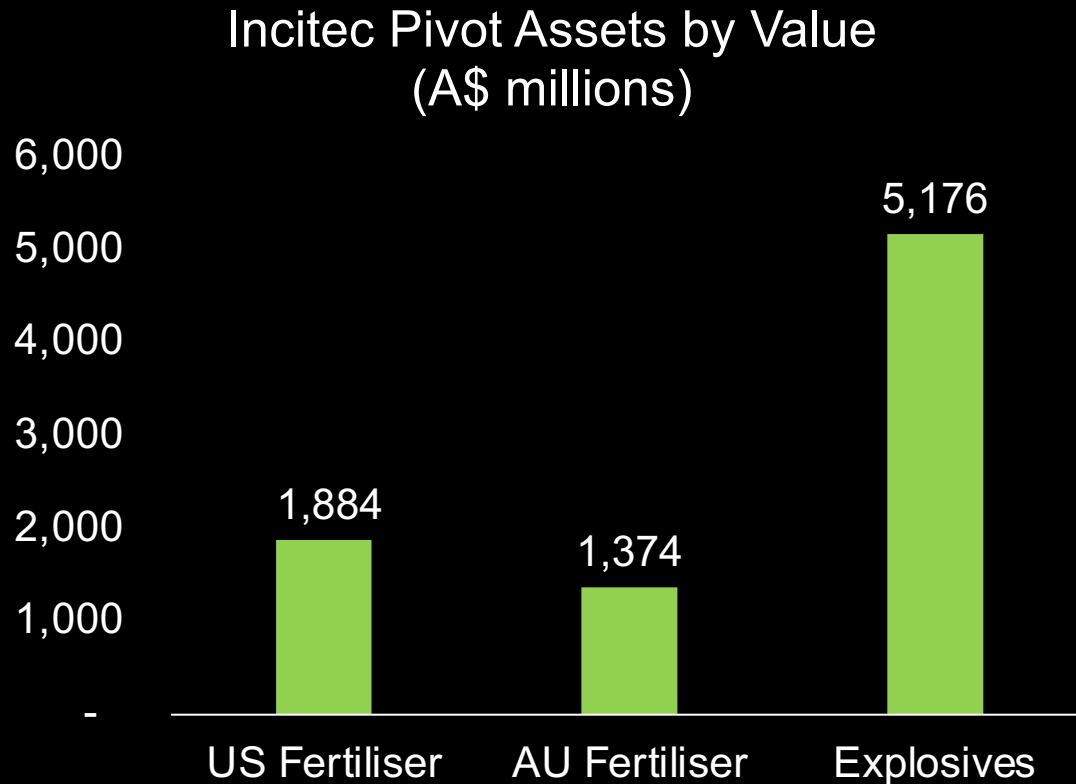


Plenty of reasons to avoid Incitec Pivot:

