



# Disclaimer

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# What we do

## What we do

- Manage share portfolios
- Individual accounts you retain ownership
- Focus on consumer and technology

## How we can help

- A portfolio for the future
- Exposure to consumer and technology opportunities not just banks and resources

## Today

- Growth investing
- Trends and research to help identify stocks
- Outlook for the market

# Growth investing

## Finding the next Apple



A look at past winners

The search for new trends & opportunities

A look to the future

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WWW.ANDRETTA.COM



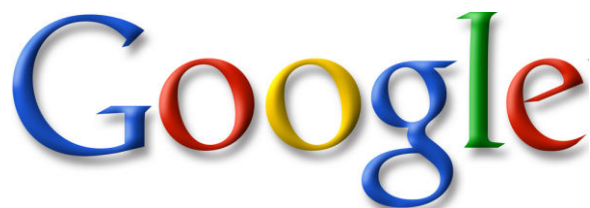
"OK, let's check your hindsight."

# Apple a look back



# A look at past leaders

Higher chance with companies we know



Monster new energy drink

Priceline.com new way of booking travel

Deckers Ugg boots

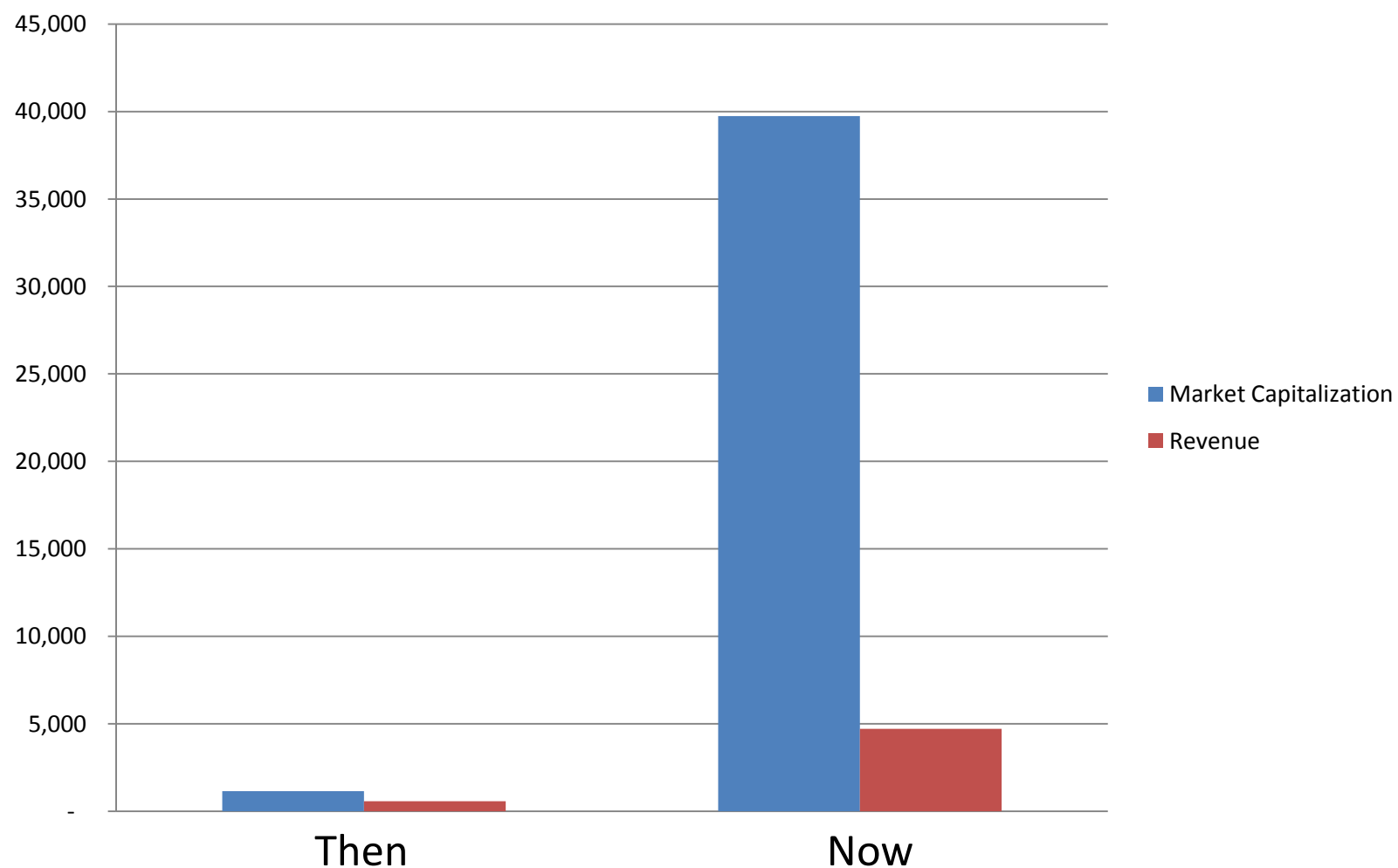
Apple iPod, iPhone, iPad

Intuitive Surgical Da Vinci robotic surgery

# Before they were famous

|                       | Median        | Average        |
|-----------------------|---------------|----------------|
| Market Capitalization | <b>1143.4</b> | <b>11895.9</b> |
| Cash & Equivalents    | 178.1         | 1333.2         |
| Preferred & Other     | 0.0           | 0.9            |
| Total Debt            | 0.6           | 40.2           |
| Enterprise Value      | 1086.7        | 10603.6        |
|                       |               |                |
| Revenue               | 564.6         | 2152.8         |
| Growth %, YoY         | <b>57.4</b>   | <b>58.2</b>    |
| Gross Profit          | 144.3         | 741.8          |
| Margin %              | 44.2          | 42.5           |
| EBITDA                | 44.5          | 273.5          |
| Margin %              | 19.8          | 17.0           |
| Net Income Before XO  | 28.5          | 129.3          |
| Margin %              | 11.6          | 9.9            |
| Adjusted EPS          | 0.7           | 0.7            |
| Growth %, YoY         | <b>197.5</b>  | <b>192.6</b>   |

# Then & Now



|                       | Then (2004) | Now (30 <sup>th</sup> June) |
|-----------------------|-------------|-----------------------------|
|                       | Median      | Median                      |
| Market Capitalization | 1,143       | 39,733                      |
| Revenue               | 565         | 4,716                       |



# What they have in common

## High customer loyalty

- Brands with high customer loyalty.

## Something new

- New products and management.

## Large growing markets

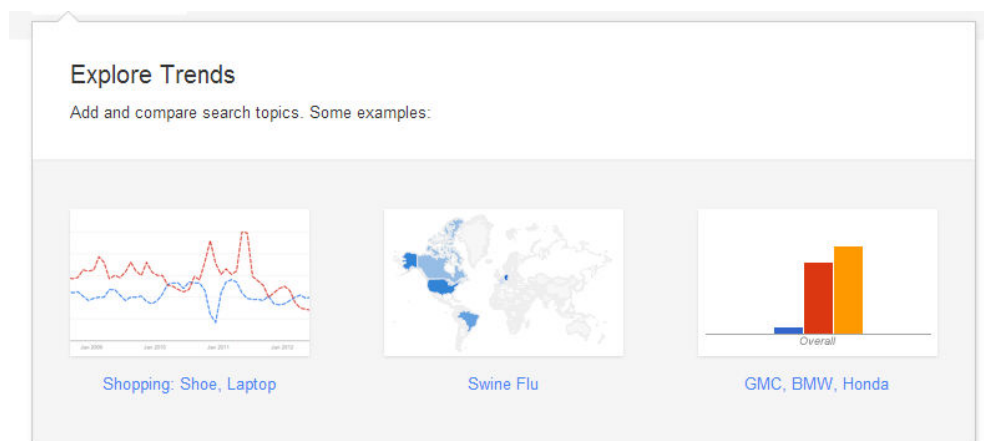
- Consumer products with large markets.
- The toothbrush test.

Tend to be smaller companies \$1>\$10 billion  
Screening finds only 30 stocks

# Good starting point

Google it!

