

**Big opportunities in small
companies**



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ASX:FSML

Firetrail

Invest with Conviction



Important information

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The name of the fund changed from Australian Small Companies Fund to Australian Small Companies Fund – Active ETF on 18 November 2024 to facilitate quotation of the fund on the ASX.

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Firetrail Australian Small Companies Fund – Active ETF (ASX:FSML)

- 1** Big opportunities in small caps today
- 2** One compelling thematic
- 3** Top high conviction ideas

Small companies with the Firetrail edge

1 Big opportunities in
small caps today

2 One compelling
thematic

3 Top high conviction
ideas

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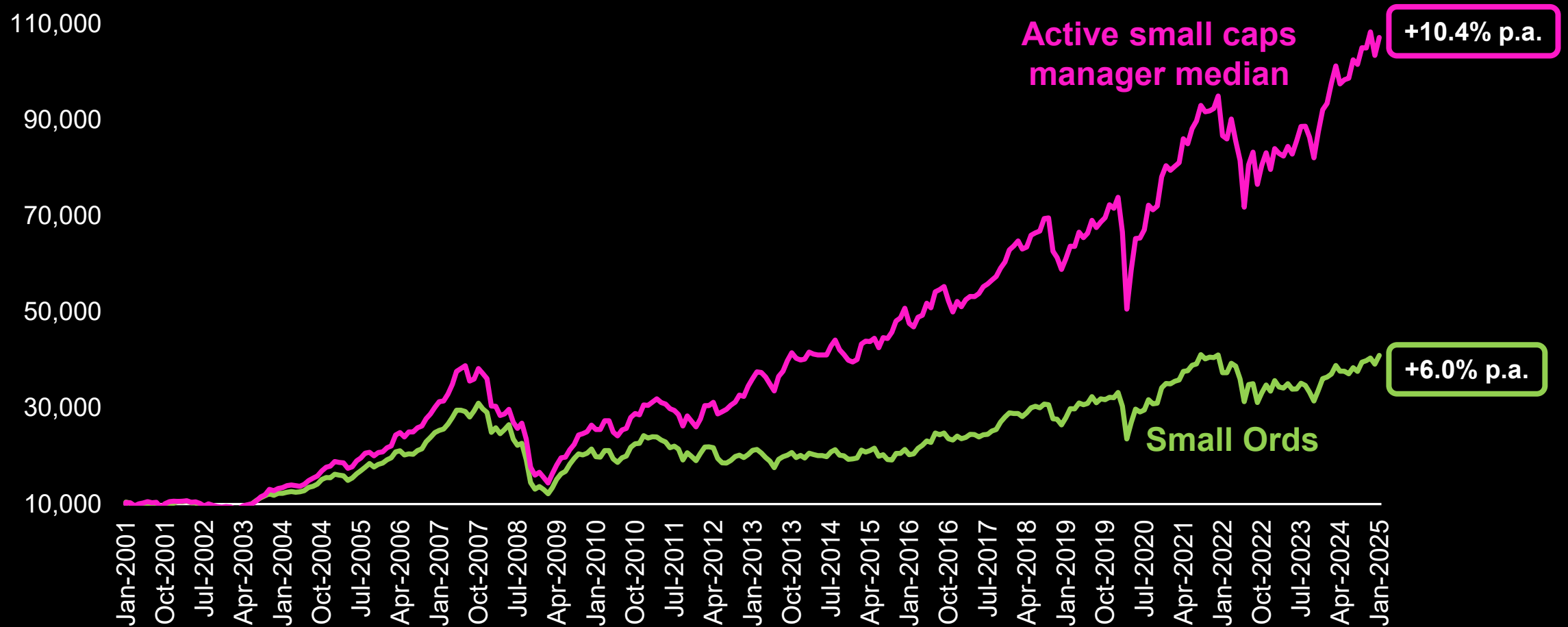
What do these three things have in common?



