

Traditional business models are being disrupted as connectivity, networks and the sharing economy impact all industries – retail, transport, communications, energy and banking to name a few. Loftus Peak generates investment return by focusing on these major secular shifts and how they will change the world in the next five to ten years. Loftus Peak's strategy complements other share market investments, particularly in Australia where there is a heavy skew towards banks, resources and the Australian dollar.

## Review and Performance

November was a very strong month for Loftus Peak investors, with the portfolio up +7.9% gross-of-fees, which was outperformance of +3.6% relative to the benchmark MSCI All Countries World Index (in \$A). Share markets were encouraged by the toning down of the tit-for-tat rhetoric by the US administration which was focused on other pressing issues - such as impeachment – but most of the return has come as key themes in which we have invested play out. Our decision to deploy cash in October on weakness in key names was rewarded.

	1m	3m	6m	1y	3y p.a.	Inception p.a.
Fund (Net) <sup>1</sup>	+7.63%	+7.72%	+17.57%	+27.71%	+21.72%	+22.92%
Index <sup>2</sup>	+4.32%	+6.87%	+14.89%	+22.64%	+15.32%	+16.36%
Value Added (Net) <sup>3</sup>	+3.31%	+0.85%	+2.68%	+5.07%	+6.40%	+6.56%

Past performance is not a reliable indicator of future performance.

Source: Loftus Peak, MSCI

<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.

Investment return and the principal value fluctuate, so your units, when sold, may be worth more or less than the original cost. For further details, please refer to the Fund's product disclosure statement and reference guide.

<sup>2</sup> The index for the Fund is the 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 the benchmark.

## Fund Contributors and Detractors

China's **Alibaba**, the online retailer, was very strong, contributing +1.1% to the Portfolio's total return for the month. The strength came in the lead-up to, and following, its listing on the Hong Kong Stock Exchange, which saw the company finish the month up +13.2%.

**Apple** shares had a strong month and were up +7.4% as the market came to understand the importance of its services revenue, (growing at just under 20% annually) from Apple Pay, Apple Card, Apple News, Apple Arcade and the most recent addition of Apple TV+. The company also saw continued strength in wearables and accessories, particularly the AirPods Pro, for which it doubled production to meet demand.

**Tesla** released its electric 'Cybertruck', a competitor to Ford's top selling F150, which polarised both the motoring and investing communities. Its styling is not mainstream, but neither is its performance. There is no doubt the company is rewriting the global rule book on car-making.

## 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)
No. 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.
Research Ratings (Lonsec, SQM)	Click Lonsec or SQM logo on our website to request a copy.

## 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 2019
Entry Price (in AUD)	1.9934
Exit Price (in AUD)	1.9834

**Google (Alphabet)** was up +3.7% for the month as it turned in another set of strong numbers showing year-over-year revenue growth at 20% in the most recent quarter. November also saw the launch of Google's game streaming service Stadia. The company is well positioned to deliver the product given its presence in the data centre segment; however it is too soon to tell whether it will be successful.

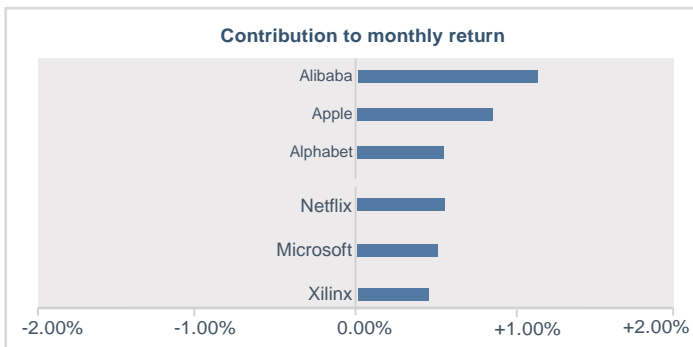
**Qualcomm** was up +3.9% following an investor day in New York in which the roadmap to the rollout of 5G took centre stage.

There were weak – although still positive – contributions from **Paypal, Mercado Libre** (online retailer in Latin America) and **Baidu**.

The Australian dollar depreciated -1.8% over the month against the US dollar, which meant the value of the Fund's US dollar positions increased. As at 30 November 2019, the Fund carried a foreign currency exposure of 97%.

## Selected Contributors and Detractors

There were no detractors for the month.



## Portfolio Construction

At month end, the Fund was 93% invested in 20 holdings with the balance in cash.

Selected Top Holdings		Capitalisation USD	
Xilinx	10.5%	Mega Cap > \$100b	54.3%
Alphabet	9.5%	Large Cap \$50-100b	11.5%
Apple	8.9%	Mid Cap \$2-50b	27.1%
Qualcomm	8.9%	Small Cap < \$2b	0%
Alibaba	8.0%		

### 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 [Cuffelinks](http://Cuffelinks) or visit us at [www.loftuspeak.com.au](http://www.loftuspeak.com.au) or email [enquiry@loftuspeak.com.au](mailto:enquiry@loftuspeak.com.au)

### IMPORTANT INFORMATION

This report was prepared by Loftus Peak Pty Limited ("Loftus Peak"). Equity Trustees Limited ("Equity Trustees") ABN 46 004 031 298 AFSL No. 240975, is a subsidiary of EQT Holdings Limited ABN 22 607 797 615, a publicly listed company on the Australian Securities Exchange (ASX:EQT), and is the Responsible Entity of the Loftus Peak Global Disruption Fund ("Fund").

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A PDS and application form is available at [www.loftuspeak.com.au](http://www.loftuspeak.com.au). Loftus Peak and Equity Trustees do not guarantee the performance of the Fund or the repayment of the investor's capital. To the extent permitted by law, neither Equity Trustees, Loftus Peak, nor any of their related parties including its employees, directors, consultants, advisers, officers or authorised representatives, are liable for any loss or damage arising as a result of reliance placed on the contents of this report. Past performance is not indicative of future performance.

## The Team

The portfolio is managed by Alex Pollak and Anshu Sharma.



### Alex Pollak 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.

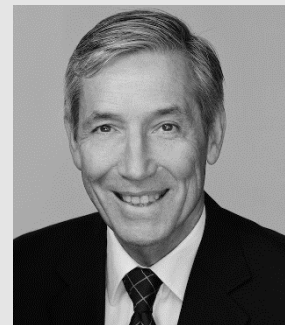


### Anshu Sharma Portfolio Manager

Anshu started his career in global disruption investment almost a decade ago at TechInvest. This was followed by Portfolio Manager and technology 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.



### Rick Steele CEO

Drawing on more than 30 years in funds management and government Rick is the CEO of Loftus Peak. After a successful career in the Australian Treasury, Rick held senior positions at Prudential Assurance, Morgan Grenfell Australia, BT Funds Management, TechInvest and Eight Investment Partners.

Rick is also Chairman of CitizenBlue, an impact enterprise operating a container recycling service for its environmental members.

Rick has a MEd from the Australian National University, is a Fellow of the Financial Services Institute of Australasia and has completed the AICD Company Director's Course.

Ratings	<b>Lonsec</b>	<b>SQM research</b> ★★★★★	
Platforms	Invest Directly	OLIVIA123 Apply Online	MACQUARIE
	netwealth	busmao Business results for your business	XPLORE WEALTH
	HUB24	Powerwrap	MASON STEVENS