<http://www.google.com/trends/>



## Related searches ?

| Topics                            | Top | Rising      |
|-----------------------------------|-----|-------------|
| Amazon.com - Retail company       | 100 | <div></div> |
| Coupon - Industry                 | 100 | <div></div> |
| eBay - Company                    | 75  | <div></div> |
| Walmart - Retail company          | 70  | <div></div> |
| Shoe - Garment                    | 65  | <div></div> |
| Netflix - Streaming media comp... | 50  | <div></div> |
| Clothing - Organization type      | 50  | <div></div> |

</>

| Queries             | Top | Rising |
|---------------------|-----|--------|
| lego movie          |     | +800%  |
| samsung galaxy s5   |     | +600%  |
| the lego movie      |     | +550%  |
| prom dresses        |     | +190%  |
| edible arrangements |     | +90%   |
| flowers             |     | +90%   |
| lego                |     | +50%   |

</>

## Related searches ?

| Topics                   | Top | Rising   |
|--------------------------|-----|----------|
| Facebook - Website       |     | Breakout |
| YouTube - Website        |     | Breakout |
| Google - Search company  |     | +600%    |
| Outlook.com - Website    |     | +250%    |
| Yahoo! - Search company  |     | +80%     |
| Video - Art medium       |     | +80%     |
| Film - Visual Art Medium |     | +40%     |

</>

| Queries  | Top | Rising   |
|----------|-----|----------|
| facebook |     | Breakout |
| fb       |     | Breakout |
| youtube  |     | Breakout |
| tube     |     | +2,200%  |
| gmail    |     | +950%    |
| google   |     | +750%    |
| face     |     | +600%    |

</>

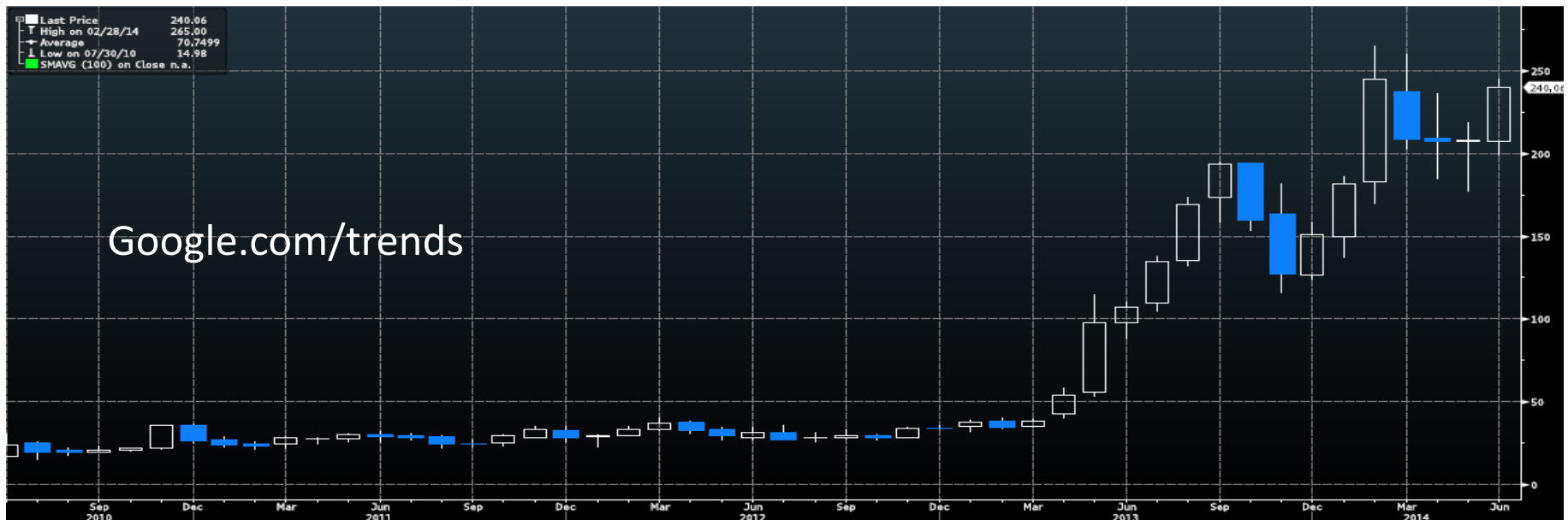
# Trends over time

tesla

+ Add term

Search term

Interest over time ? ☒ News headlines ☐ Forecast ?



# Top internet searches

## Top ten Google searches 2013

1. Nelson Mandela
2. Paul Walker
3. iPhone 5S
4. Cory Monteith
5. Harlem Shake
6. Boston Marathon
7. Royal Baby
8. Samsung Galaxy S4
9. PlayStation 4
10. North Korea

## Top 10 search keywords on Baidu during 2013

- |                        |         |
|------------------------|---------|
| 1. Weather             |         |
| 2. Taobao              | Alibaba |
| 3. Wu Dong Qian Kun    | Novels  |
| 4. The Tang Door       | Novels  |
| 5. Mang Huang Ji       | Novels  |
| 6. Zhe Tian            | Novels  |
| 7. Double Chromosphere | Lottery |
| 8. Baidu               | Baidu   |
| 9. Da Zhu Zai          | Novel   |
| 10. Qzone              | Tencent |

Globally, Baidu is the second biggest search engine with around 19% of market share after Google. In China, it accounts for more than 63% of the market

# Amazon not just for buying

## Amazon Hot New Releases

Our best-selling new and future releases. Updated hourly.

Any Department

### Toys & Games

- Action & Toy Figures
- Arts & Crafts
- Baby & Toddler Toys
- Bikes, Skates & Ride-Ons
- Building & Construction Toys
- Collectible Trading Cards & Accessories
- Dolls & Accessories
- Dressing Up & Costumes
- Electronics for Kids
- Games
- Hobbies
- Kids' Furniture & Room Décor
- Learning & Education
- Musical Instruments
- Novelty & Gag Toys
- Party Supplies
- Play Vehicles
- Preschool
- Pretend Play
- Puppets & Puppet Theaters
- Puzzles
- Sports & Outdoor Play
- Stuffed Animals & Toys

### Hot New Releases in Toys & Games

1.



Monster High Freaky Fusion  
Sirena von...  
★★★★☆ (8)  
\$24.99  
23 new from \$23.39

2.



DreamWorks Dragons: How  
to Train Your...  
★★★★☆ (17)  
\$14.99  
11 new from \$14.95

3.



Official Rainbow Loom 2.0  
Starter Kit...  
★★★★☆ (6)  
\$15.89  
9 new from \$14.99

4.



DreamWorks Dragons: How  
to Train Your...  
★★★★☆ (2)  
\$9.99  
22 new from \$9.99

5.



Monster High Freaky Fusion  
Avia Trott...  
★★★★☆ (12)  
\$24.99  
33 new from \$23.39

6.



Disney Frozen Enchanting  
Dress - Elsa...  
★★★★☆ (166)  
\$19.99  
97 new from \$19.99

### More to Explore in Toys & Games

#### Best Sellers

See Top 100



Cards Against  
Humanity  
\$25.00



Cards Against  
Humanity: Fir...  
\$10.00



Cards Against  
Humanity: Sec...  
\$10.00

#### Movers & Shakers

See Top 100



LEGO Chima  
Target Practice...  
\$1.98



Dark Horse  
Deluxe Game of  
T...  
\$70.00



Monster High  
Basic Travel A...  
\$4.74

#### Top Rated

See Top 100



Magna-Tiles®  
Clear Colors 1...  
\$44.99



Cards Against  
Humanity  
\$25.00



Step 2 Up &  
Down Roller  
\$11.15

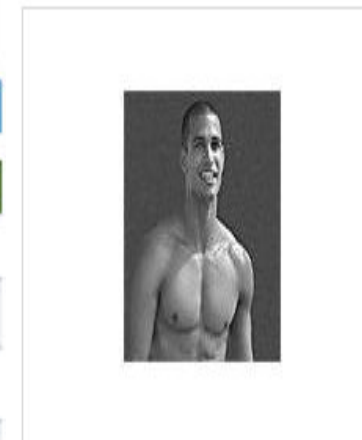
# People business



| Rank | Company                                                                             | CEO                | CEO Approval Rating |
|------|-------------------------------------------------------------------------------------|--------------------|---------------------|
| 1    |    | Jeff Weiner        | 100%                |
| 2    |    | Alan R. Mulally    | 97%                 |
| 3    |    | Richard W. Edelman | 97%                 |
| 4    |    | Paul E. Jacobs*    | 95%                 |
| 5    |   | Craig Jelinek      | 95%                 |
| 6    |  | Brad Smith         | 94%                 |
| 7    |  | Lloyd C. Blankfein | 94%                 |
| 8    |  | Howard D. Schultz  | 93%                 |
| 9    |  | Mark Zuckerberg    | 93%                 |
| 10   |  | Larry Page         | 93%                 |

## Abercrombie & Fitch Reviews

Updated Jul 01, 2014



2.8 ★★☆☆☆ 1,985 reviews



29% Approve of the CEO



Mike Jeffries  
(1,093 ratings)

