



# Loftus Peak Global Change Portfolio

Investing | Future Focused

Monthly Portfolio Update  
November 2020

Traditional business models are being disrupted as digitisation and the internet change the way businesses and people connect and consume across all industries – retail, transport, communications, energy and banking to name a few. Loftus Peak generates investment return by positioning investors to profit from these changes. Loftus Peak's strategy complements other sharemarket investments, particularly those in Australia where there is a heavy skew towards banks, resources and the Australian dollar.

## Review and Performance\*

The Loftus Peak Global Change Portfolio was up +4.9% net-of-fees in November, with an underperformance of -2.1% against the benchmark MSCI All Countries World Index net in Australian dollars (which rose +7.2%). One-year net performance to November 30 is +38.9%, with outperformance of +39.4%. We increased the Portfolio's market exposure throughout this weak period and are holding cash of 4.6%.

While performance was solid enough for the month, the Portfolio underperformed many major indices as a number of COVID-19 immunisation strategies were announced. This resultant "re-opening trade" (as it is being termed) saw a big bounce in tourism, leisure and transport stocks, among others, as the world contemplated an end to the lockdown and a broad recovery in the global economy. For example, Carnival Cruises rocketed 38% to a market capitalisation of US\$21b in a day.

	1m	3m	6m	1y	3y p.a.	5y p.a.	Inception p.a.
Portfolio (gross-of-fees)	+5.05%	+9.79%	+25.69%	+45.14%	+25.40%	+23.15%	+24.65%
Benchmark	+7.17%	+6.54%	+10.39%	+5.74%	+10.00%	+10.46%	+12.18%
Outperformance (gross-of-fees)	-2.12%	+3.26%	+15.30%	+39.40%	+15.41%	+12.69%	+12.47%
Portfolio (net-of-fees)	+4.94%	+9.44%	+21.34%	+38.90%	+21.92%	+19.92%	+21.63%

\*Manager estimated returns. The Portfolio Benchmark is the MSCI ACWI (net) (as expressed in AUD from Bloomberg). Portfolio Inception date is 30/06/14. All returns are shown to two decimal places. Returns for periods of more than one year are annualised. Total returns include realised and unrealised gains. Valuations are computed and performance reported in Australian dollars. Gross-of-fees performance returns are presented before management and performance fees but after all trading expenses. Net-of-fees performance returns are presented after management and performance fees. Returns are based on the theoretical performance of a portfolio which implemented the Model Portfolio based on simplifying assumptions and stock weightings. Actual individual returns of each client's portfolio will differ depending on factors such as date of initial investment, timing of transactions, contributions and withdrawals, fees and any customisations. Past performance is not a reliable indicator of future performance and may not be achieved in the future. Each client should also take into account their own taxation situations. All information provided in this Report is correct as at the date of this Report.

## Key Facts

Inception Date	30 June 2014
Strategy FUM (AUD)	\$159 million
Product Type	Managed Discretionary Account
Product Sponsor	Mason Stevens Limited
Benchmark	MSCI ACWI (net) (as expressed in AUD from Bloomberg)
Number of Investments	10-35
Minimum Cash Allocation	2%
Maximum Cash Allocation	50%
Maximum weighting per investment	20% at time of purchase
Minimum Investment	AU\$50,000
Liquidity	Daily
Suggested Timeframe	3-5 years

## Fees

Management Cost	1.00% p.a. (inc. GST) calculated daily and charged monthly in arrears
Administration and Custody Fee	0.275% p.a. calculated daily and charged monthly in arrears. A lower fee applies for investments above \$1 million.
Performance Fee	15% of excess returns over the benchmark return
Transaction cost	0.55% of the value of the transaction

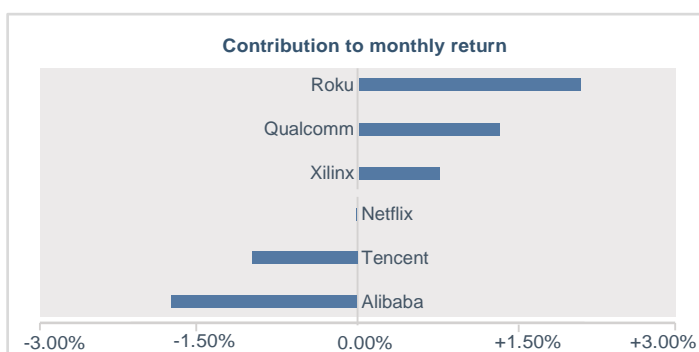
## Contributors and Detractors to Return

**Roku**, our advertising video-on-demand play, was the strongest performer, and generated a +2.3% contribution to return in the month, with **Qualcomm** also very solid adding +1.3%. **Marvell** and **CrowdStrike** both provided +0.4% for the month, with **Xilinx** alone almost double that at +0.7%

**Amazon** and **Netflix** were negative contributors for the month, though not by much, while the big Chinese companies, **Tencent** and **Alibaba** detracted from the return (by -0.7% and -1.2%, respectively). Alibaba was hurt by the decision to postpone indefinitely the US\$300bn+ listing of financial payments group Ant (in which it has a 33% stake).

The Australian dollar appreciated +4.5% over the month against the US dollar, which meant the value of the Portfolio's US dollar positions decreased. As at 30 November 2020, the Portfolio carried a foreign currency exposure of 100%.

## Selected Contributors and Detractors



## Portfolio Construction

At November month end, the Portfolio was 95.5% invested in 25 holdings with the balance in cash.

Selected Top Holdings		Capitalisation USD	
Qualcomm	14.2%	Mega Cap > \$100b	66.6%
Alibaba	7.4%	Large Cap \$50-100b	5.3%
Amazon	7.2%	Mid Cap \$2-50b	23.5%
Apple	7.1%	Small Cap < \$2b	0%
Tencent	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 Firstlinks 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

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## The Team



### 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.

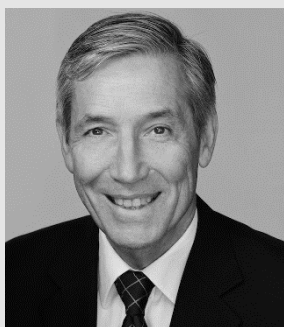
He was instrumental in bringing both Seek and Carsales.com to the Australian stock market. He has a deep knowledge of investment and global change companies.



### 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.



### 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.

### How can investors access Loftus Peak's global equity disruption capability?

- For **retail** investors, the Loftus Peak Global Disruption Fund
- For **wholesale** or **sophisticated** investors, the Loftus Peak Global Change Portfolio

While offered by way of two different legal structures, the two products are managed according to the same underlying investment objective.