



# Loftus Peak Global Disruption Fund

Investing | Future Focused

Monthly Fund Update  
November 2020



Superior

Traditional business models are being disrupted as digitisation and the internet change the way businesses and people connect, transact 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 Disruption Fund was up +4.9% net-of-fees in November, underperforming the benchmark MSCI All Countries World Index net in Australian dollars by -2.3% (it rose +7.2%). One-year net performance to 30 November is +39.4%, which is outperformance of +33.7%.

While performance was solid enough for the month, the Fund 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.

## Contributors and Detractors to Return

While our investee companies have performed strongly during COVID-19, we are gratified to see a prospective end to this sickness. Quite apart from the human dimension the economy will be much stronger once the problem is solved. This in turn will mean more, stronger companies which are the purchasers of the digital services sold by the many companies in which we invest.

	1m	3m	6m	1y	3y p.a.	4y p.a.	Inception p.a.
Loftus Peak (Net) <sup>1</sup>	+4.87%	+9.51%	+23.76%	+39.43%	+23.15%	+25.93%	+26.82%
Benchmark <sup>2</sup>	+7.17%	+6.54%	+10.39%	+5.74%	+10.00%	+12.84%	+13.64%
Outperformance (Net) <sup>3</sup>	-2.30%	+2.97%	+13.37%	+33.69%	+13.15%	+13.08%	+13.18%

**Past performance is not a reliable indicator of future performance.**

Source: Loftus Peak, MSCI

<sup>1</sup> Net-of-fees performance for the Loftus Peak Global Disruption Fund 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 benchmark for the Fund is the MSCI All Countries World Index (net) as expressed in AUD from Bloomberg.

<sup>3</sup> Outperformance is shown as the Fund (Net) minus the benchmark.

## Key Facts

Inception Date	15 November 2016
ASX Code	LPGD
APIR Code	MMC0110AU
Fund FUM (AUD)	\$142 million
Strategy FUM (AUD)	\$159 million
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 <sup>1</sup>
Pricing Frequency	Daily
Withdrawal Notice	Generally, notice received by 2pm receives price effective for that business day.
Research Ratings (Lonsec, SQM, Zenith)	Click Lonsec, SQM or Zenith logo on our website to request a copy.

<sup>1</sup> Only applicable to investors who apply for units directly with the Fund.

## 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

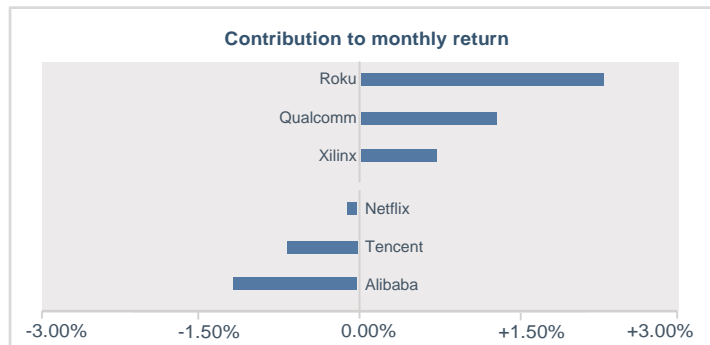
Date	30 November 2020
Entry Price (in AUD)	2.7793
Exit Price (in AUD)	2.7655

**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 +4.9% over the month against the US dollar, which meant the value of the Fund's US dollar positions decreased. As at 30 November 2020, the Fund carried a foreign currency exposure of 90.2%.

## Selected Contributors and Detractors



## Portfolio Construction

At November month end, the Fund was 93.2% invested in 25 holdings with the balance in cash exposure.

Selected Top Holdings		Capitalisation USD	
Qualcomm	14.2%	Mega Cap > \$100b	65.7%
Roku	7.8%	Large Cap \$50-100b	4.9%
Amazon	7.5%	Mid Cap \$2-50b	22.6%
Apple	7.0%	Small Cap < \$2b	0.0%
Tencent	6.3%		

### Learn more

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

### 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.

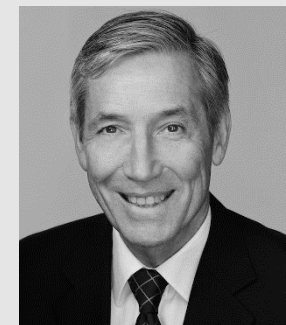
He was instrumental in bringing both Seek and Carsales.com to the Australian stock market. He has a deep knowledge of investment and global change companies.



### 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.

Firm Awards	Ratings	Platforms