

The Loftus Peak Global Disruption Fund invests in listed disruptive businesses globally. The Fund provides geographical and sectoral diversification which lowers the concentration risk inherent in the typical Australian portfolio, with its heavy skew toward banks, resources and the Australian dollar.

## Review & Outlook

The Fund manager estimated return Net<sup>1</sup> of fees was -4.57% for June 2017, which was -1.86% below the benchmark (MSCI AC World Net Total Return Index in Australian dollars). The benchmark returned -2.71% for the month.

## Performance

	1m	3m	6m	1y	3y p.a.	Inception
Fund (Net) <sup>1</sup>	-4.57%	+8.02%	+13.98%	-	-	+20.72%
Index <sup>2</sup>	-2.71%	+3.84%	+4.78%	-	-	+13.39%
Value Added(Net) <sup>3</sup>	-1.86%	+4.18%	+9.20%	-	-	+7.33%

Past performance is not a reliable indicator of future performance.

Source for performance: Loftus Peak

<sup>1</sup> Net-of-fees performance is based on end-of-month redemption prices after the deduction of fees and expenses and the reinvestment of all distributions.

Figures include changes in principal value. Investment return and principal value will vary, and an account may be worth more or less at termination than at inception. For further details, please refer to each fund's product disclosure statement and reference guide.

<sup>2</sup> The index for the fund is MSCI All Countries World Index (net) as expressed in AUD from Bloomberg

<sup>3</sup> The Value Added is shown as the Fund (Net) minus its Index.

## Portfolio Contributors and Detractors

Alibaba was the stand-out performer for the month, however it was overshadowed by negative contributions from Apple, Comcast and Alphabet (Google). These companies sold off toward the end of the month on concerns that they had run too hard, with cyberattacks on a number of large enterprises in Europe not helping.

Alibaba's performance has been strong this year, re-rating more than 50%, as revenue growth has been upgraded on the back of mobile take rates being higher than desktop. In addition, the company's advertising business continues to expand. Alibaba has also emerged as a significant cloud provider in China and Asia, with 874,000 paying customers, representing market share of 40.7% in China, making it larger than the next seven competitors combined.

Google was weaker on the back of an EU fine of US\$4B, levied for anti-competitive behaviour, which the company is challenging. Apple sold off on valuation issues, even as the company made significant headway with the launch of the developer kit for augmented reality. There is a possibility that Apple will emerge as the major player in this area, which will enable a user to place a virtual object in a real room on an iPhone screen, for play, work, design etc.

## Key Facts

Inception Date	15 November 2016
Product Type	Registered Managed Investment Scheme domiciled in Australia
Responsible Entity	Equity Trustees Limited
Investment Universe	Listed Global Equities
Benchmark	MSCI All Countries World Index (net) (as expressed in AUD from Bloomberg)
Number of Investments	15-35
Minimum Cash Allocation	1%
Maximum Cash Allocation	50%
Suggested time frame	3-5 years
Minimum Investment	AU\$5,000
Liquidity	Daily
Pricing Frequency	Daily
Withdrawal Notice	Generally, notifications received before 2pm on a business day will be processed using the unit price effective for that day.

## Fees

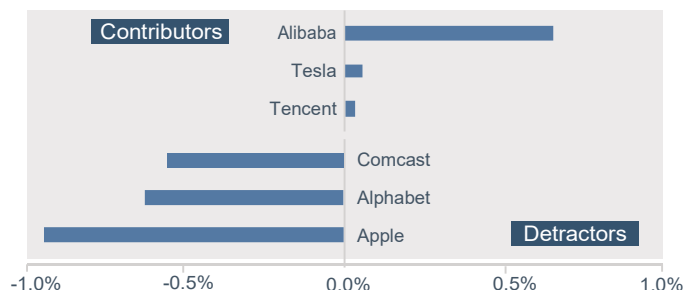
Distributions	Paid annually as at 30 June
Annual Management Costs	1.20% per annum (inc. GST)
Performance Related Fee	15% in excess of the hurdle return with a high watermark payable six monthly as at 30 June and 31 December each year

## Unit Prices

Date	30 June 2017
Entry Price (in AUD)	1.2909
Exit Price (in AUD)	1.2845

Tesla was a small positive contributor with news that the company is on track to deliver 20k Model 3s a month by December of this calendar year. This target will probably be missed, but that won't change the underlying story, which is one of disruption of the existing fossil fuel/internal combustion engine model for a cheaper, cleaner one.

The Australian dollar was the major driver of the negative performance, appreciating by +3.06% against US dollar, which meant the value of our offshore positions fell.



## Portfolio Construction

88% of the Fund is invested in 21 holdings which the manager considers likely outperformers.

Top Five Holdings		Capitalisation USD	
Apple	9.8%	Mega Cap > \$100b	51.2%
Alibaba	7.4%	Large Cap \$50-100b	21.8%
Tencent	7.3%	Mid Cap \$2-50b	8.8%
Amazon	7.3%	Small Cap < \$2b	6.7%
Alphabet	6.8%		

## Learn more

For the latest on investment in global change and disruption, see us in the Australian Financial Review, the Constant Investor, or the Sydney Morning Herald, or on Livewire or visit us at [www.loftuspeak.com.au](http://www.loftuspeak.com.au) or email [alexpollak@loftuspeak.com.au](mailto:alexpollak@loftuspeak.com.au)

### IMPORTANT INFORMATION

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## About Loftus Peak

Loftus Peak is a global fund manager with a focus on investing in listed disruptive businesses. Our team's extensive experience of successfully investing in disruptive businesses brings significant discipline to the investment process.

The Fund, which includes large capitalisation names like Apple, Google and Alibaba, is constructed on the basis of strict criteria, giving investors exposure to the some of the best and fastest-growing companies in the world, at carefully determined valuations. This kind of geographical and sectoral diversification lowers the concentration risk inherent in the typical Australian portfolio, with its heavy skew toward banks, resources and the Australian dollar.

We believe self-managed super funds, and investors generally, want a professionally-managed portfolio that gives them access to these important secular trends.

## The Team

The portfolio is managed by Alex Pollak and Anshu Sharma.

### Alex Pollak CEO, CIO and Founder



With 25 years' experience in disruptive business models gained during a career with Macquarie Bank, Alex heads one of the best-performing teams in global listed disruptive business investment in Australia.

He was instrumental in bringing both Seek and Carsales.com.au to the Australian stock market. His deep knowledge of investment and global change companies means you are ideally placed to benefit financially from the movements in technology which are daily changing the face of markets.

### Anshu Sharma Portfolio Manager



Anshu started his career in global disruption investment almost a decade ago at TechInvest. This was followed by Portfolio Manager and TMT Analyst responsibilities for the Asia region at Eight Investment Partners.

Being mentored by the best in this space early on in his career

and having extensively travelled in Asia to meet hundreds of companies, Anshu brings a wealth of experience to investing globally.

He has an M.Comm from the University of New South Wales and a B.Comm (Hons) from Delhi University. He holds the CIPM® certificate and the Chartered Financial Analyst® designation.