

Centuria LifeGoals

Firetrail Australian High Conviction Fund

The Fund aims to outperform the ASX200 accumulation index over the medium to long term.

Investment Manager

Firetrail Investments Pty Limited

Investment Strategy

The Fund provides exposure to a concentrated portfolio of approximately 25 Australian securities at any time. Only those securities that Firetrail's investment team has the highest conviction to generate the greatest returns will be included in the portfolio. The process employs an unconstrained approach to fundamental research to identify companies Firetrail believes offer the most attractive forecast returns based on our medium-term view.

Target Allocation

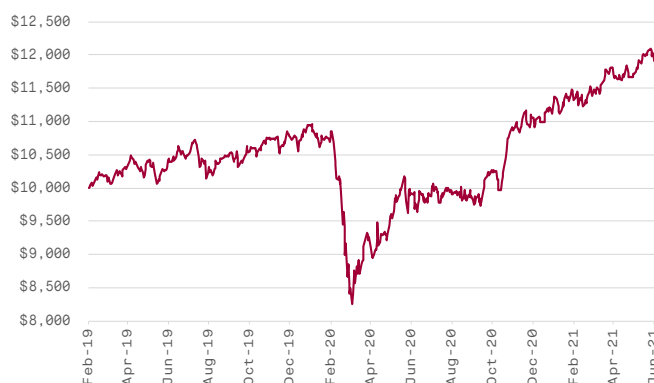
Australian Equities	90-100%
Cash	0-10%

Performance Returns

Returns to 30/6/2021	1 mth	3 mth	6 mth	1 yr	2 yr
Net Return (%)	0.34	4.12	8.60	22.11	7.04

Past performance is not a reliable indicator of future performance.

Performance Graph



A \$10,000 investment in Centuria Firetrail Australian High Conviction Fund made at inception is worth \$11,933 as of 30 June 2021 after all fees and taxes paid within the Investment Option.

Key Features

APIR Code	OVS5658AU
Minimum Initial Investment	\$500
Minimum Additional Investment Plan	\$100
Minimum Switching Amount	\$500
Minimum Balance	\$500
Contribution Fee	Nil
Annual Management Fee*	0.83%
Performance Fee**	0.00
Suggested Timeframe	Minimum 5 years

* Refer to PDS for fee breakdown.

** 15% of any performance greater than the S&P/ASX 200 Accumulation index.

For more information contact Centuria on **1300 50 50 50** or visit lifegoals.centuria.com.au to download the PDS. **Simple Flexible Versatile.**

Fund Commentary

The Fund returned 4.12% for the quarter ending 30 June 2021.

Positive Contributors

Resmed: Resmed outperformed materially during the month. Key competitor Phillips initiated a voluntary recall for a large proportion of its installed device base on June 14. The recall of a key competitor in a three player market is a huge opportunity to take market share. Our conversations with numerous industry contacts suggest Resmed will take share in both devices and masks due to disruption and reputational damage. A good case study was the 2011 recall initiated by Cochlear. In that case, Cochlear market share remained depressed for almost ten years, showing a long term impact on market structure. The key constraint for Resmed in taking the opportunity is supply chain bottlenecks due to the global chip shortage.

Megaport: Megaport rallied on the back of its investor day which provided an in-depth look at its Megaport Virtual Edge (MVE) product. The investor day highlighted the significant opportunity Megaport has if it can successfully leverage its partnerships with SD-WAN (software-defined wide area network) providers to accelerate MVE adoption.

Telstra: The sale of a 49% stake in InfraCo Towers was earlier than expected and with a bigger price tag. The multiple of 28x EBITDA highlighted the value in Telstra's tower portfolio, and indicates that further value could be realised across the remainder of InfraCo in the future. Additionally, the trend towards more rational pricing in the mobile market continued, with Vodafone lifting prices across all postpaid plans at the end of the month.

Aristocrat: Revenues in Aristocrat's 1H21 result were strong, particularly given a number of slot machines across the US remain switched off. Casinos are prioritising Aristocrat's better performing games and allocating it a greater share of slot floors. A higher cost trajectory has been guided into 2H21 as management invests in systems, sales, and design talent to support future growth.

Negative Contributors

Newcrest: After a 10% rise over April and May, the gold price retraced 7% in June, driving underperformance in Newcrest

and other gold names. An exploration update confirmed continued expansion of high grade areas at two of Newcrest's growth projects, Havieron (WA) and Red Chris (Canada).

Oz Minerals: After a sustained run from \$2.20/lb to \$4.70/lb over the 12 months to 31 May, the copper price declined 8% in June as China announced it would release stockpiles of copper, aluminium and zinc to support local manufacturing margins. While copper supply and demand looks reasonably balanced over the next 12-18 months, we believe supply remains challenged over the medium-long term which should support higher prices.

Crown: Crown underperformed as the regulatory focus shifted from NSW to Victoria. The Royal Commission has closely scrutinised Crown's implementation of responsible gaming controls and its actions around a gaming tax underpayment issue. The Commission's reporting date has now been extended from 1 August to 15 October to allow adequate time to consider all of the evidence presented.

Portfolio Positioning and Changes

We entered two new positions during the quarter, Ampol and QBE. Other material changes we made to the portfolio over the June quarter were:

- Increased our RMD overweight after the initial announcement of Philips' issues in April and the sell-off following RMD's 3Q21 result.
- Increased our OSH and STO overweights following further decoupling of equity performance from the appreciating oil price.
- Exited CGF following the April profit warning as it was apparent that volumes were being prioritised over margins and returns.

Disclaimer: this commentary has been directly sourced from Firetrail's quarterly factsheet available on their website.

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