Being small can be a HUGE advantage, particularly in investing

The best performing asset class on the ASX

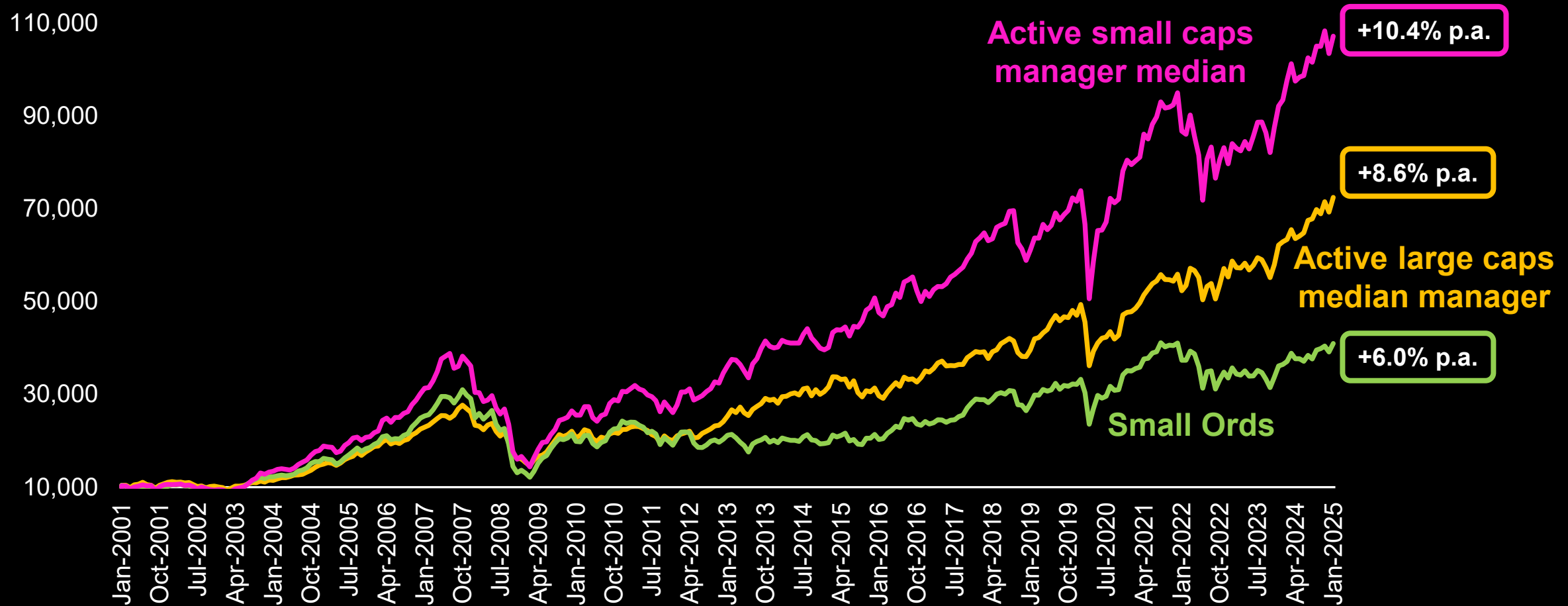
Growth of \$10K – Median Active Manager versus Index



Active small caps are a proven long-term wealth compounder

The best performing asset class on the ASX

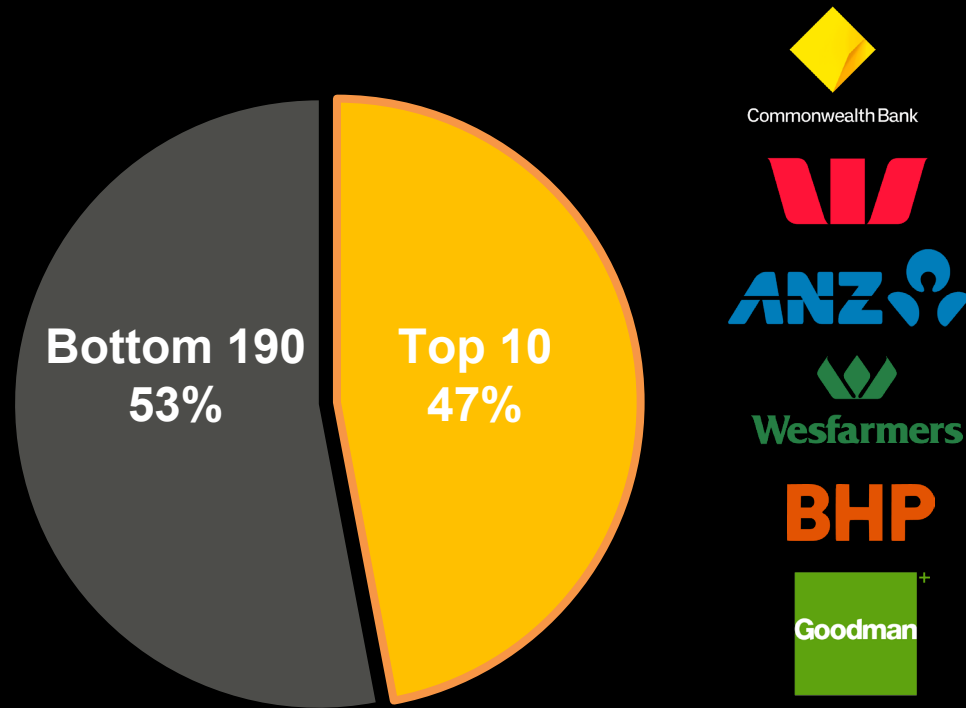
Growth of \$10K – Median Active Manager versus Index