- Falling fertiliser prices
- Poor plant reliability
- CEO recently stepped down

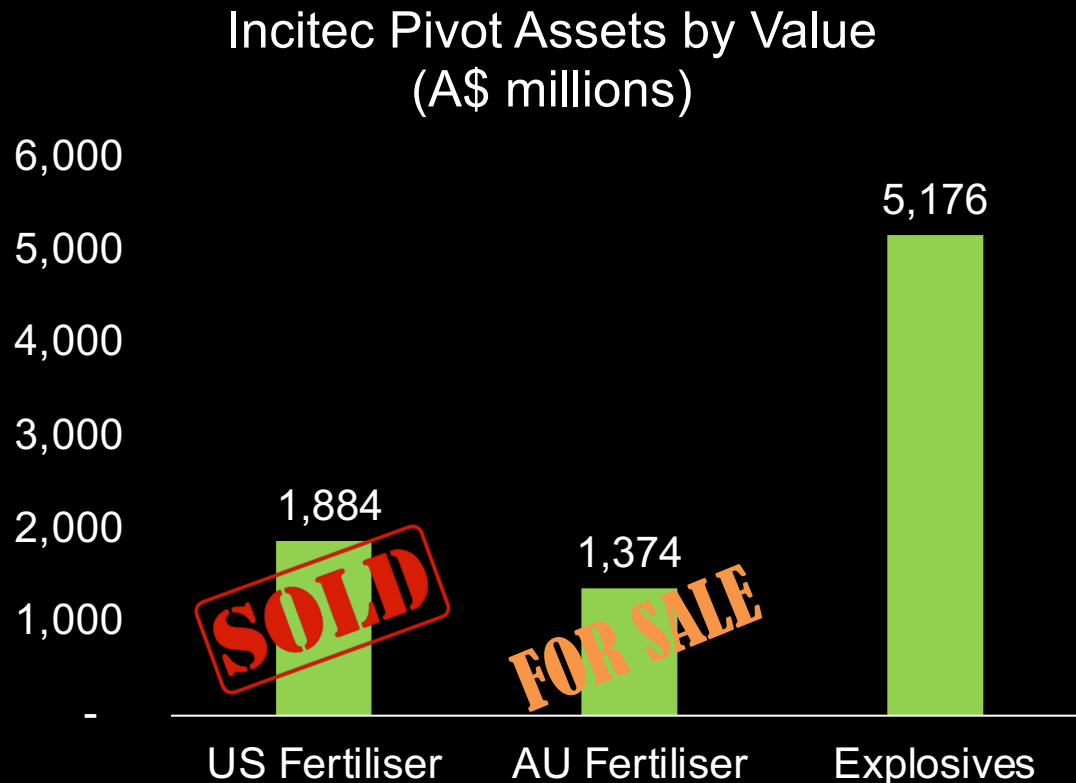
Incitec Pivot is out of favour

Incitec Pivot – simplification underway



- Incitec Pivot operates in Fertiliser and Explosives
- Currently undergoing radical simplification

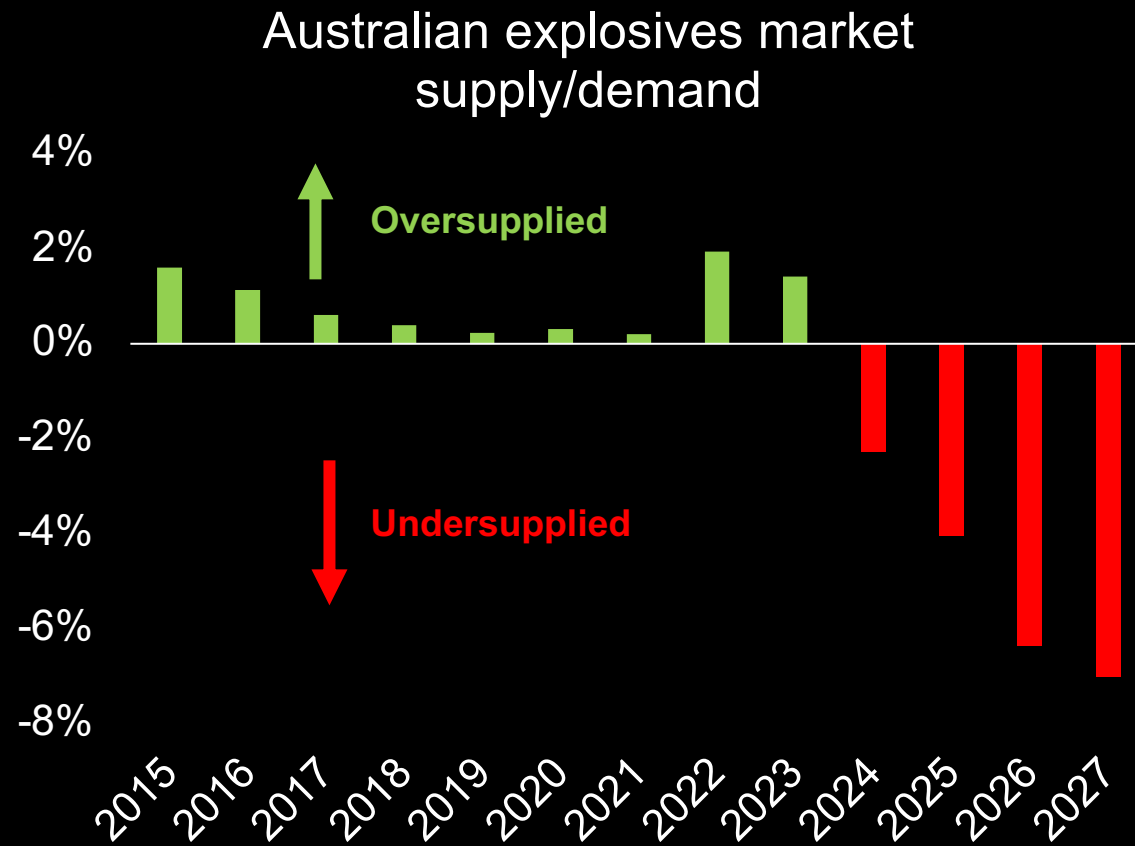
Incitec Pivot – simplification underway



- Incitec Pivot operates in Fertiliser and Explosives
- Currently undergoing radical simplification
- We see a scenario where:
 - Incitec Pivot is net cash
 - Pure play explosives business

