



Loftus Peak Global Disruption Fund

Investing | Future Focused

Monthly Fund Update
September 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 down -0.2% net-of-fees in September, broadly in line with the benchmark MSCI All Countries World Index net in Australian dollars (which fell -0.3%). One-year net performance to 30 September is +40.4%, with outperformance of +36.5%.

The value of most of our positions did not change much through September, having already fallen back in August as the market questioned the pace of increases in share prices across many of our core holdings. We were on the sidelines mostly but did add to a few positions at valuations which were attractive. The Fund's cash holding was reduced to 11.9% by month end.

We believe that the high prices of some of our holdings reflects the emergence of new businesses launched to very large, connected customer bases rather than simple overvaluation. For example, the 1.3 billion users of Apple's operating system around the world have underwritten the successful launch of Apple Pay, while Facebook has 2 billion users to whom it can roll out new advertising products.

At the same time, we believe there is some mispricing in selected companies; where this is the case we have taken profits.

	1m	3m	6m	1y	3y p.a.	Inception p.a.
Loftus Peak (Net) ¹	-0.24%	+9.83%	+24.31%	+40.39%	+23.38%	+25.07%
Benchmark ²	-0.27%	+3.89%	+9.69%	+3.93%	+10.36%	+12.34%
Outperformance (Net) ³	+0.03%	+5.94%	+14.62%	+36.46%	+13.02%	+12.74%

Past performance is not a reliable indicator of future performance.

Source: Loftus Peak, MSCI

¹ 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.

² The benchmark for the Fund is the MSCI All Countries World Index (net) as expressed in AUD from Bloomberg.

³ Outperformance is shown as the Fund (Net) minus the benchmark.

Key Facts

Inception Date	15 November 2016
APIR Code	MMC0110AU
Fund FUM (AUD)	\$120 million
Strategy FUM (AUD)	\$135 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
Pricing Frequency	Daily
Withdrawal Notice	Generally, notice received by 2pm receives price effective for that business 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

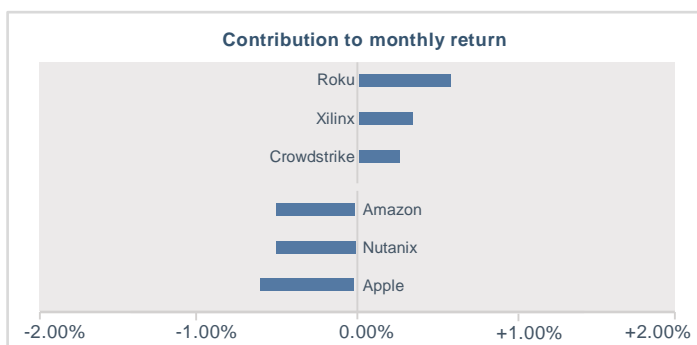
Date	30 September 2020
Entry Price (in AUD)	2.5319
Exit Price (in AUD)	2.5193

Contributors and Detractors to Return

Best performers for the month include Roku, which is emerging as the de facto operating system for new connected televisions in the US; it has the largest share of new smart TVs sales in the US with one in three being a Roku TV, while Xilinx, a maker of accelerator products in the data centre and for cars was also a solid contributor. Apple, Nutanix and Amazon were all negative for the month following very strong outperformance in prior months.

The Australian dollar depreciated -3.1% over the month against the US dollar, which meant the value of the Fund's US dollar positions increased. As at 30 September 2020, the Fund carried a foreign currency exposure of 95.0%.

Selected Contributors and Detractors



Portfolio Construction

At September month end, the Fund was 88.1% invested in 23 holdings with the balance in cash.

Selected Top Holdings		Capitalisation USD	
Xilinx	9.3%	Mega Cap > \$100b	59.7%
Qualcomm	9.1%	Large Cap \$50-100b	4.7%
Amazon	7.8%	Mid Cap \$2-50b	23.6%
Apple	7.4%	Small Cap < \$2b	0.0%
Alibaba	7.0%		

Learn more

For the latest on investment in global change and disruption, visit us at www.loftuspeak.com.au, email 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.

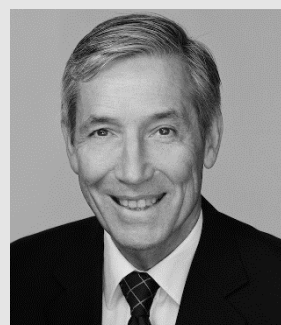
He was instrumental in bringing both Seek and Carsales.com to the Australian stock market. He has a deep knowledge of investment and global change companies.



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	