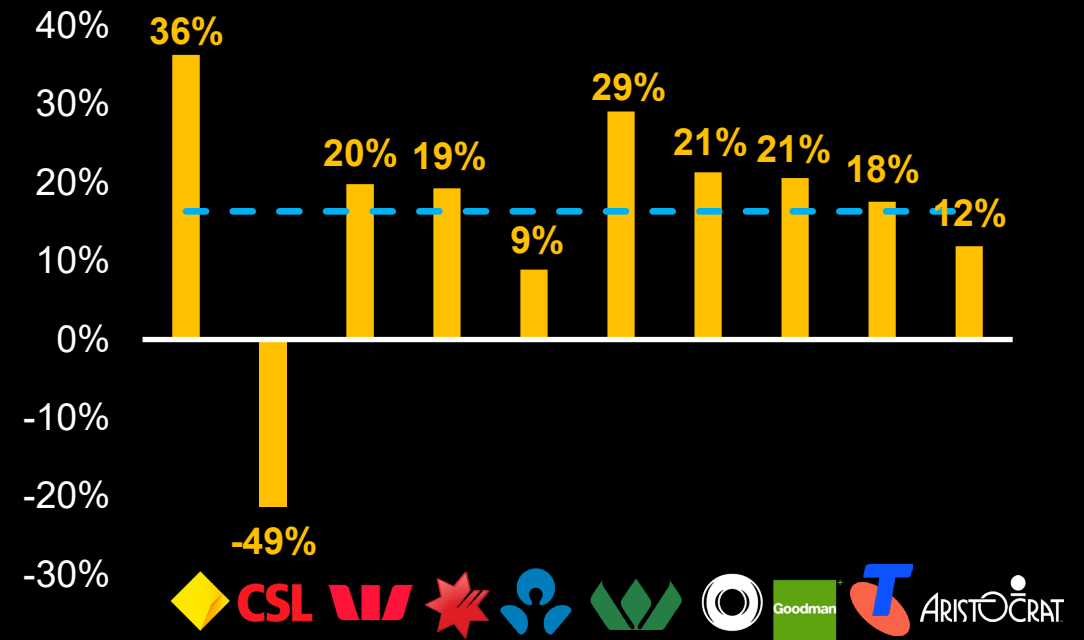
Active small caps are a proven long-term wealth compounder

ASX 200 concentration risk

When you buy the ASX 200, you're buying the ASX 10...



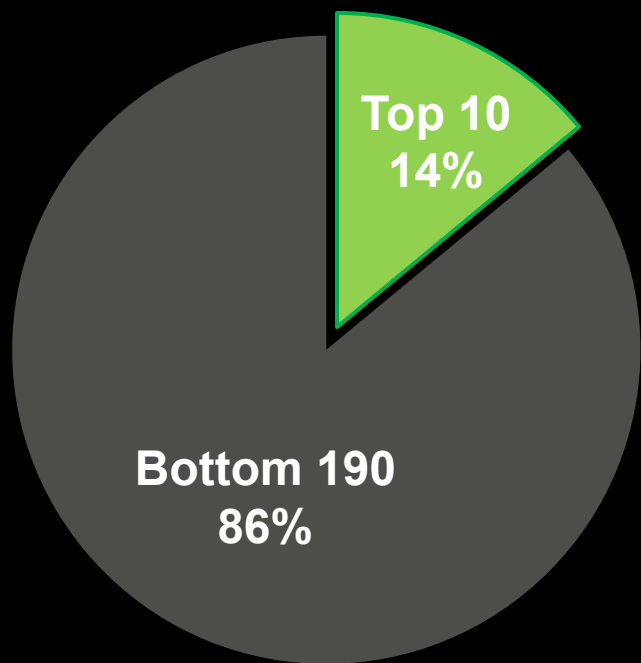
Today, ASX 10 Industrials trading at an average 16% premium to 15-year averages



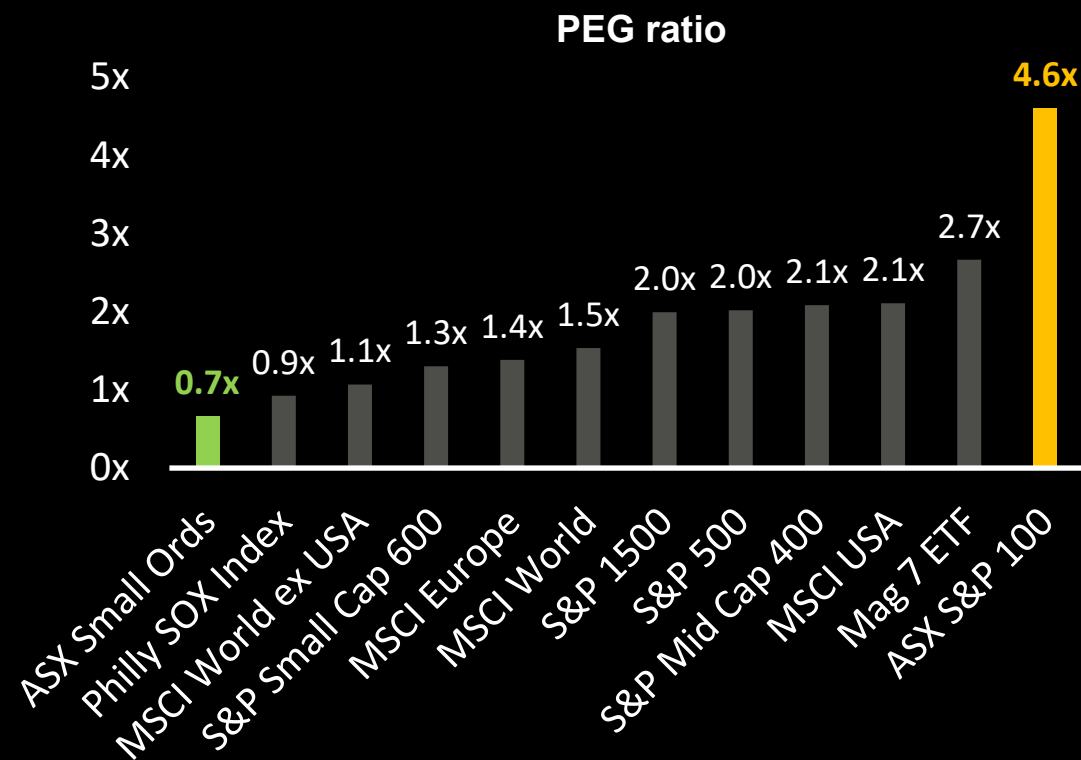
Significant concentration risk in large cap index today

