



Loftus Peak Global Disruption Fund

Investing | Future Focused

Monthly Fund Update
December 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 +0.8% net-of-fees in December, outperforming the benchmark MSCI All Countries World Index net in Australian dollars by +0.7% (it rose +0.1%). One-year net performance to 31 December is +40.5%, which is outperformance of +34.3%.

A resurgent COVID-19 put a stop to talk of the re-opening trade, even as the first vaccinations were performed, with concern around the length of time the process would take and by extension further delays to the return of global 'business as usual'.

	1m	3m	6m	1y	3y p.a.	4y p.a.	Inception p.a.
Loftus Peak (Net) ¹	+0.80%	+10.65%	+21.53%	+40.46%	+24.78%	+25.57%	+26.45%
Benchmark ²	+0.06%	+6.89%	+11.05%	+6.13%	+10.62%	+11.59%	+13.36%
Outperformance (Net) ³	+0.74%	+3.77%	+10.48%	+34.33%	+14.16%	+13.98%	+13.09%

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.

Contributors and Detractors to Return

The portfolio itself out-performed with contributions from **Crowdstrike** (+0.7% for December) and **Roku** (+0.6%). **Apple** also did well (+0.5%) on news of the success of its own processor inside the new Mac, the possible launch of its own search engine and reports that the company was inching closer to the launch of the Apple car (in 2024).

Tencent and **Alibaba** detracted from the return (by -0.3% and -0.7%, respectively), with investors questioning why Jack Ma has not been seen since October, when he gave the speech which resulted in the China politburo nixing the float of Ant Financial. This is not a good sign, but he is likely under instruction to fly under the radar.

Key Facts

Inception Date	15 November 2016
ASX Code	LPGD
APIR Code	MMC0110AU
Fund FUM (AUD)	\$147 million
Strategy FUM (AUD)	\$166 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 ¹
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.

¹ 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

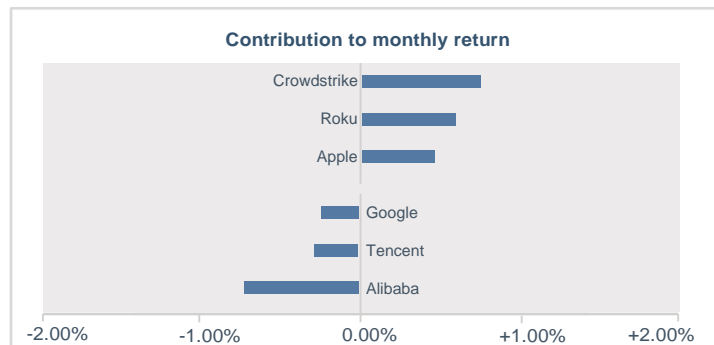
Unit Prices

Date	31 December 2020
Entry Price (in AUD)	2.7947
Exit Price (in AUD)	2.7877

Nvidia (-0.2%) and **Xilinx** (-0.3%) both underperformed, likely on news that some of their biggest customers were pushing into chips design themselves (Microsoft, Amazon and Tesla are already doing this).

The Australian dollar appreciated +4.7% over the month against the US dollar, which meant the value of the Fund's US dollar positions decreased. As at 31 December 2020, the Fund carried a foreign currency exposure of 81.0%.

Selected Contributors and Detractors



Portfolio Construction

At December month end, the Fund had a net market exposure of 80.7% with the balance in cash exposure. The Fund was invested in 25 companies.

Selected Top Holdings		Capitalisation USD	
Qualcomm	14.6%	Mega Cap > \$100b	56.6%
Apple	7.2%	Large Cap \$50-100b	3.8%
Amazon	7.1%	Mid Cap \$2-50b	20.3%
Roku	6.2%	Small Cap < \$2b	0.0%
Tencent	5.8%		

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 in a number of funds management firms in Australia, including BT Funds Management.

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

Firm Awards	Ratings	Platforms