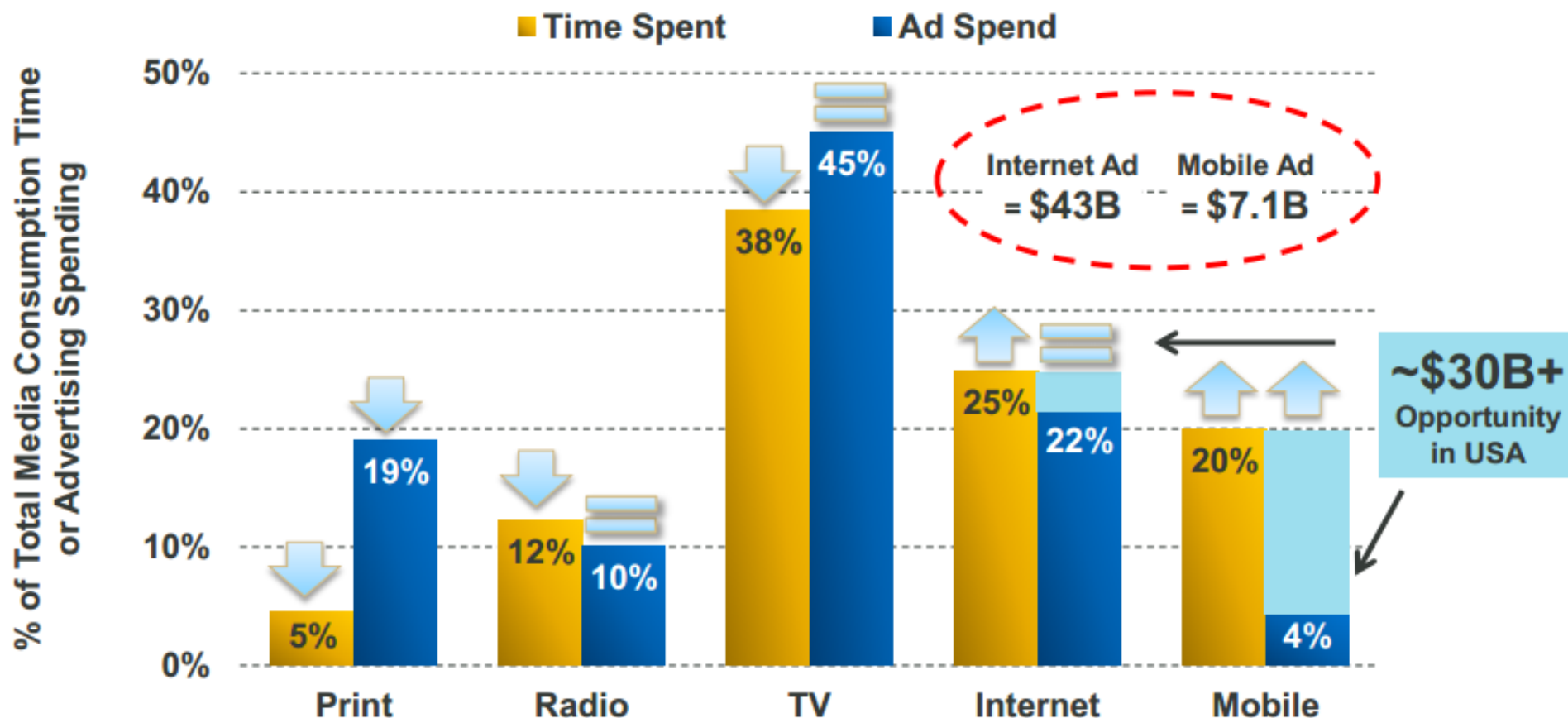


40% of employees recommend this company to a friend



# Market trends

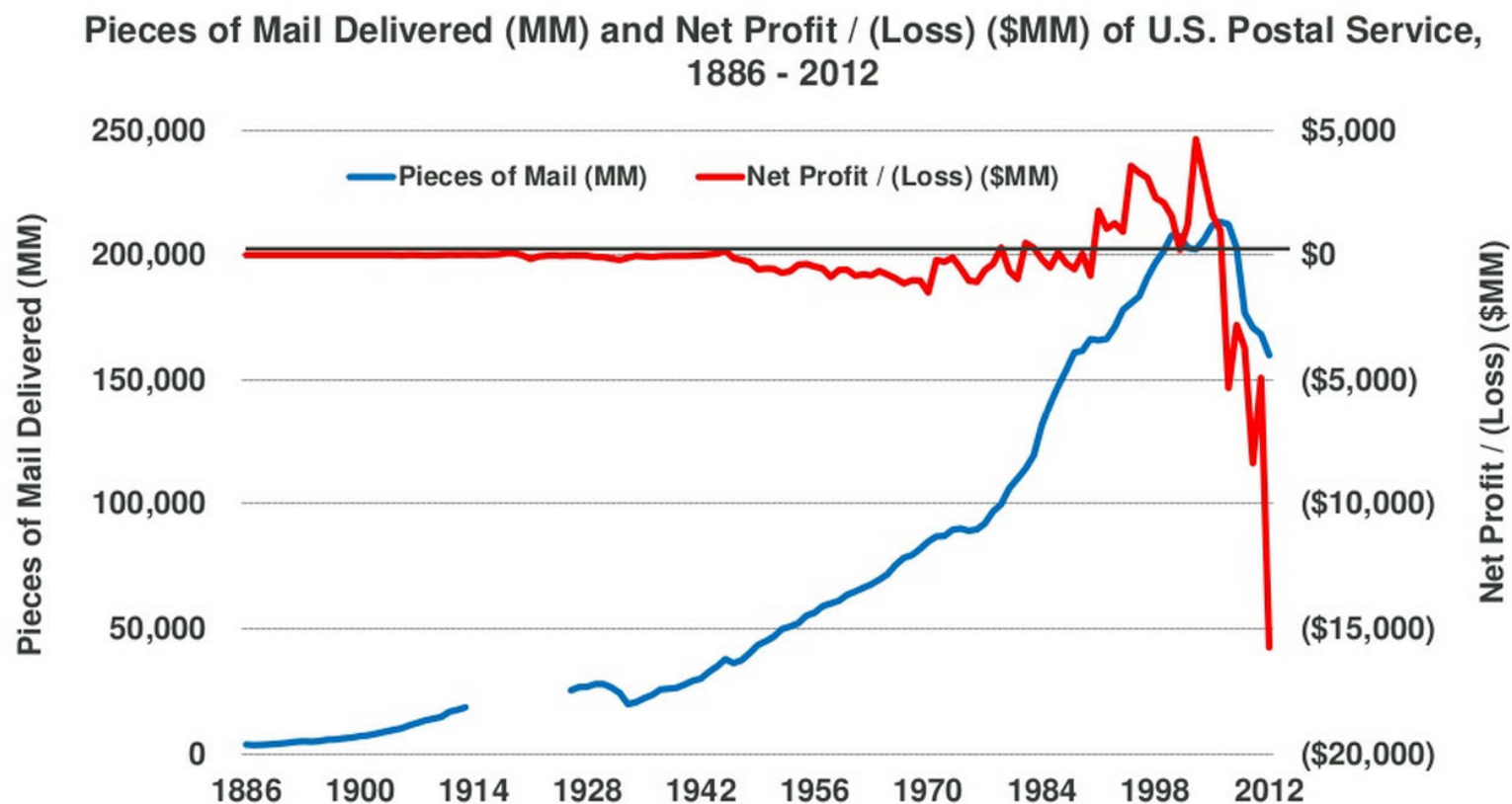
## % of Time Spent in Media vs. % of Advertising Spending, USA 2013



KPCB internet trends report  
<http://www.kpcb.com/internet-trends>

# Market trends

U.S. Postal Service Mail Volume Peaked in 2006 Owing to Email Rise... Profitability Plummeted

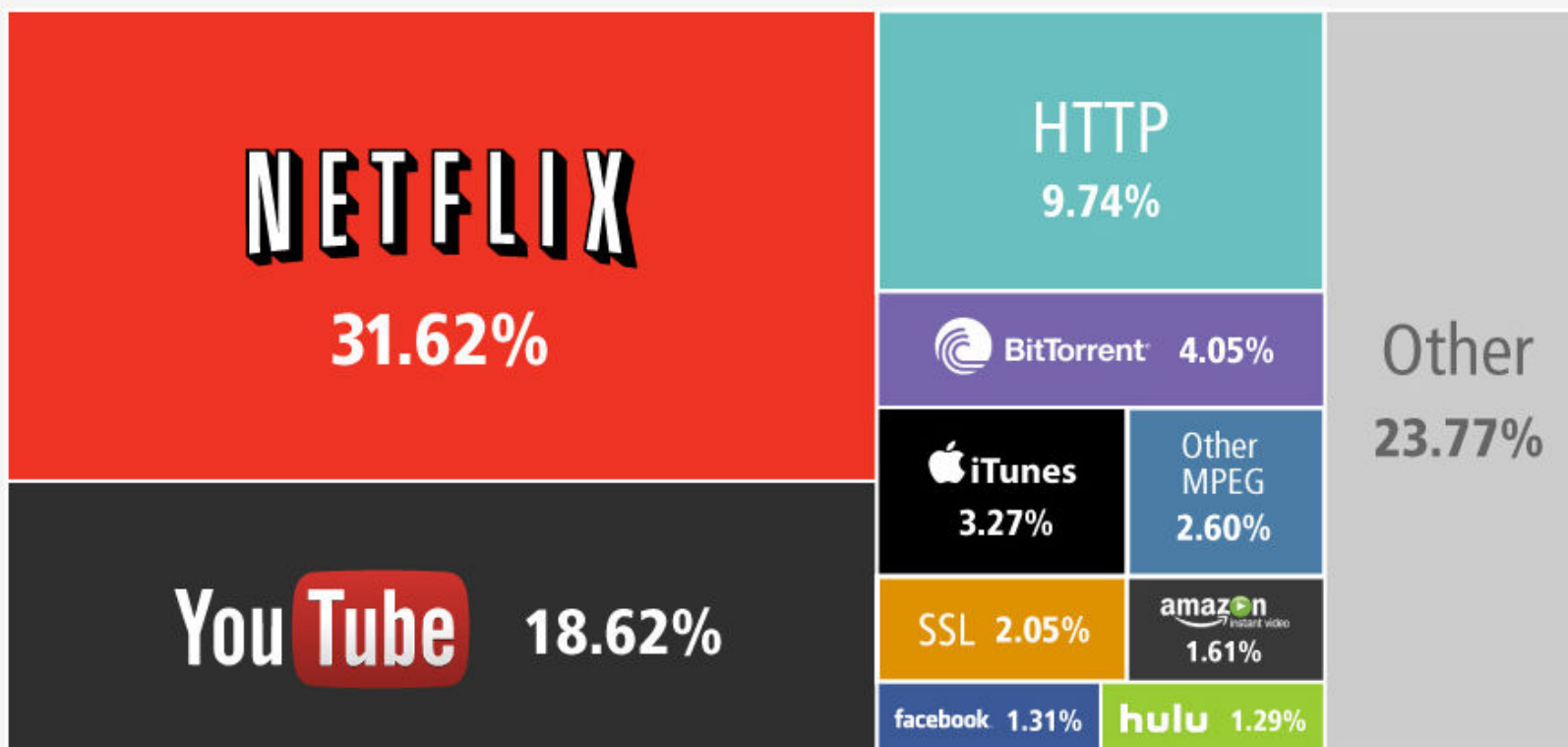




# Market trends

## Netflix and YouTube Are America's Biggest Traffic Hogs

Share of peak period downstream traffic in North America, by application\*



\* September 2013. Fixed access only.

