Loftus Peak Global Disruption Active ETF

Change. The way you should invest.

Loftus Peak

ASX: LPGD

Research Ratings:

Lonsec Research – Recommended
Applies to MMC0110AU

SQM Research – 4.25 Stars

Zenith Investment Partners – Recommended

Research IP – 4.18 / 5 Stars

June 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 Broadcom, 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.
Fund (net-of-fees)	+6.45%	+17.54%	+7.36%	+21.67%	+32.51%	+19.80%	+19.74%	+21.46%
Benchmark	+2.14%	+5.89%	+3.55%	+17.95%	+19.33%	+14.73%	+12.66%	+13.55%
Outperformance (net-of-fees)	+4.31%	+11.65%	+3.80%	+3.72%	+13.18%	+5.07%	+7.08%	+7.92%

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

The Fund had another strong month in June, increasing in value by +6.4% net-of-fees, which is outperformance of +4.3% relative to the MSCI All Countries World Index (net) (as expressed in AUD from Bloomberg). For the twelve months to 30 June 2025, the Fund returned +21.7% net-of-fees, with outperformance of +3.7%.

One of the most important events of the past month was the apparent cessation of hostilities between Iran and Israel. Separating any human or political impacts from the ceasefire, the bond market has been much stronger, with yields on US ten-year bonds decreasing from a high of 4.6% to around 4.3%. This bond market action suggests investors believe that asset values generally have benefitted from a reduction in tensions. The situation has changed dramatically in the past year when considering that there has also been regime change in Syria (December 2024).

Keep in mind that up until the cease-fire the bond market and equity market were heading in opposite directions, which is somewhat unusual, though not unheard of. In essence, bond investors did not believe that there was a way out of the Trump/tariff/inflation morass, while equity market buyers thought that Trump would find a way.

Contributors and Detractors to Return

The AI trade remains robust, with **Nvidia** again topping the monthly contributor list by adding +1.2% to the value of the Fund. **Taiwan Semiconductor Manufacturing Company** was close behind (+1.1% contribution to Fund value) while **Meta** added +0.7% and **Broadcom**, +0.7%. Advantest outperformed on the back of its important position in the testing of the most advanced chips.

The resurgence in value among the AI companies has come as AI is recognised as the new 'how" by which companies deliver services and goods – the "what". To illustrate, we wrote recently of the use of AI by **Microsoft** and Google to plan vacations, but truthfully many people would be seeing tens of thousands of applications having an AI format, and importantly, working. There is much less chatter of AI hallucinating.

Entertainment streamers were strong as well, with good performances from **Roku** and **Netflix**. There continues to be a significant re-alignment in sport and general entertainment delivery. Roku is a global participant in free advertising-supported television (FAST). With cable pay TV audiences in decline generally, Roku stands to win share in sports viewing. Advertising companies like Roku distribute audiences to advertisers, winning revenue as a result.

Cyclical players such as **Qualcomm**, **Amazon** and **Uber**, which are all leveraged to the strength of consumer sales via smart phones, transport and cars, had a solid month.

Key Facts

Inception Date	15 November 2016
ASX Code APIR Code	LPGD MMC0110AU
Fund FUM (AUD)	$661 million
Strategy FUM (AUD)	$1,186 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 which cut value from the Fund were predictably few in a strong month, with payment processor **Adyen** (-0.2%) while **GitLab**, **ServiceNow**, **MercadoLibre** and **Instacart** combined resulted in less than -0.2% value drag.

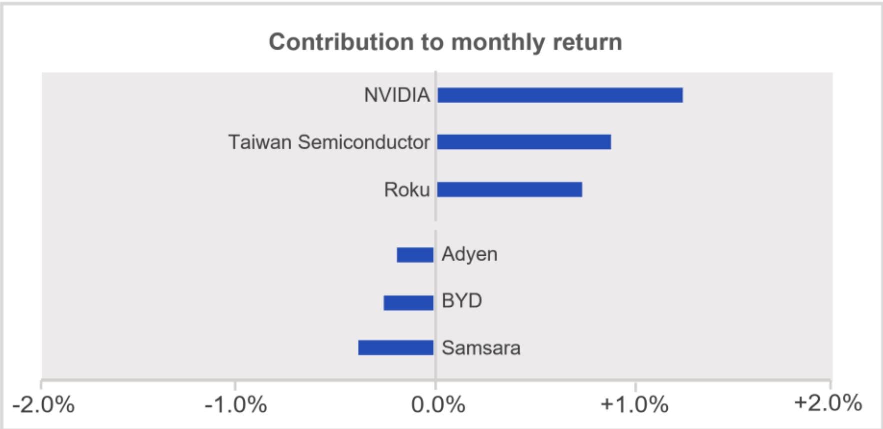
We do not hold Google (Alphabet) at present for the following reason. The largest, most valuable and closest disruptor on the horizon is artificial intelligence (AI) and one of the main targets is the ten blue links in Google's search. Further, the threat is so serious that Google has been forced to disrupt itself with its own AI engine, Gemini.

At stake is Google's US$200bn annual search revenue stream - which explains why the funding of new AI disruptors continues to rise and 'big tech' companies (including Google) invest to position themselves in the AI era (big tech capex is expected to be US$300bn+ in 2025).

While yet to show up in the headline Google Search revenue (which is still growing at a healthy 10% Y/Y), under the surface there appear to be warning signs. In the company's latest quarterly SEC filing, the company disclosed the lowest paid click growth ever (2% Y/Y, lowest by ~2 percentage points). There continues to be considerable competitive jockeying among the big players, including Apple, Microsoft and Amazon.

The Australian dollar appreciated +1.8% against the US dollar over the month, decreasing the value of the Fund's US-dollar denominated positions. As at 30 June 2025, the Fund carried a foreign currency exposure of 96.9%.

Selected Contributors and Detractors



Portfolio Construction

At June month end, the Fund was 98.4% invested in 28 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)	
Amazon	Netflix
Broadcom	NVIDIA
Eli Lilly	Qualcomm
Meta	Roku
Microsoft	Taiwan Semiconductor

Capitalisation USD	
Mega Cap > $100b	74.4%
Large Cap $50-100b	8.6%
Mid Cap $2-50b	15.4%
Small Cap < $2b	0.0%

Firm Awards

Unit Prices

Pricing Frequency	Daily
Date	30 June 2025
Entry Price (in AUD)	5.6884 (CUM price)
Exit Price (in AUD)	5.6600 (CUM price)

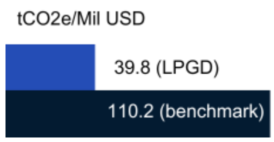
Distributions

Distribution Frequency	Paid annually as at 30 June
Latest distribution date	30 June 2025
Latest distribution	33.33 cents

Applications and Withdrawals

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

ESG Attributes

Carbon Intensity[2]	**64% less carbon intensive** than benchmark:  No exposure to companies involved in fossil fuel extraction, generation and related products and services.

[2] Source: Sustainalytics as at 30 June 2025.

The Team

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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.