Incitec Pivot is simplifying

Incitec Pivot – pure play explosives

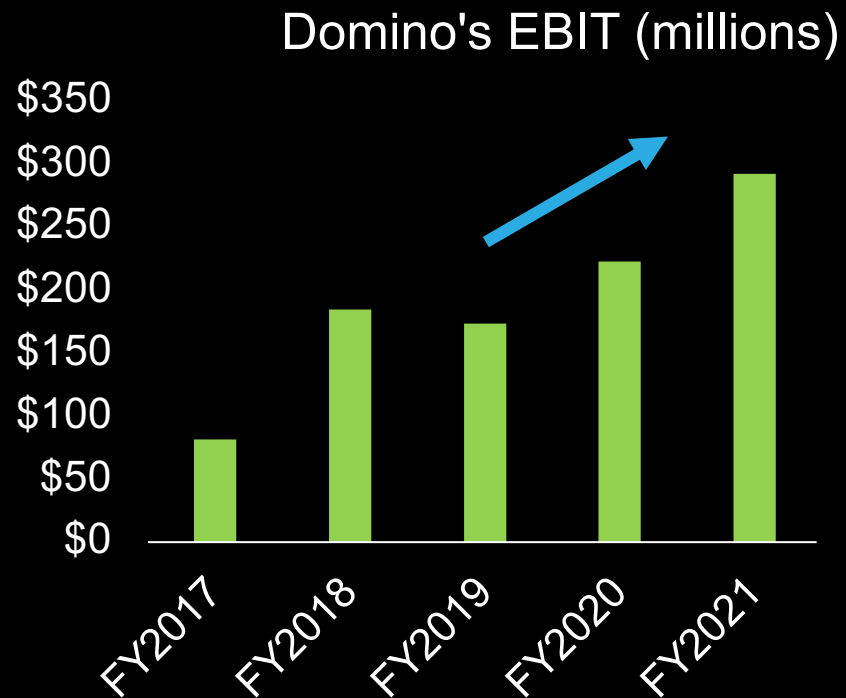


- Incitec Pivot moving to pure play explosives
- Explosives industry is very attractive
 - ✓ A decade of oversupply
 - ✓ Demand growth from mining and construction
 - ✓ Little new supply additions

Big opportunity in a simplified Incitec Pivot

Domino's Pizza – uncomfortable growth opportunity

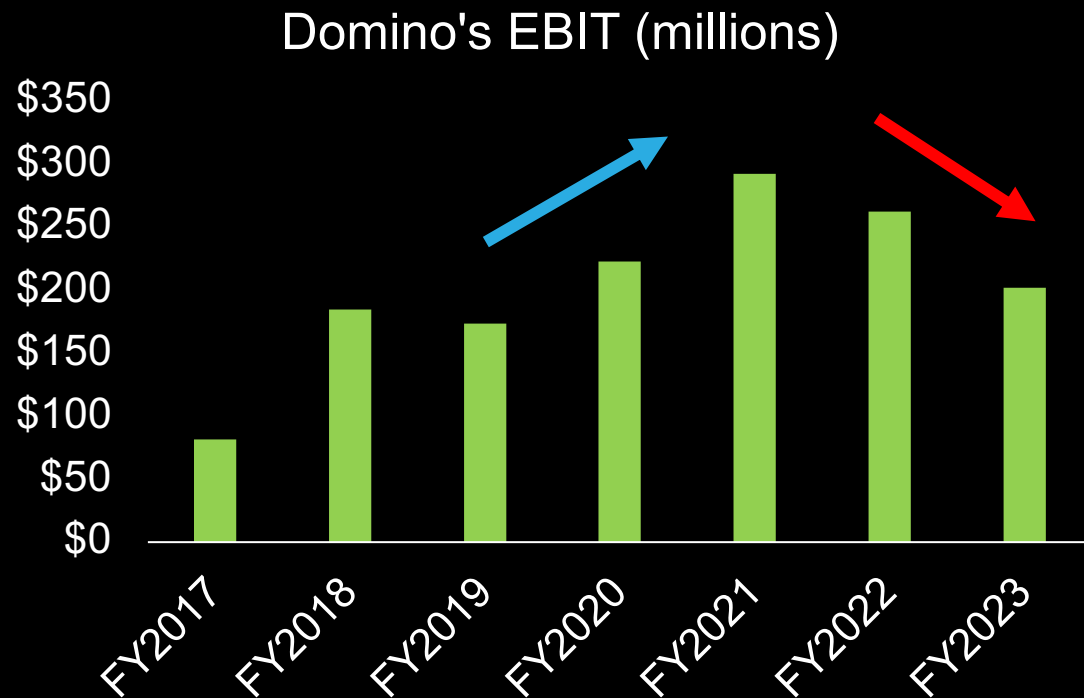
COVID winner...



