

Loftus Peak Global Disruption Active ETF

Change. The way you should invest.



Research Ratings:



March 2025

Loftus Peak is a global equities fund manager focused on disruptive businesses. Founded in 2014, the Fund invests in global companies driving industry change, such as Nvidia, first bought in 2016. As well as Microsoft and Google, the diverse portfolio also includes many less well-understood companies which are expected to be household names in the future, such as AMD and Qualcomm. This global approach aims to reduce concentration risk often associated with home-biased Australian portfolios.

	1m	3m	6m	1y	3y p.a.	5y p.a.	7y p.a.	Inception p.a.
Loftus Peak (Net)	-9.26%	-8.66%	+4.62%	+9.17%	+18.58%	+18.90%	+18.39%	+19.83%
Benchmark	-4.49%	-2.21%	+8.63%	+11.96%	+13.64%	+14.66%	+12.43%	+13.20%
Outperformance (Net)	-4.77%	-6.45%	-4.01%	-2.79%	+4.94%	+4.24%	+5.96%	+6.63%

Source: Loftus Peak, Bloomberg. Past performance is not a reliable indicator of future performance. Returns greater than one-year are annualised. Net-of-fees performance for the 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 Target Market Determination.

Review and Performance

Share markets continued their fall from last month as Trump-generated macro noise crescendoed. The looming threat of reciprocal tariffs as well as Trump's detail-light style of announcement has roiled markets with uncertainty and prompted stagflationary concerns. Even if this uncertainty were to be resolved swiftly, the weeks of uncertainty will have left businesses flat footed and consumer sentiment bleak. This turmoil is likely to bleed into company commentary as the earnings season approaches.

Fund performance was hard hit, dropping -9.3% net-of-fees, underperforming the benchmark MSCI All Countries World Index in Australian dollars by -4.8%. On an absolute basis March 2025 was the third worst month since inception, with the other two occurring in 2022.

As companies have been selling off, Loftus Peak has taken the opportunity to reposition away from companies exposed to a cyclical recovery in consumer spending across smartphones, computers and cars. While these cyclical names have generally fallen less than the market year to date they are the companies most likely to be adversely impacted by Trump policy as tariffs and higher inflation puts pressure on the consumer.

Capital has been re-allocated toward Artificial Intelligence (AI), software, cybersecurity and life sciences - areas we view as more Trump-agnostic. Many of these companies started the year with elevated valuations - this is the reason Loftus Peak has been underweight (relative to the MSCI All Countries World Index) the Magnificent 7 since the middle of last year. After 20%+ corrections in many of these names, they are beginning to look attractive from a valuation perspective given the quality of the businesses (important during volatile times) and growth prospects (they remain beneficiaries of secular trends).

Contributors and Detractors to Return

The biggest positions underperformed the most. This was particularly true in the AI names. **Taiwan Semiconductor Manufacturing** (detracted -1.3% from Fund return) and **Broadcom** (-0.8%) were the top two laggards with **Nvidia**, (-0.7%) and semiconductor tester **Advantest** (-0.6%) in fourth and fifth respectively. Anxieties around AI stemming from DeepSeek and headlines of datacentre contract cancellations have combined with the market looking to sell what has run up most from the market bottom in 2022. As a result, these stocks have been particularly hard hit. However, if Trump's macro policy is as destructive as the market believes, Loftus Peak sees secular trends like AI as the best place to be.

The other Magnificent 7 names in the portfolio; **Alphabet**, **Meta**, **Microsoft** and **Amazon** together detracted -1.8%. Although not as directly exposed to AI as Nvidia, these companies are coming under similar selling pressure. Loftus Peak's view is that these are quality companies with pricing power, strong balance sheets and free cash flow generation, that are exposed to disruptive secular tailwinds.

Key Facts

Inception Date	15 November 2016
ASX Code	LPGD
APIR Code	MMC0110AU
Fund FUM (AUD)	\$562 million
Strategy FUM (AUD)	\$1,013 million
Product Type	Registered Managed Investment Scheme domiciled in Australia
Responsible Entity	Equity Trustees Limited
Investment Universe	Listed Global Equities
No. of Investments	15-35
Benchmark	MSCI All Countries World Index (net) (as expressed in AUD from Bloomberg)
Minimum Cash	1%
Maximum Cash	20%
Suggested time frame	3-5 years
Minimum Investment ¹	\$5,000
Platforms	Available on all major platforms

¹ No minimum investment for units purchased on the ASX.