# Market trends

## Consumers Increasingly Expect to Watch TV Content... On Own Terms

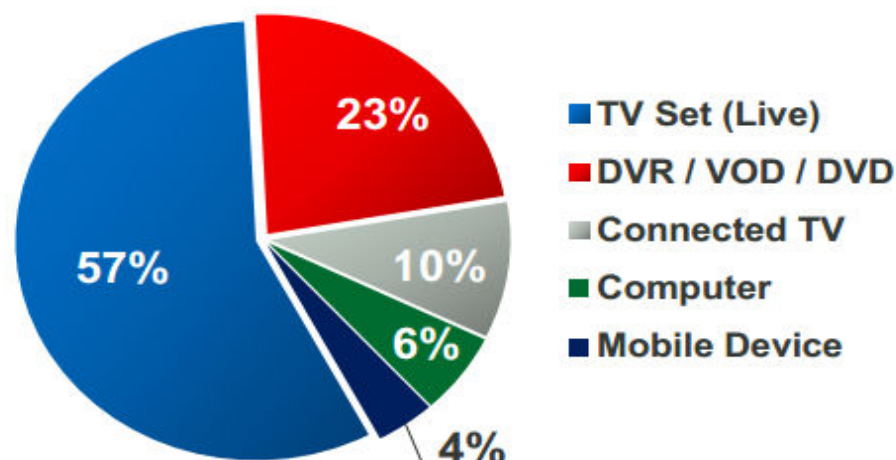
### Device Share of TV Content, USA, 1/14

#### Circa 1950

TV Set (Live) =  
100% of viewing



#### Circa 2014



# Watch the kids Investing in what you know



40% of kids under 2 year old have used a  
smartphone to watch TV/games

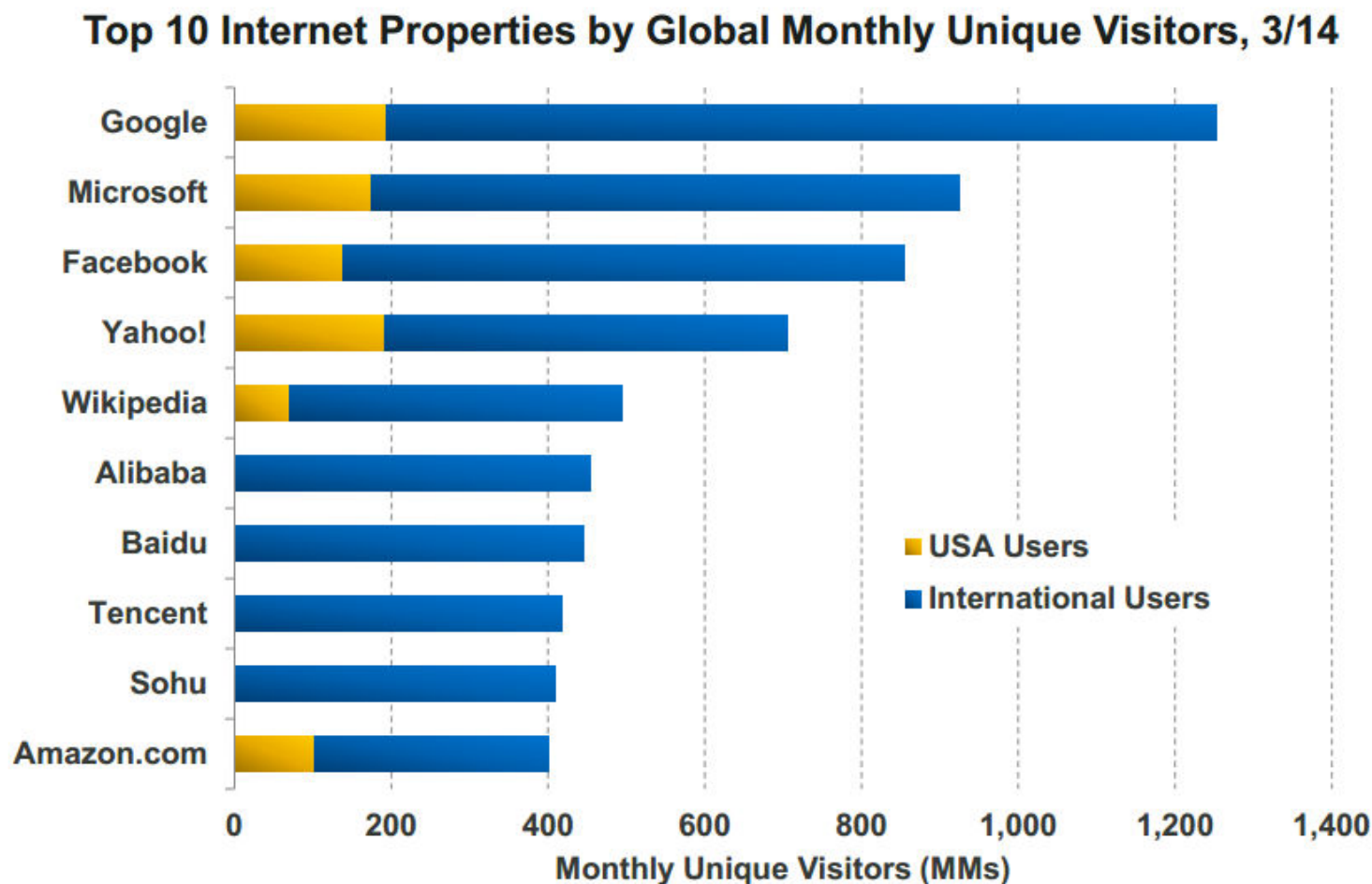


# China now a consumer story



# Chinese consumer

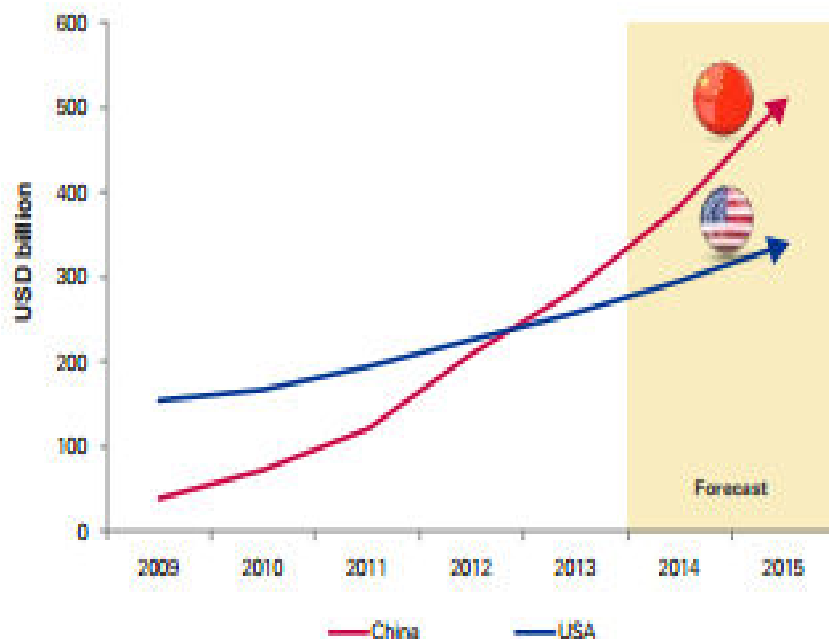
**3/14** – 6 of Top 10 Global Internet Properties ‘Made in USA’...  
 >86% of Their Users Outside America...China Rising Fast





# China new consumers

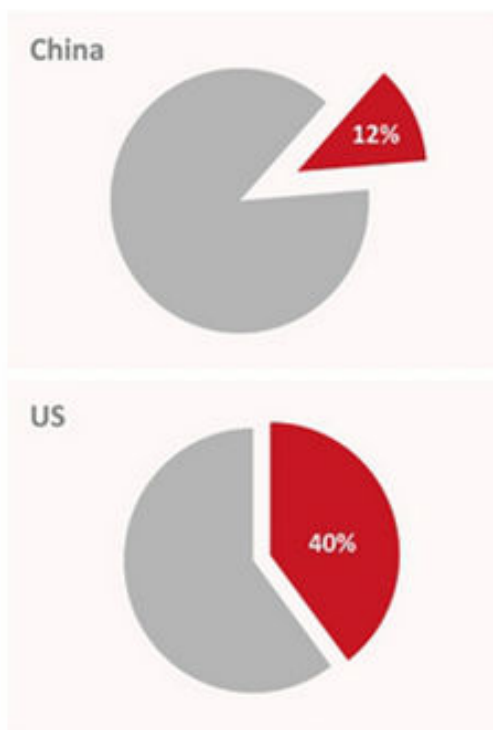
Value of e-commerce transactions in the US and China, 2009-2015



Sources: KPMG analysis of US and Chinese e-commerce data from Statista, Bain & Company

... Yet Highly Fragmented<sup>3</sup>

Top 20 Retailers' Market Concentration in 2013



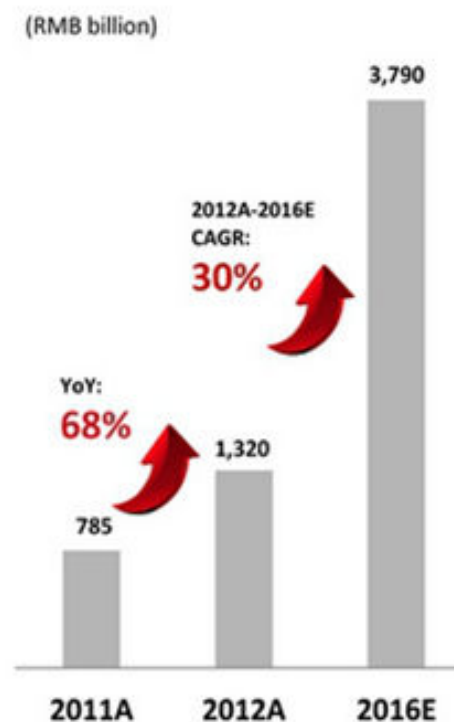
1. Source: Euromonitor, 2014.

