

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 for the Loftus Peak Global Disruption Fund was -3.10% for December 2017, which was -1.63% below the benchmark (MSCI AC World Net Total Return Index in Australian dollars). The benchmark returned -1.47% for the month. The net of fees performance for one year was +27.96%, +13.43% above the benchmark.

Performance

	1m	3m	6m	1y	3y p.a.	Inception p.a.
Fund (Net) ¹	-3.10%	+6.97%	+12.27%	+27.96%	-	+31.04%
Index ²	-1.63%	+6.12%	+9.30%	+14.53%	-	+21.01%
Value Added (Net) ³	-1.47%	+0.85%	+2.97%	+13.43%	-	+10.02%

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

Australian dollar appreciation of +3.03% against US dollar acted to the detriment of the investors in an otherwise strong market. Profit taking in the big disruptive names after a strong run led to the underperformance of the fund against the benchmark.

Apple admitted it slows the processors in older iPhones to preserve battery life, which the market took as sharp practice. In an announcement on its customer website, the company offered a discount on replacement batteries, which enables the phones to work at their original speed.

Latin American e-tailer **Mercadolibre** rose, supported by positive analyst outlook for 2018. The company has a subsidised/free shipping program for South American countries, to which customers have responded favourably, with items shipped by Mercadolibre's logistics company MercadoEnvíos up 80.4% year-on-year for the third quarter of 2017.

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

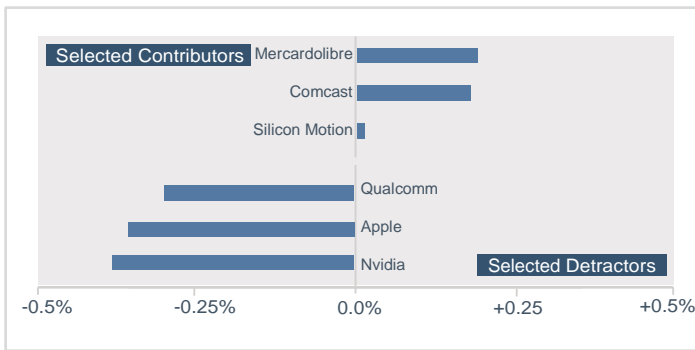
Distributions	Paid annually as at 30 June
Annual Management Costs	1.20% per annum (inc. GST)
Performance Related Fee	15% in excess of the hurdle return with a high watermark payable six monthly as at 30 June and 31 December each year

Unit Prices

Date	29 December 2017
Entry Price (in AUD)	1.4438
Exit Price (in AUD)	1.4366

Nvidia retraced some ground after a strong rise in the stock price in recent months. The Fund has added to its position in December and we remain confident in the prospects for the company. Nvidia is increasingly segmenting its business, with a change to licence agreements prohibiting the use of consumer - grade hardware in datacentres, so providers will have to switch to the high end Nvidia Tesla range-although serious providers like Microsoft and Amazon already use them.

Contributors and Detractors



Portfolio Construction

The Fund is 86.7% 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	61.7%
Tencent	7.3%	Large Cap \$50-100b	9.2%
Nvidia	7.1%	Mid Cap \$2-50b	13.5%
Alibaba	6.5%	Small Cap < \$2b	2.3%
Alphabet	6.4%		

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.