Small Caps are diversified and cheap

The small caps index (ASX Small Ords) is highly diversified



ASX Small Ords is one of the cheapest indices in the world on a growth-adjusted basis

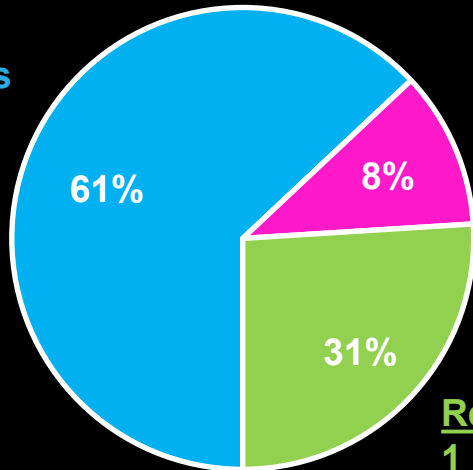


Small caps are diversified and offer highly attractive value today

We cover all segments of the market

S&P/ASX Small Ordinaries Index

Industrials
2 Engineers
2 Actuaries



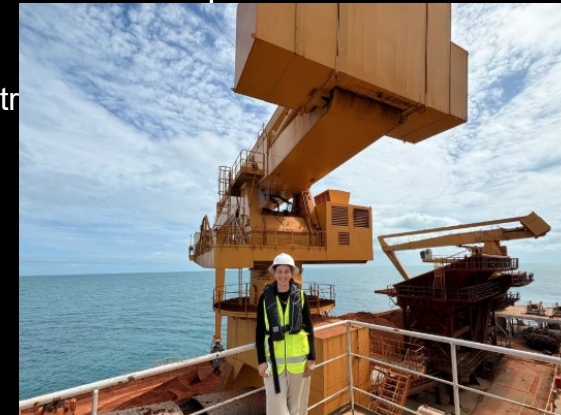
Health Care
1 Immunobiologist

Resources
1 Geologist
1 Mining Engineer



Consumer

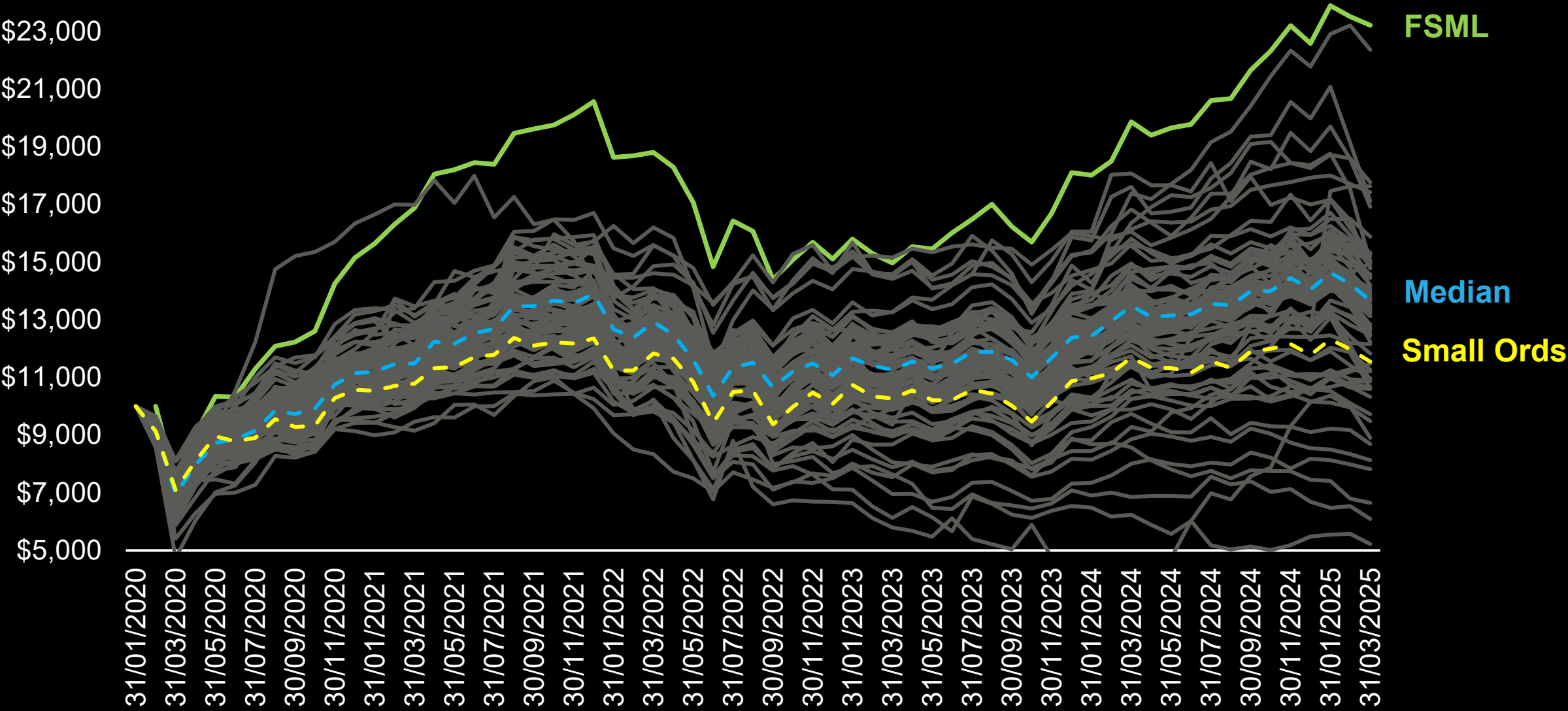
Industri



