

Loftus Peak Global Disruption Fund

Global Change. Listed Investments. Daily Liquidity.

Monthly Investor Letter
November 2017



Disruption is taking place across all industries – retail, transport, energy and banking, to name a few. Loftus Peak invests in order to generate returns from these major secular shifts. The Fund's 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.

Review & Outlook

The Fund manager estimated return net¹ of fees was +3.23% for November 2017, which was -0.04% below the benchmark (MSCI AC World Net Total Return Index in Australian dollars). The benchmark returned +3.27% for the month.

Performance

	1m	3m	6m	1y	3y p.a.	Inception
Fund (Net) ¹	+3.23%	+12.50%	+10.57%	+34.64%	-	+38.00%
Index ²	+3.27%	+11.18%	+8.10%	+21.84%	-	+24.82%
Value Added (Net) ³	-0.04%	+1.32%	+2.47%	+12.80%	-	+13.18%

Past performance is not a reliable indicator of future performance.

Source for performance: Loftus Peak

¹ 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.

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

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

Portfolio Contributors and Detractors

November was strong, but was marred at month end by profit-taking in portfolio names after a very strong earnings season.

Also disappointing was **Momo**, a Chinese social media platform, which dipped despite beating forecasts because of weakness in premium user numbers and a below-expectations revenue outlook. The platform had 94.4 million active users in September.

Tencent reported strong quarterly results, with 980 million active WeChat users per month. Users can now pay their public transport fare using the app, complementing existing verticals such as mobile payments, leaving the company in a solid position to compete against banks.

Amazon's sales over the 'Turkey 5' – Thanksgiving to Cyber Monday - were its largest ever. Third party vendors made up the core of the hundreds of millions of products ordered, which should scare large Australian bricks-and-mortar retailers now that the site is live here.

Key Facts

Inception Date	15 November 2016
APIR Code	MMC0110AU
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	1%
Maximum Cash	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

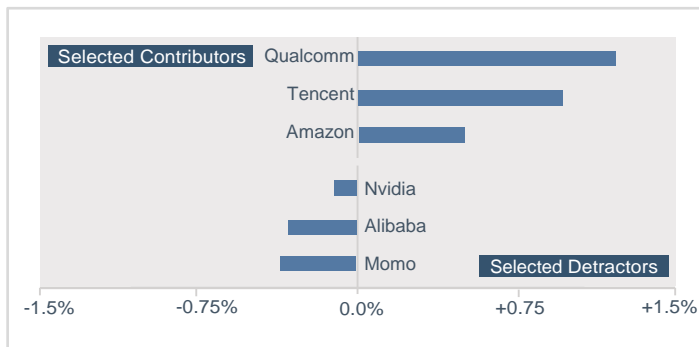
Unit Prices

Date	30 November 2017
Entry Price (in AUD)	1.4899
Exit Price (in AUD)	1.4825

Alibaba's 'singles day' was a hit, with US\$25.3 billion in sales, an increase of 39% on 2016, with 90% of those transactions settled through mobile phones using Alipay, a payment service like that of Tencent. At its peak, Alibaba Cloud processed 256,000 transactions per second, for a total of 1.48 billion transactions for the day.

The Australian dollar depreciated -0.99% over the month against the US dollar, which is favourable to our US denominated holdings.

Contributors and Detractors



Portfolio Construction

The Fund is 84.8% invested in 21 holdings which the manager considers likely outperformers. The balance is in cash.

Selected Top Holdings		Capitalisation USD	
Apple	8.9%	Mega Cap > \$100b	56.0%
Amazon	6.2%	Large Cap \$50-100b	15.1%
Alibaba	5.9%	Mid Cap \$2-50b	9.5%
Baidu	6.6%	Small Cap < \$2b	4.2%
Comcast	5.3%		

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 or email enquiry@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.