2. Retail market includes the sale of new and used goods to consumers from a business for personal or household consumption from retail or via non-store channels (vending, homeshopping, internet retailing, direct selling). B2B and C2C sales are excluded both online and offline.

3. Source: Statista, 2014. Market size in terms of CAGR.

Leading to Significant Growth in Online Retail Market<sup>3</sup>

China Online Retail Market Size



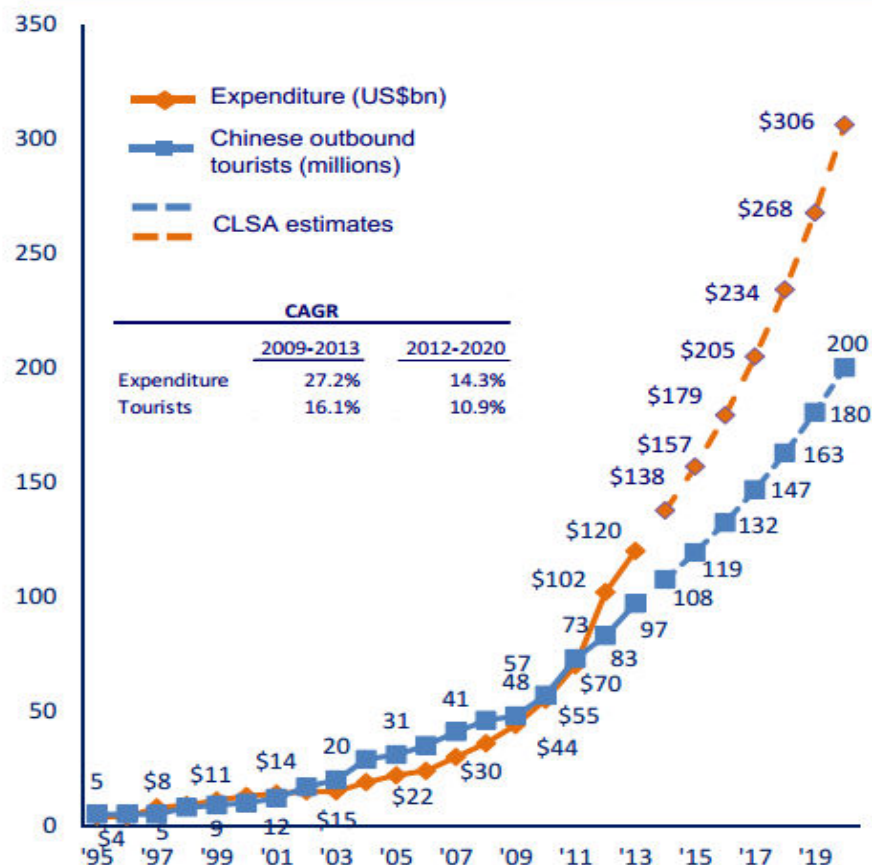
# China new consumers

1

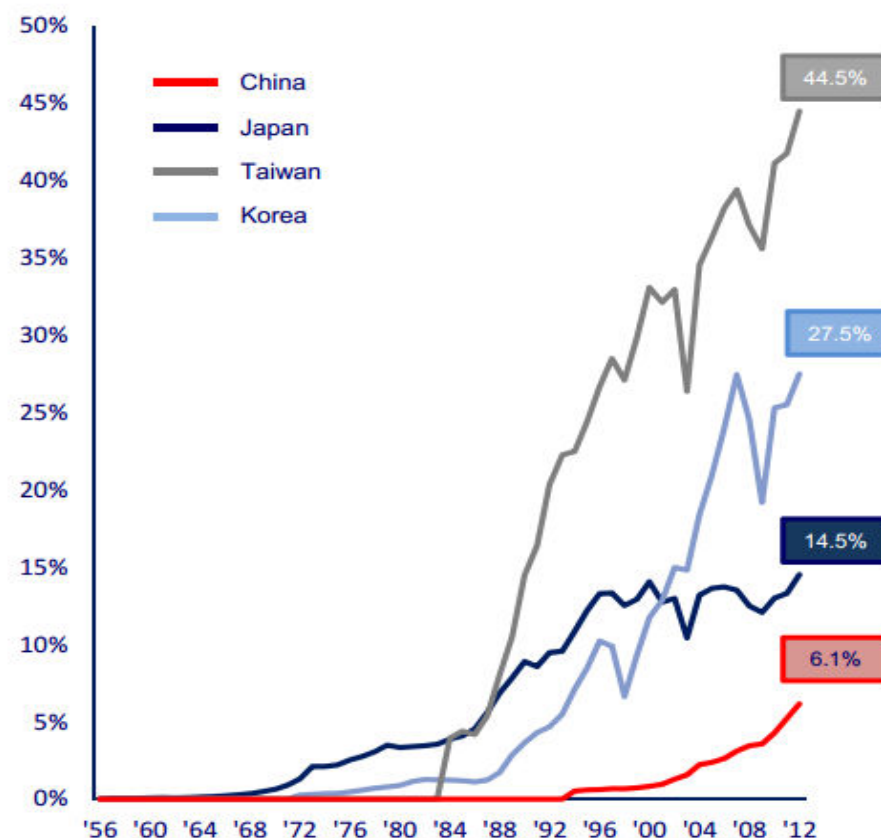
## China Is The World's Largest and Fastest Growing Outbound Tourism Market

**Sands**  
LAS VEGAS SANDS CORP.

**Outbound Travel from China**



**Outbound Travel Penetration<sup>1</sup>**



**Wealth Generation and Increased Mobility in China Have Driven Strong Growth in Outbound Trips and Tourism Spend, And Comparative Outbound Travel Penetration Rates Show a Meaningful Opportunity for Continued Long Term Growth**

Source: CLSA, UNWTO

<sup>1</sup> Outbound travel penetration is defined as total departures by residents as a percentage of the respective country's population

43

23

# Noticed this trend?





# Craft Brew Alliance

## Drink Less, Drink Better



Source: Brewers Association, Boulder, CO

# Potential leaders

## New products

| High customer loyalty | Something new | Large markets high growth |
|-----------------------|---------------|---------------------------|
| ✓                     | ✓             | ✓                         |












Opportunities in newer stocks that have IPO tend to be listed less than 10 years

# Potential leaders New products






| High customer loyalty | Something new | Large markets high growth |
|-----------------------|---------------|---------------------------|
| ✓                     | ✓             | ✓                         |



# Potential list

|                                                                                     |                  | Forward P/E | Market Value (bn's) | Competitors (bn's)    |
|-------------------------------------------------------------------------------------|------------------|-------------|---------------------|-----------------------|
|    | Internet TV      | 72.5        | \$26.5              | Time Warner \$61.5    |
|    | Healthy dining   | 42          | \$18.7              | McDonalds \$100       |
|    | Tourist gambling | 18.5        | \$62                | Wynn Resorts \$21     |
|    | Craft beer       | 40          | \$0.2               | Molson Coors \$13.8   |
|    | Athletic wear    | 57          | \$12.7              | Nike \$68             |
|  | Online retail    | 70          | \$150               | Wal-Mart \$242        |
|  | Chinese travel   | 44          | \$8.3               | Priceline \$63        |
|  | Chinese media    | 57          | \$4                 | Netflix \$26.5        |
|  | Electric cars    | 119         | \$30                | General Motors \$58.7 |

# Growth on a pullback

|                                                                                     |                | Forward P/E | Market Value (bn's) | Competitors (bn's)  |
|-------------------------------------------------------------------------------------|----------------|-------------|---------------------|---------------------|
|    | Healthy dining | 42          | \$18.7              | McDonalds \$100     |
|    | Craft beer     | 40          | \$0.2               | Molson Coors \$13.8 |
|    | Athletic wear  | 57          | \$12.7              | Nike \$68           |
|   | Chinese travel | 44          | \$8.3               | Priceline \$63      |
|  | Chinese media  | 57          | \$4                 | Netflix \$26.5      |