% 4%

Unique skillsets to find opportunities where others aren't looking

Growth of \$10k since inception (after fees)



Source: Morningstar, Firetrail, to 31 March. Median active manager performance is net of fees.

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2 One compelling
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ideas

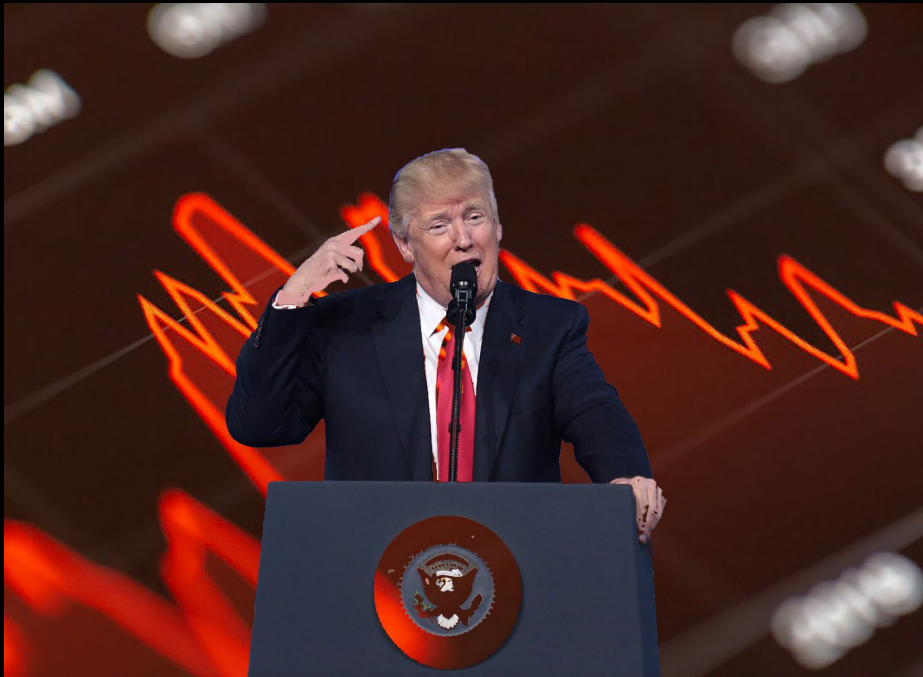
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Remarkable times

World order has been upended



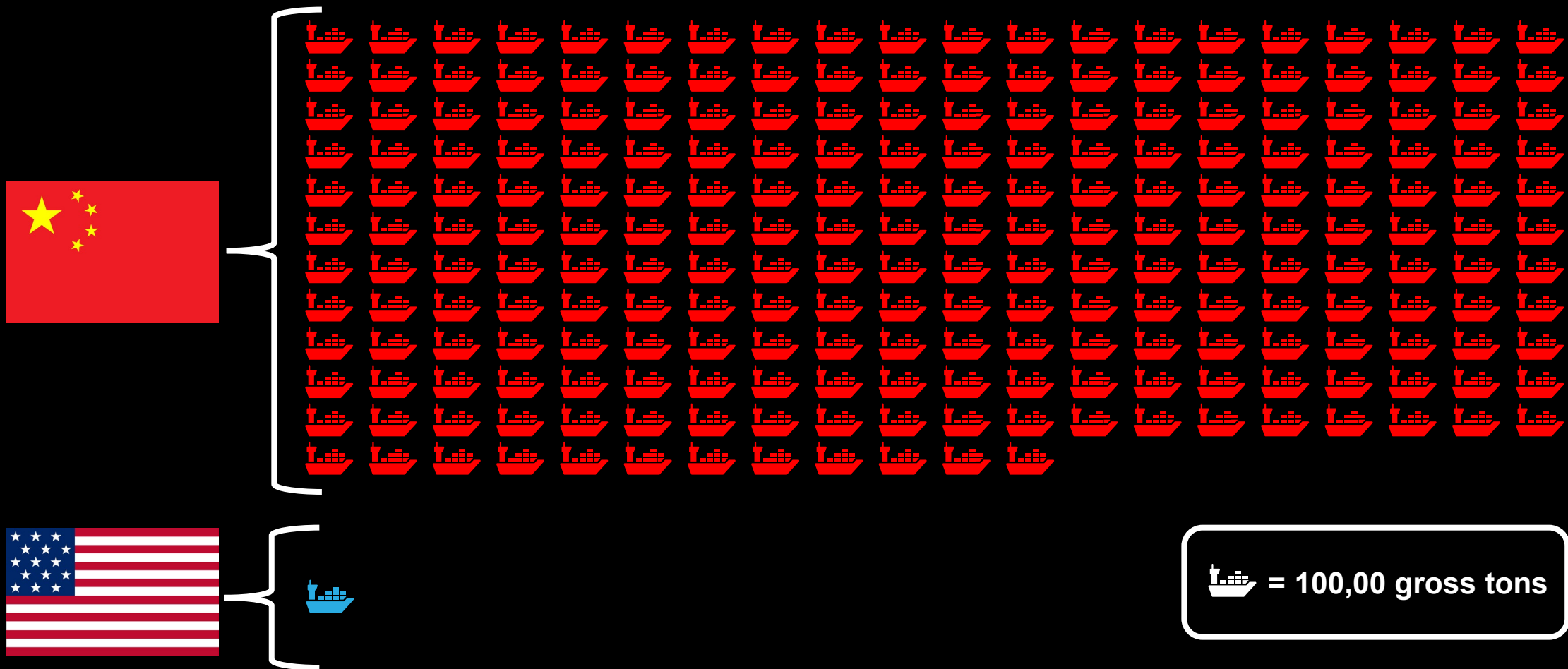
Australian defence spending has not kept up