- Domino's sold plenty of pizza in COVID

Domino's Pizza – uncomfortable growth opportunity

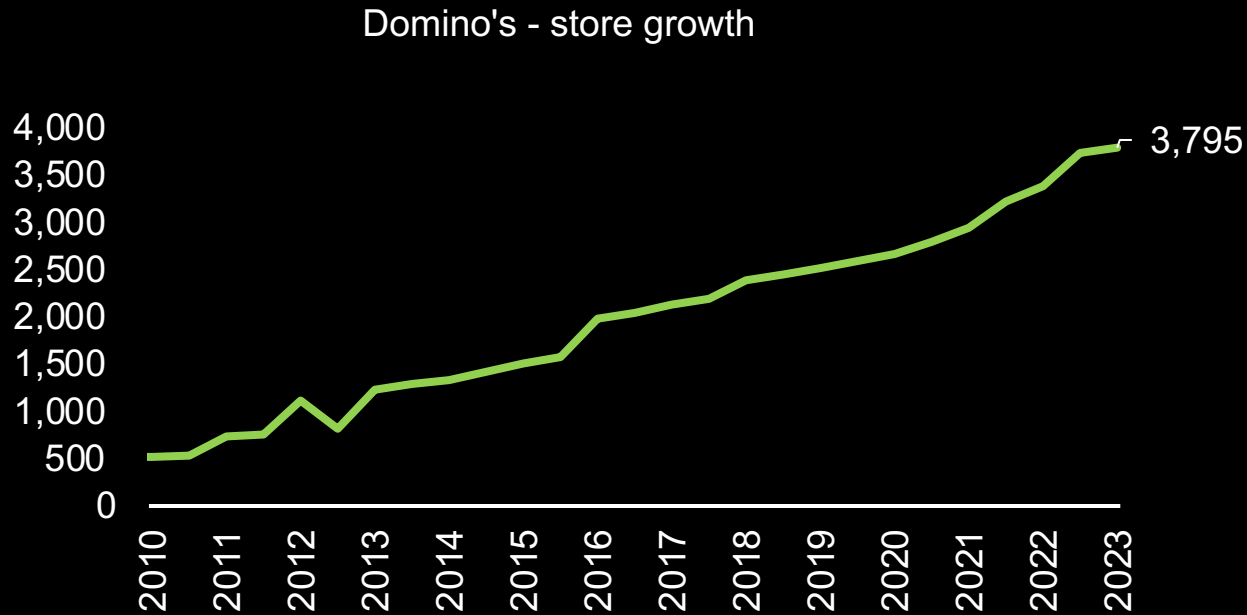
COVID winner... to inflation loser



- Domino's sold plenty of pizza in COVID
- But inflation hit hard
 - Food
 - Labour
 - Losing customers
- 7 downgrades in the space of 2 years!

Domino's has been heavily impacted by inflation

Domino's Pizza – how could things change?



- Domino's model is simple
 - Delivery focus
 - Be close to customers
 - High volume mentality
- A rare proven franchise
- We believe Domino's will revert to growth:
 - Store growth 7% p.a.
 - Sales / stores 3% p.a.
 - 10% p.a. revenue growth, higher at profit

Inflation headwinds creating investment opportunity

Firetrail Australian High Conviction Fund

1 Old world assets are very attractive

2 Opportunity in a simplified Incitec Pivot

3 Big upside to out of favour Domino's

A concentrated portfolio with a proven track record