# Craft Brew Alliance

## Leveraging partnerships

5 / 42

**PORTFOLIO VARIETY**

**STRONG BRANDS**

**NATIONAL BREWING**

**THE SOUL OF A CRAFT BREWER**  
**THE BODY OF A BIG BREWER**

**RETAIL ACTIVATION**

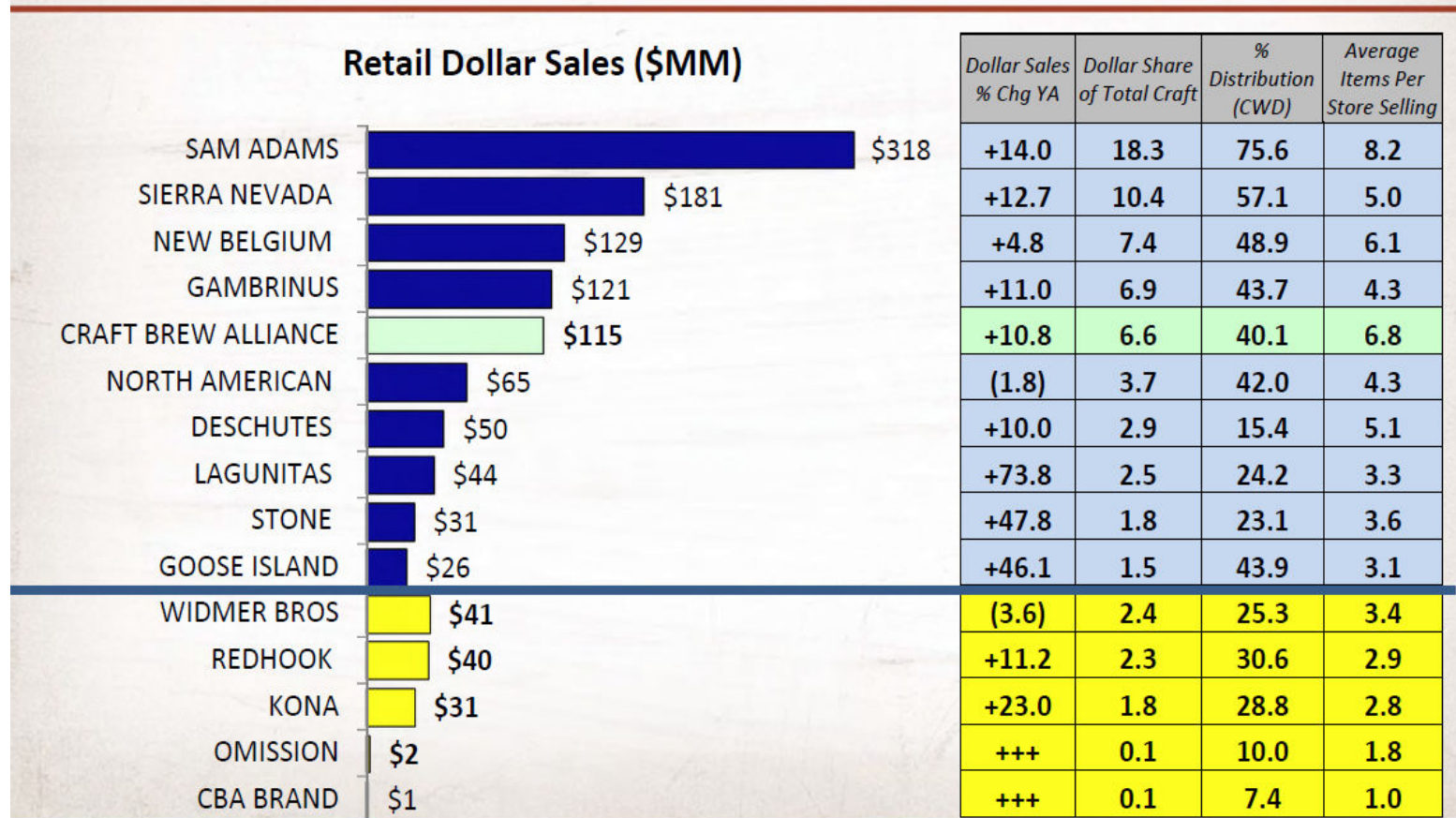
**SEAMLESS ABI WHOLESALE NETWORK ALLIANCE**

**EXPERIENCED LEADERSHIP**

5

# Craft Brew Alliance

## Top 10 Craft Vendors Based on Retail Dollar Sales Total U.S. 52 Weeks Ending July 28, 2013 – MULO+C



Source: IRI Data, 52 Weeks Ending July 28, 2013.  
Top 10 Craft Vendors as defined by the IRI's definition of the Craft segment.  
IRI MULO+C Definition: Multi-Outlet + Convenience.



# Established companies benefitting from similar trends

The image shows the YouTube channel page for DreamWorksTV. The banner features the DreamWorksTV logo in blue and red, with a large image of Po the panda from Kung Fu Panda on the right. Below the banner, the channel name 'DreamWorksTV' is displayed, along with a 'Subscribe' button and a subscriber count of 222,057. The navigation menu includes 'Home', 'Videos', 'Playlists', 'Channels', 'About', and 'Studio'. The main video player shows a video titled 'Welcome to DreamWorksTV' with 22,882 views, 3 days ago. The video description reads: 'Welcome to DreamWorksTV where you can find laughs and dreams on every screen. Subscribe for new episodes and DreamWorksTV originals every day!!!'. Below the description are links to 'Subscribe here!!!' and 'Watch More Here!!!'. The right sidebar lists 'Popular channels on YouTube' with a list of channels and their subscriber counts. At the bottom, there is a section titled 'NEW On DreamWorksTV' with a row of video thumbnails.

**DreamWorksTV** 222,057

Home Videos Playlists Channels About Studio

**Welcome to DreamWorksTV**  
22,882 views 3 days ago

Welcome to DreamWorksTV where you can find laughs and dreams on every screen. Subscribe for new episodes and DreamWorksTV originals every day!!!

Subscribe here!!!  
<http://bit.ly/1kulRcU>

Watch More Here!!!  
<http://bit.ly/1jgj8UE>

**Popular channels on YouTube**

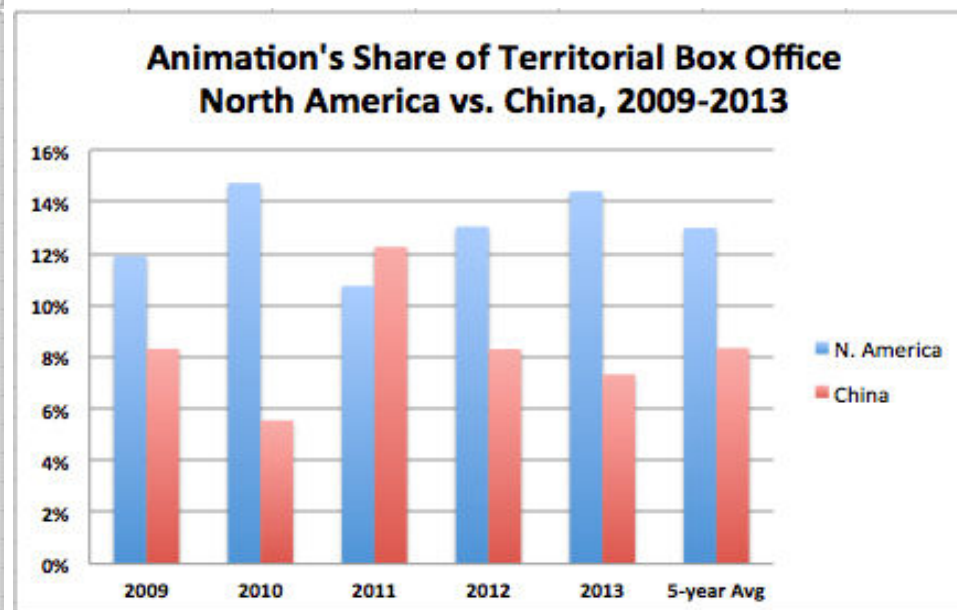
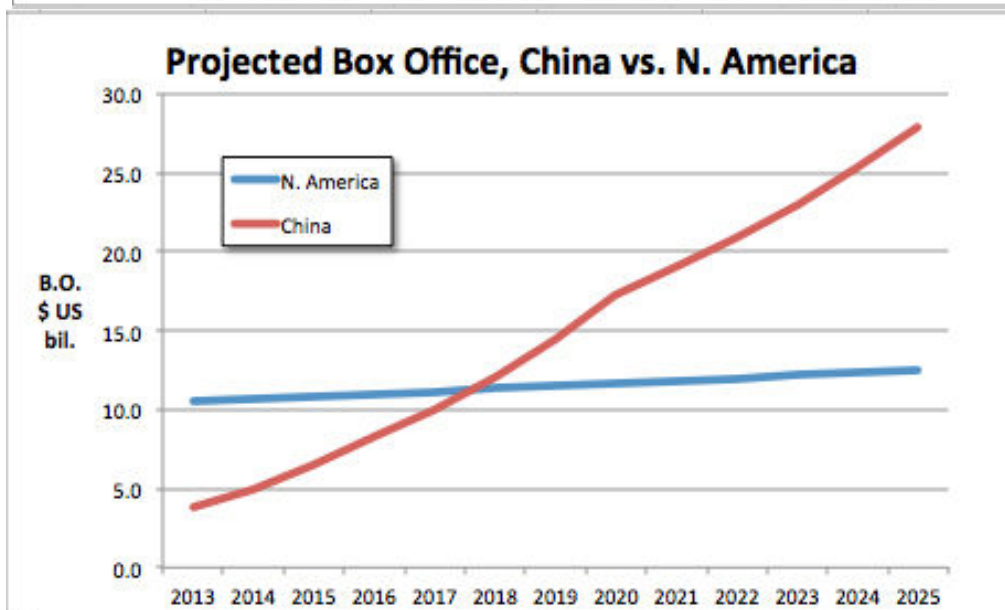
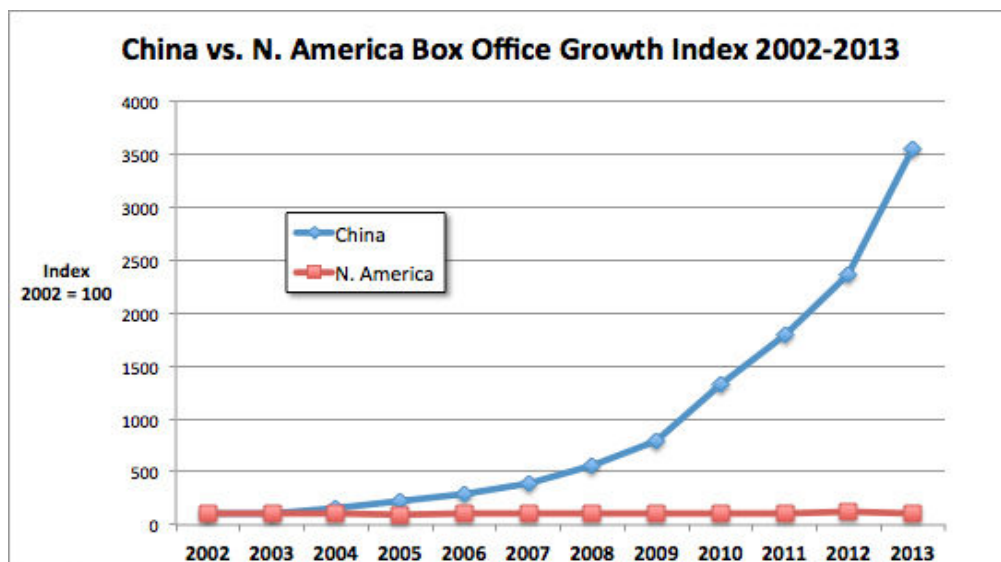
- shooterwilliamson ✓  
Subscribe
- LetsPlay ✓  
Subscribe
- superwog1 ✓  
Subscribe
- Neel Kolhatkar  
Subscribe
- maxmoefoe ✓  
Subscribe
- jarrad wright  
Subscribe