Uncertainty means defence spend is set to increase materially

Remarkable times

China versus USA Shipbuilding Capability



Chinese shipbuilding capacity ~232x that of the USA

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Garden Island

Garden Island WA



Government is spending big on the AUKUS plan

Garden Island will host UK/USA submarine rotations from 2027

Substantial investment is required

~28bn to be spent on the Garden Island/Henderson sites

Including ~1.8bn of marine infrastructure over the next few years

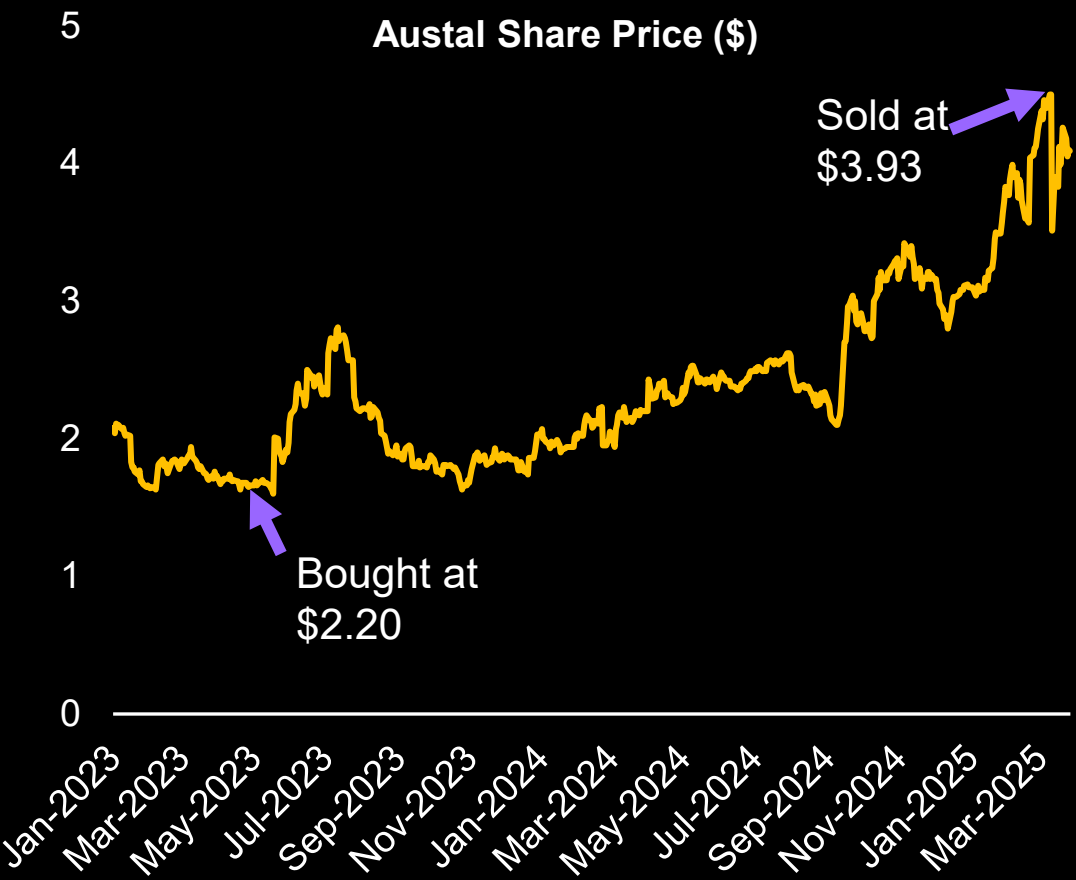
Garden Island an opportunity for Australian defence companies

