

# 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 30/9/2021	1 mth	3 mth	6 mth	1 yr	2 yr
Net Return (%)	-0.81	2.13	6.33	24.66	7.92

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 \$12,187 as of 30 September 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*	0.93%
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](http://lifegoals.centuria.com.au) to download the PDS. **Simple Flexible Versatile.**

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## Fund Commentary

The Fund returned 2.13% for the quarter ending 30 September 2021.

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### Contributors

#### Oil search

Energy stocks were strong performers during the month due to an improved global demand outlook and a continued rational approach to supply from OPEC. Following a period of exclusive due diligence, the Boards of Oil Search and Santos agreed to a merger on previously disclosed terms. Confirmed cost synergies of \$90-115m were in line with consensus expectations.

#### QANTUS

Qantas outperformed along with global airlines as the reopening thematic regained momentum. The capacity roadmap that Qantas outlined at its results in August was also supported by the timelines and vaccinations milestones outlined by the Premiers of NSW and Victoria in September.

#### Nufarm

The demand outlook for Nufarm's products has improved over recent months, supported by higher soft commodity prices and improved weather conditions across most of Nufarm's key regions.

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### Negative Contributors

#### Bluescope

Bluescope's share price was impacted by China growth concerns and planned capacity additions announced by two competitors. New capacity is never good news but appears manageable in the context of the global demand recovery and an expectation of steel price moderation.

#### Newcrest

A weaker gold price and a more hawkish outlook from the Fed drove Newcrest's underperformance during the month. The results from pre-feasibility studies at Lihir and Red Chris were pushed back but are expected in early-mid October.

### Resmed

Australian healthcare stocks underperformed the index by ~3% in September as markets priced in higher inflation. Resmed also highlighted that global supply chain shortages are having some short-term impacts on production but are expected to be remedied by the end of 2021.

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### Portfolio Positioning and Changes

Material changes made to the portfolio over the September quarter include:

- Initiated a position in Woodside due to increased conviction in the outlook for energy stocks and an improved business risk profile post the merger with BHP's petroleum business.
- Initiated a below-index position in BHP to reduce our iron ore underweight exposure.
- Increased our holdings in Aristocrat, Xero and QBE to capitalise on short-term underperformance.
- Trimmed Virgin Money UK and Resmed following recent outperformance.
- Exited IAG following the August result as it appears that the profitability turnaround will take longer than we originally anticipated.

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

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