**NEW On DreamWorksTV**



# Dreamworks

## Level field in China






[www.chinafilmbiz.com](http://www.chinafilmbiz.com)

# Dreamworks

## China and internet potential

| Film            | Release | US       | Foreign  | Worldwide | Budget |
|-----------------|---------|----------|----------|-----------|--------|
| Kung Fu Panda   | 2008    | \$215.4m | \$416.3m | \$631.7m  | \$205m |
| Kung Fu Panda 2 | 2011    | \$165.2m | \$496.5M | \$661.7   | \$220m |

<http://www.boxoffice.com/statistics/movies/kung-fu-panda-the-kaboom-of-doom-2011>

| Company                                                                             | Market Value (bn's) |
|-------------------------------------------------------------------------------------|---------------------|
|   | \$2                 |
|  | \$143               |
|  | \$26                |

# Domino's Pizza

## Growth with proven companies

### 3. International: A Scale Game



Domino's Pizza is one of the largest ecommerce retailers 40% of sales.  
In Australia digital orders at 60%.

# Lower risk growth

| Company |                                                                                     |  | International store growth since 2008 to 2012 | Market Value (bn's) |
|---------|-------------------------------------------------------------------------------------|--|-----------------------------------------------|---------------------|
|         |    |  | 13%                                           | \$100.3             |
|         |    |  | 23%                                           | \$36.2              |
|         |    |  | 33%                                           | \$4.9               |
|         |   |  | 35%                                           | \$58.7              |
|         |  |  | N/A                                           | \$9.6               |
|         |  |  | 43%                                           | \$4                 |



# When to part ways

Time Warner AOL January 2000  
Construction began November 2000



# Buildings contrarian indicator





# Buildings

## When to sell



# Buildings

## When to sell







Source: Standard & Poor's, First Call, Compustat, FactSet, J.P. Morgan Asset Management.

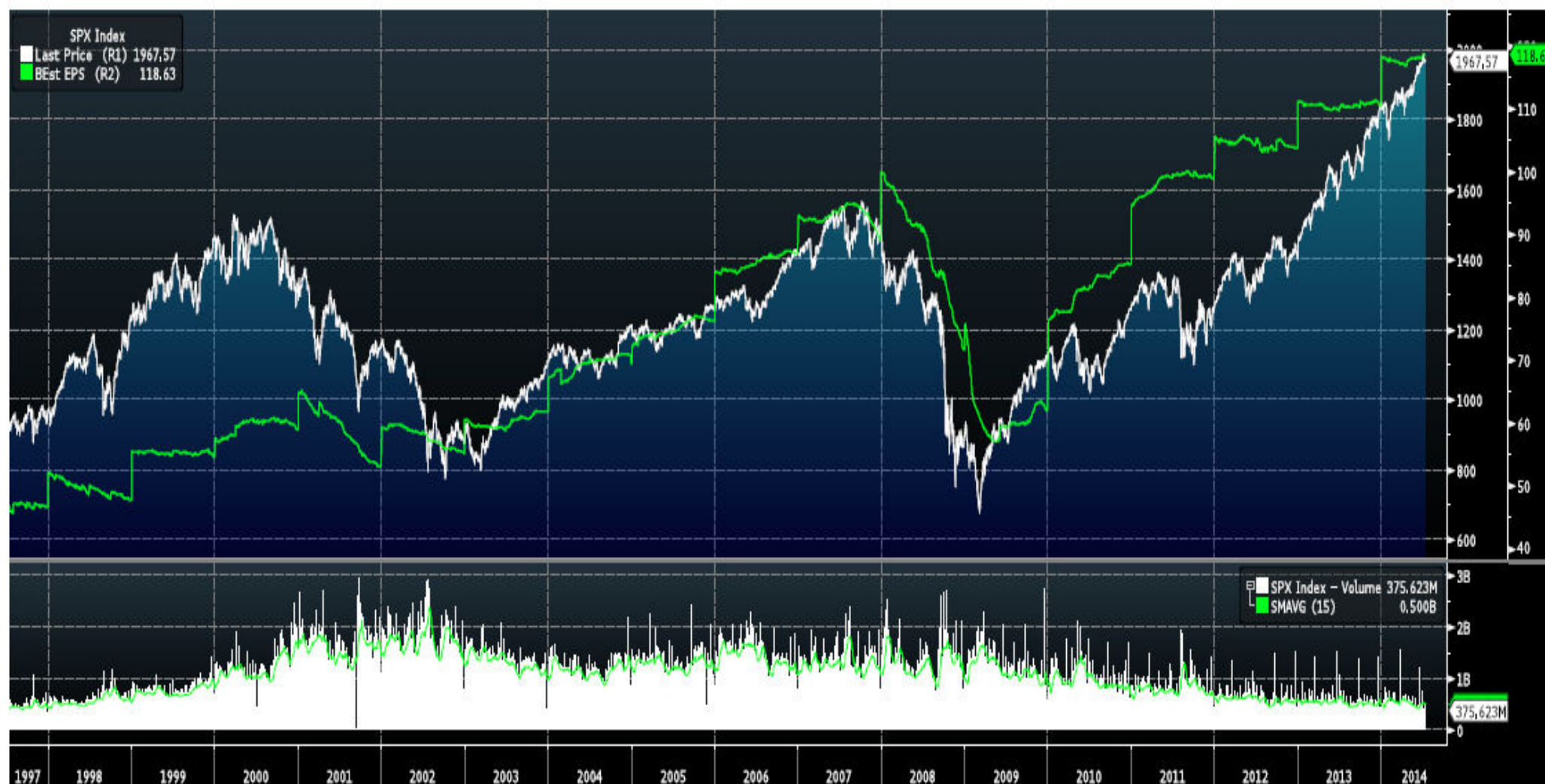
Dividend yield is calculated as the annualized dividend rate divided by price, as provided by Compustat. Forward Price to Earnings Ratio is a bottom-up calculation based on the most recent S&P 500 Index price, divided by consensus estimates for earnings in the next 12 months (NTM), and is provided by FactSet Market Aggregates. Returns are cumulative and based on S&P 500 Index price movement only, and do not include the reinvestment of dividends. Past performance is not indicative of future returns.

Guide to the Markets – U.S.

Data are as of 6/30/14.