Small cap beneficiaries: Austal

Strategic assets in the right place



Firetrail captured the upside



Source: Firetrail, FactSet

Austal set the pace for our defence positioning

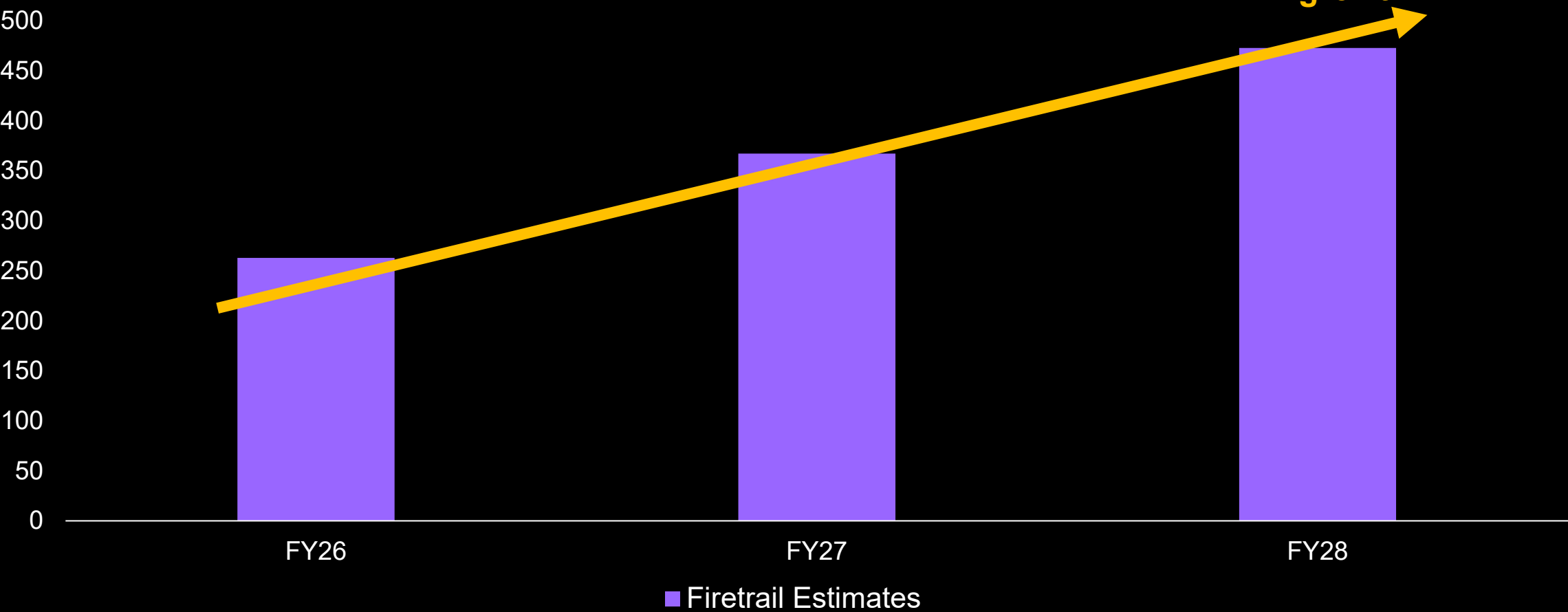
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Small cap beneficiaries: Duratec

Duratec's revenue is forecast to double

Duratec defence revenue

2x growth!



Duratec is a key winner with material upside

Small cap beneficiaries: Channel Infrastructure

Fuel Security and energy reliability is front of mind

Three Chinese warships sailing east of Sydney being monitored, ADF says

Falling well short: FOI documents reveal shocking state of nation's fuel security preparedness

9 APRIL 2025

Increased diesel reserves to improve resilience

Source: ABC News, Defence Connect, New Zealand Government

Channel supplies 80% of New Zealand's jet fuel



Fuel security is front of mind

Small cap beneficiaries: Channel Infrastructure

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Falling well short: FOI documents reveal shocking state of nation's fuel security preparedness

