

# Loftus Peak Global Disruption Fund (Hedged)

**Change.** The way you **should** invest.



Research Ratings:



SOM Research  
– 4.25 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. It is our intention to substantially hedge the capital component of the foreign currency exposure of the Fund arising from investments in overseas markets back to Australian dollars.

|                              | 1m     | 3m      | 6m      | 1y      | 3y p.a. | 5y p.a. | 7y p.a. | Inception p.a. |
|------------------------------|--------|---------|---------|---------|---------|---------|---------|----------------|
| Fund (net-of-fees)           | +8.02% | +22.43% | +12.35% | +18.38% | -       | -       | -       | +25.78%        |
| Benchmark                    | +3.85% | +9.29%  | +6.97%  | +13.31% | -       | -       | -       | +15.57%        |
| Outperformance (net-of-fees) | +4.17% | +13.14% | +5.38%  | +5.06%  | -       | -       | -       | +10.21%        |

**Source:** Loftus Peak, MSCI. 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 +8.0% net-of-fees, which is outperformance of +4.2% relative to the MSCI All Countries World Index (net dividends reinvested) hedged to Australian dollars. For the twelve months to 30 June 2025, the Fund returned +18.4% net-of-fees, with outperformance of +5.1%.

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<sup>2</sup>

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       | 1 July 2022                                                                                 |
| APIR Code            | ETL9930AU                                                                                   |
| 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 dividends reinvested) hedged to Australian dollars      |
| Minimum Cash         | 1%                                                                                          |
| Maximum Cash         | 20%                                                                                         |
| Suggested time frame | 3-5 years                                                                                   |
| Minimum Investment   | \$5,000                                                                                     |
| Platforms            | Available on Macquarie, Netwealth, HUB24, Powerwrap, Praemium and Mason Stevens (IDPS only) |

## 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 |

# Loftus Peak Global Disruption Fund (Hedged)

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.

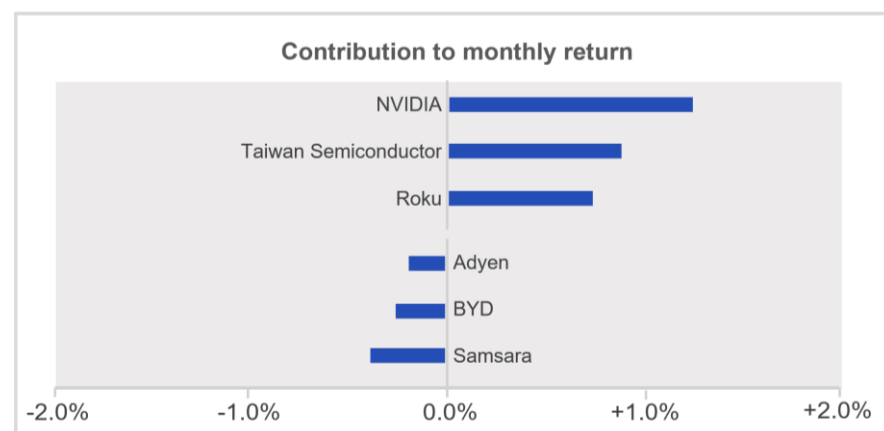
We do not hold Google (Alphabet) at present for the following reason. The largest, most valuable and closest disruptor on the horizon is artificial intelligence (AI) and one of the main targets is the ten blue links in Google's search. Further, the threat is so serious that Google has been forced to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

As at 30 June 2025, after the impact of currency hedging, the Fund carried an Australian dollar exposure of 96.6%.

## Selected Contributors and Detractors<sup>2</sup>



## Portfolio Construction<sup>2</sup>

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<br>(in alphabetical order) |                      | Capitalisation USD     |       |
|--------------------------------------------|----------------------|------------------------|-------|
| Amazon                                     | Netflix              | Mega Cap<br>> \$100b   | 74.4% |
| Broadcom                                   | NVIDIA               | Large Cap<br>\$50-100b | 8.6%  |
| Eli Lilly                                  | Qualcomm             | Mid Cap<br>\$2-50b     | 15.4% |
| Meta                                       | Roku                 | Small Cap<br>< \$2b    | 0.0%  |
| Microsoft                                  | Taiwan Semiconductor |                        |       |

## Firm Awards



**IMAP**  
MANAGED ACCOUNT  
AWARD FINALIST  
INTERNATIONAL  
EQUITIES



## Unit Prices

|                      |                    |
|----------------------|--------------------|
| Pricing Frequency    | Daily              |
| Date                 | 30 June 2025       |
| Entry Price (in AUD) | 1.9100 (CUM price) |
| Exit Price (in AUD)  | 1.9004 (CUM price) |

## Distributions

|                          |                             |
|--------------------------|-----------------------------|
| Distribution Frequency   | Paid annually as at 30 June |
| Latest distribution date | 30 June 2024                |
| Latest distribution      | 7.5 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 <sup>1</sup>                                                                              | <b>64% less carbon intensive</b> than benchmark:<br>tCO2e/Mil USD<br><div> <div style="width: 39.8%;">39.8 (LPGD)</div> <div>110.2 (benchmark)</div> </div> |
| No exposure to companies involved in fossil fuel extraction, generation and related products and services. |                                                                                                                                                             |

<sup>1</sup> Source: Sustainalytics as at 30 June 2025.

## The Team

|                   |                               |
|-------------------|-------------------------------|
| Alex Pollak       | CIO and Founder               |
| Anshu Sharma, CFA | Portfolio Manager and Founder |
| Harry Morrow, CFA | Senior Investment Analyst     |
| 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](http://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.

<sup>2</sup>The portfolio characteristics shown in this report, apart from references to currency exposure, refer to the data applying to the Loftus Peak Global Disruption Active ETF, into which the hedged class invests to attain its market exposure. Typically, the hedged class will also carry some cash to facilitate currency hedging which will impact the characteristics when viewed on a look-through basis.