**J.P.Morgan**  
Asset Management

# US market with earnings



# Aus market with earnings



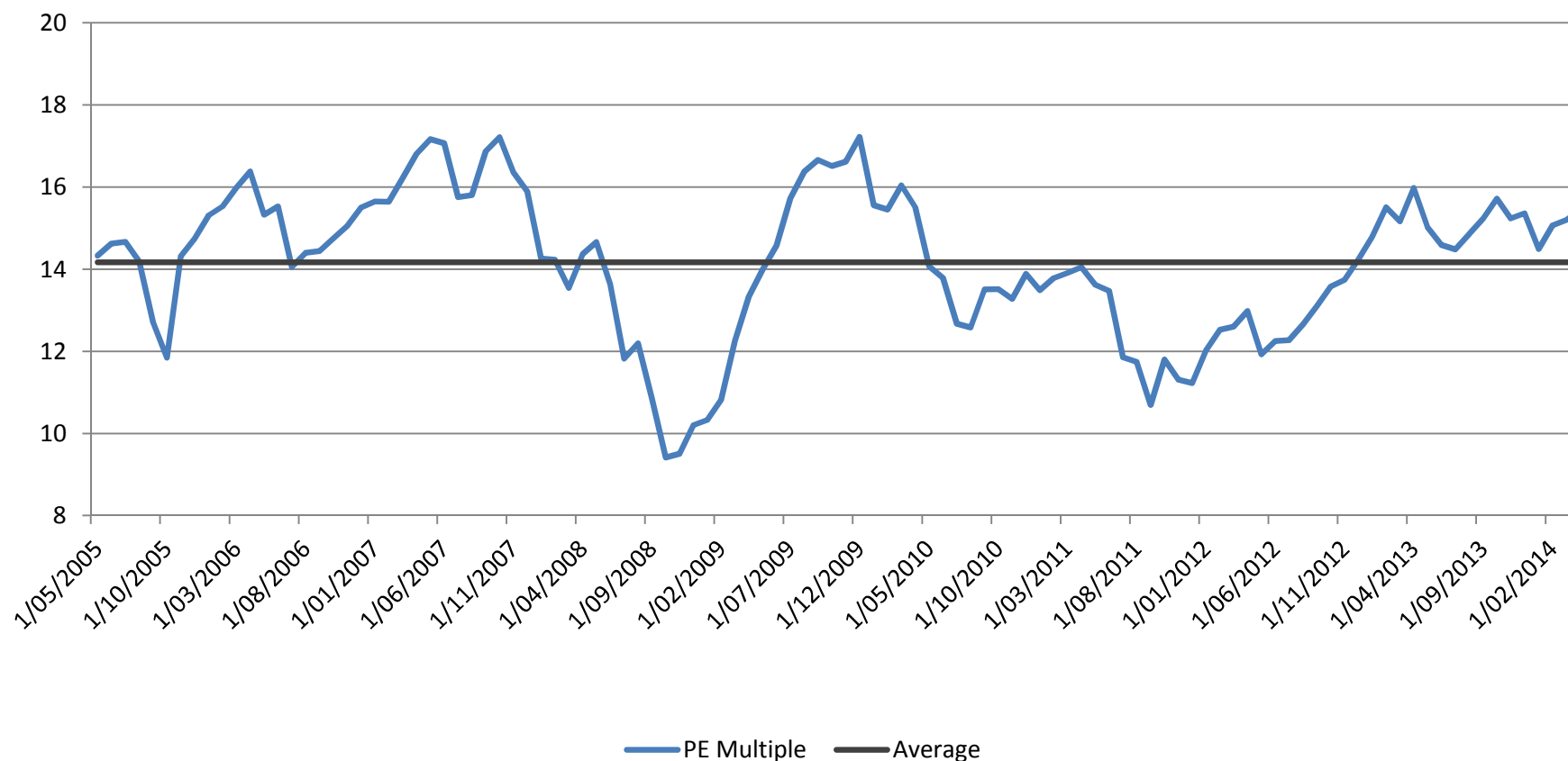
# Australian interest rates





# PE multiple in a low interest rate environment

S&P/ASX 200



# Services we offer

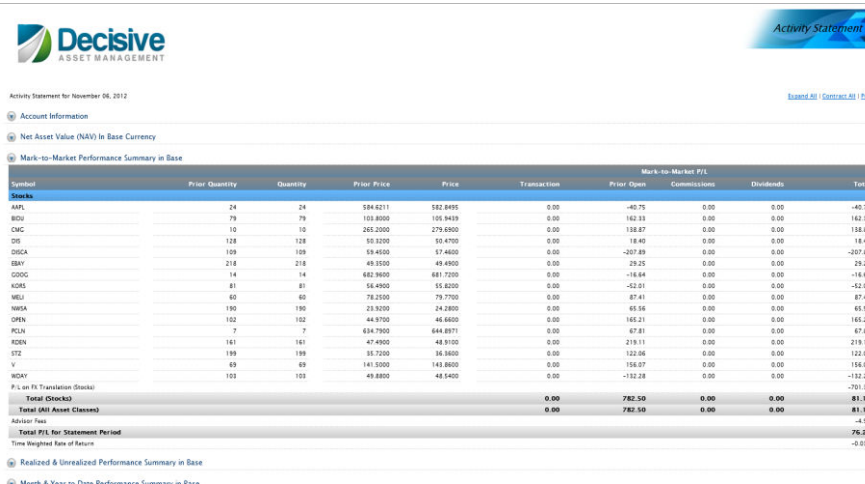
Managed discretionary account (MDA) service  
Individual accounts

Clients retain legal title to their assets with Decisive acting on their behalf (power of attorney)

Wholesale and sophisticated investors only

Decisive does not hold the funds

Ability to login and monitor portfolio



Activity Statement for November 06, 2012

Account Information

Net Asset Value (NAV) in Base Currency

Mark-to-Market Performance Summary in Base

| Symbol                         | Prior Quantity | Quantity | Prior Price | Price    | Transaction | Mark-to-Market P/L | Prior Open | Commissions | Dividends | Total   |
|--------------------------------|----------------|----------|-------------|----------|-------------|--------------------|------------|-------------|-----------|---------|
| ASX                            | 24             | 24       | 584.6211    | 582.8495 | 0.00        | -40.75             | 0.00       | 0.00        | 0.00      | -40.75  |
| BDU                            | 79             | 79       | 103.8000    | 105.9439 | 0.00        | 162.33             | 0.00       | 0.00        | 0.00      | 162.33  |
| CMC                            | 10             | 10       | 265.2000    | 279.6900 | 0.00        | 138.87             | 0.00       | 0.00        | 0.00      | 138.87  |
| DIS                            | 128            | 128      | 55.3100     | 50.4700  | 0.00        | 19.40              | 0.00       | 0.00        | 0.00      | 19.40   |
| DISCA                          | 109            | 109      | 59.4500     | 57.4600  | 0.00        | -207.89            | 0.00       | 0.00        | 0.00      | -207.89 |
| EBAY                           | 218            | 218      | 49.5500     | 49.4900  | 0.00        | 29.25              | 0.00       | 0.00        | 0.00      | 29.25   |
| GOOG                           | 14             | 14       | 682.9800    | 681.7200 | 0.00        | -18.64             | 0.00       | 0.00        | 0.00      | -18.64  |
| ADMS                           | 81             | 81       | 54.4900     | 55.6300  | 0.00        | -42.31             | 0.00       | 0.00        | 0.00      | -42.31  |
| WU                             | 60             | 60       | 78.2100     | 79.7700  | 0.00        | 87.41              | 0.00       | 0.00        | 0.00      | 87.41   |
| NWSA                           | 190            | 190      | 23.9200     | 24.2800  | 0.00        | 65.56              | 0.00       | 0.00        | 0.00      | 65.56   |
| OPEN                           | 102            | 102      | 44.9700     | 46.6800  | 0.00        | 165.21             | 0.00       | 0.00        | 0.00      | 165.21  |
| PCLN                           | 7              | 7        | 634.7900    | 644.8971 | 0.00        | 67.81              | 0.00       | 0.00        | 0.00      | 67.81   |
| ADEN                           | 161            | 161      | 47.4900     | 48.9100  | 0.00        | 219.11             | 0.00       | 0.00        | 0.00      | 219.11  |
| STZ                            | 199            | 199      | 55.7200     | 56.5800  | 0.00        | 122.06             | 0.00       | 0.00        | 0.00      | 122.06  |
| V                              | 69             | 69       | 141.5000    | 143.8600 | 0.00        | 156.07             | 0.00       | 0.00        | 0.00      | 156.07  |
| WDAY                           | 103            | 103      | 49.8800     | 48.5400  | 0.00        | -132.28            | 0.00       | 0.00        | 0.00      | -132.28 |
| P/L on FX Translation Gains    |                |          |             |          | 0.00        | 782.50             | 0.00       | 0.00        | 0.00      | 782.50  |
| Total (Stocks)                 |                |          |             |          | 0.00        | 782.50             | 0.00       | 0.00        | 0.00      | 782.50  |
| Total (All Asset Classes)      |                |          |             |          | 0.00        | 782.50             | 0.00       | 0.00        | 0.00      | 782.50  |
| Advisor Fee                    |                |          |             |          |             |                    |            |             |           | -4.31   |
| Total P/L for Statement Period |                |          |             |          |             |                    |            |             |           | 778.19  |
| Time Weighted Rate of Return   |                |          |             |          |             |                    |            |             |           | -0.00%  |

Realized & Unrealized Performance Summary in Base

Month & Year to Date Performance Summary in Base

# In summary

Invest in proven companies  
benefitting from new trends  
BREW, DWA, DPZ

Look for new  
products and trends  
[www.google.com/trend](http://www.google.com/trend)

Best to invest in  
brands in new  
growing  
products/markets

Market multiple  
can be high due to  
low interest rate  
environment



**Jason Sedawie** CFA, CA  
EXECUTIVE DIRECTOR

**ph** 07 5641 2000 **m** 0402 375 570  
**e** [jason@decisiveassetmanagement.com](mailto:jason@decisiveassetmanagement.com)  
**w** [decisiveassetmanagement.com](http://decisiveassetmanagement.com)

Decisive Asset Management Pty Ltd. AFSL No. 422812

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