Fees

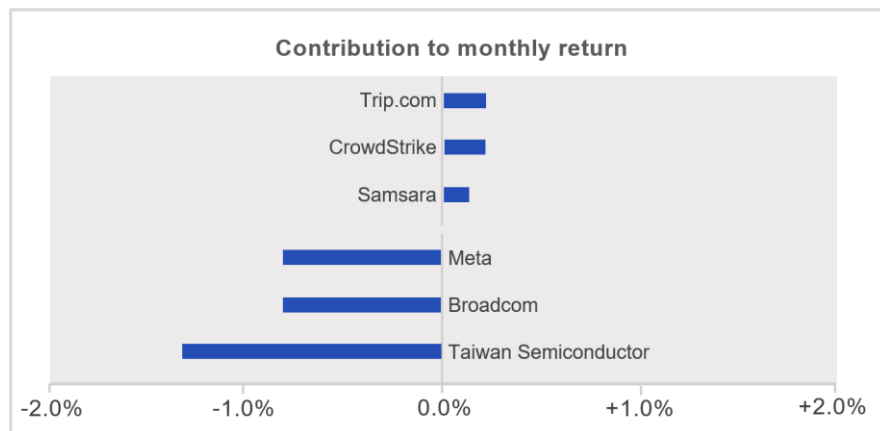
Annual Management Costs	1.20% per annum (inc. GST)
Performance	15% in excess of the hurdle return with a high watermark payable six monthly as at 30 June and 31 December each year

Companies beyond the datacentre fared better. **Netflix** (-0.2%) and **Qualcomm** (-0.1%) outperformed the broader market. However, the best performing companies were **Trip.com** (+0.2%), **CrowdStrike** (+0.2%) and **Samsara** (+0.1%). All three are recent entries for the Fund. Trip.com is a Chinese online travel agency that disrupts competitors by gaining share over traditional offline travel agencies and leveraging the growing domestic and international travel demand from not only China's huge population but also across Asia. Readers might be unfamiliar with the name but are likely to have used one of its products (Skyscanner) to book a domestic or international flight. The company's China exposure insulated it from the broader bearishness of US markets while also benefitting from supportive Chinese Government policy.

However, this was not the case for CrowdStrike and Samsara for which shares fell -9.5% and -19.6% in March respectively. Both companies are former holdings that had outrun their valuations but preserved their quality disruptive business models. The extreme bearishness during the month pushed these stocks down so much that the valuation proposition became attractive enough to re-enter. The subsequent rise in share prices in the balance of March, placed these companies among the top contributors. This highlights the importance of valuations in Loftus peak's decision-making process.

The Australian dollar appreciated +0.2% against the US dollar over the month, decreasing the value of the Fund's US-dollar denominated positions. As at 31 March 2025, the Fund carried a foreign currency exposure of 91.3%.

Selected Contributors and Detractors



Portfolio Construction

At March month end, the Fund was 94.2% invested in 30 holdings with the balance in cash exposure. The Fund has a high exposure to large capitalisation names which are highly cash generative with strong balance sheets. Focusing on high quality companies helps the Fund to withstand difficult periods in the market and drive strong, long-term outcomes for investors.

Top 10 Holdings (in alphabetical order)		Capitalisation USD	
Advantest	Microsoft	Mega Cap > \$100b	69.5%
Amazon	Netflix	Large Cap \$50-100b	8.0%
Broadcom	NVIDIA	Mid Cap \$2-50b	16.7%
Eli Lilly	Qualcomm	Small Cap < \$2b	0.0%
Meta	Taiwan Semiconductor		

Firm Awards



IMAP
MANAGED ACCOUNT
AWARD FINALIST
INTERNATIONAL
EQUITIES



HIGHLY COMMENDED
Global Equities
Large Cap
FINANCIAL NEWSWIRE
SQM RESEARCH

Unit Prices

Pricing Frequency	Daily
Date	31 March 2025
Entry Price (in AUD)	4.8395
Exit Price (in AUD)	4.8153

Distributions

Distribution Frequency	Paid annually as at 30 June
Latest distribution date	30 June 2024
Latest distribution	Nil

Applications and Withdrawals

Withdrawal Notice	Generally, notice received by 2pm (Sydney time) receives the price effective for that business day.
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ESG Attributes

Carbon Intensity ²	71% less carbon intensive than benchmark: tCO2e/Mil USD
	34.7 (LPGD)
	120.7 (benchmark)
	No exposure to companies involved in fossil fuel extraction, generation and related products and services.

² Source: Sustainalytics as at 31 March 2025.

The Team

Alex Pollak	CIO and Founder
Anshu Sharma, CFA	Portfolio Manager and Founder
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Raymond Tong, CFA	Head of Research

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The Loftus Peak Global Disruption Active ETF's Target Market Determination is available at www.loftuspeak.com.au in the downloads tab. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.