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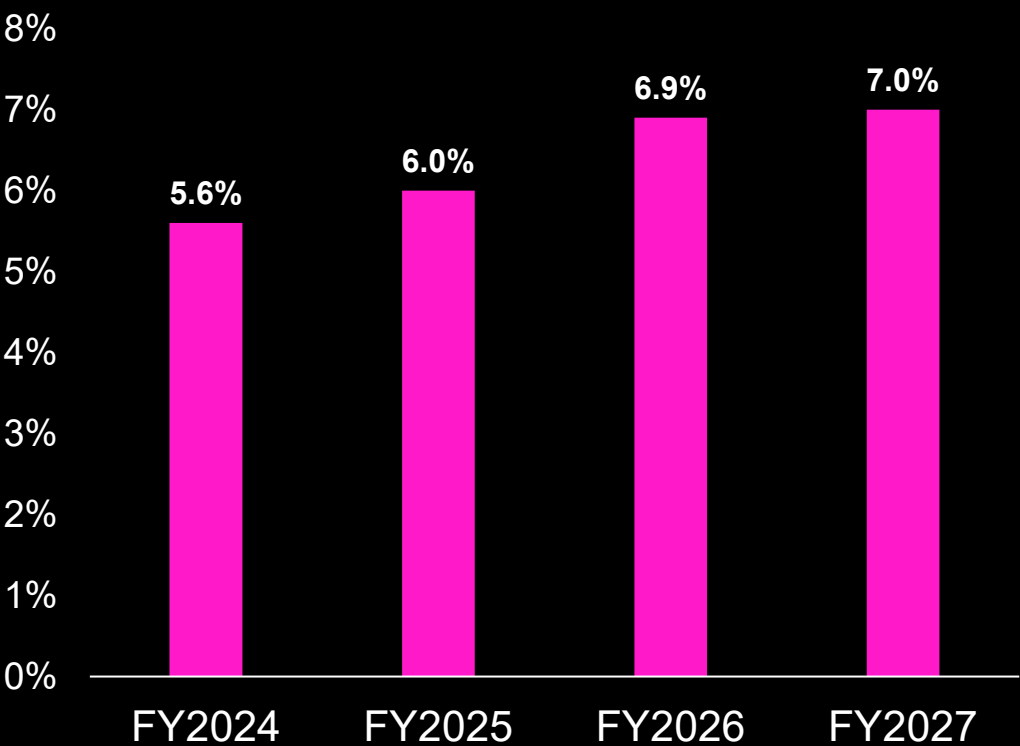
Channel owns and operates NZ largest fuel terminal

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Small cap beneficiaries: Channel Infrastructure

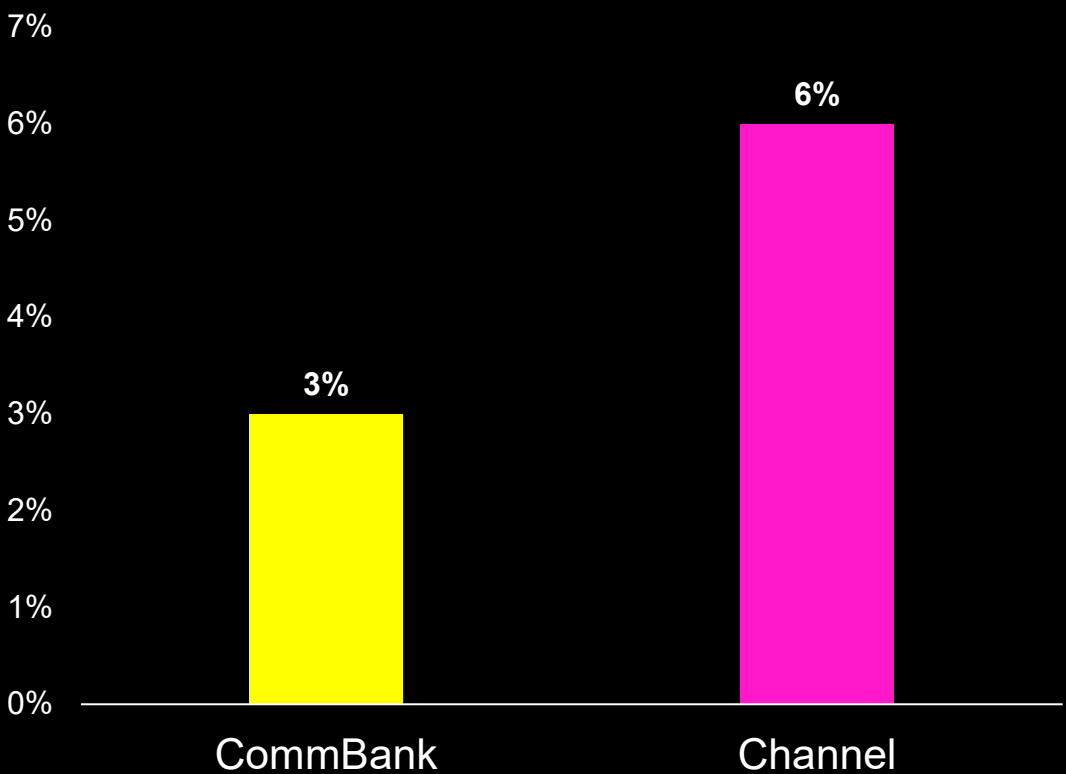
Channel's dividend yield is set to grow

Channel's Dividend Yield (%)



Channel's yield is 2X CommBank's!

CommBank versus Channel Dividend Yield – next 12 months forecast



Channel Infrastructure is delivering attractive dividends

Firetrail Australian Small Companies Fund

1 Big opportunities in small companies today

2 Australian defence spend set to rise

3 Top high conviction ideas

Small companies with the Firetrail edge

Performance

Firetrail Australian Small Companies Fund
After fees to 31 March 2025

	Fund	ASX Small Ords	Excess
Quarter	2.7%	(2.0%)	+4.7%
6 months	7.1%	(3.0%)	+10.1%
1 Year	16.8%	(1.3%)	+18.1%
3 Year (p.a.)	7.1%	(0.8%)	+7.9%
5 Year (p.a.)	25.5%	10.2%	+15.3%
Inception (p.a.) ¹	15.2%	2.2%	+12.9%

Invest in ASX:FSML



+12.9% p.a. excess returns since Fund inception

PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RETURNS. 1. Fund inception on 20 February 2020.