

Loftus Peak Global Disruption Active ETF

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



Research Ratings:



February 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)	-4.06%	+5.52%	+15.48%	+24.46%	+21.17%	+20.59%	+19.43%	+21.46%
Benchmark	+0.20%	+5.41%	+13.34%	+20.40%	+14.95%	+13.80%	+13.05%	+14.02%
Outperformance (Net)	-4.26%	+0.11%	+2.14%	+4.06%	+6.22%	+6.78%	+6.38%	+7.44%

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

February was a poor month for the Fund, which dropped -4.1% net-of-fees, underperforming the benchmark MSCI All Countries World Index in Australian dollars by -4.3%.

As we noted in last month's [Insight](#), some of this poor performance is a factor of the uncertain policy coming out of the White House - investors withdraw when uncertainty increases, and we have weathered considerable uncertainty in the past few weeks. Notably, the CEO's of the big three US car companies (Ford, GM and Stellantis, the maker of Dodge and Chrysler) complained directly to Trump about the rapid changes in tariff policy, with at least one saying it would cause significant harm to the companies. Encouragingly, Trump repealed those tariffs, but the stock market has remained unconvinced, and so has fallen.

These abrupt shifts are not necessarily bad - they provide important buying opportunities for the portfolios managed by Loftus Peak. When lower stock prices allow entry into quality companies with strong cashflows and balance sheets, it has in the past turned out well for investors.

Contributors and Detractors to Return

The biggest positions, those companies which we believe have the best return for the lowest risk, underperformed the most. For example, **Taiwan Semiconductor Manufacturing Company** generated -0.7% of the Fund's negative performance, with **Qualcomm** only just better with a -0.7% detraction. A number of the Magnificent Seven constituents also featured negatively, with Fund holdings in **Amazon, Alphabet, Meta** and **Microsoft** hit, for a combined negative contribution of -1.4% for the month.

What ties all these names together is their reliance on AI to provide the next level of growth. **Nvidia's** earnings report at the end of February, while well received, arrived against a backdrop of these White House policy shifts. Obviously, with some US\$300b to be invested in AI capacity by these big names, investors became increasingly nervous.

Results were better outside the big names and where there is an easily understood narrative. For example, **Uber** performed well (+0.4%) with solid contributions from **Eli Lilly** (+0.4%) and Latin American e-commerce player **MercadoLibre** (+0.2%).

In Uber's case, there has been nervousness about the possibility of a driverless car fleet disrupting its business model. More likely is that the driverless fleet would need to be one of the many services already offered by Uber. Otherwise any such fleet would need to be big enough to provide city-by-city competition to Uber at a fleet size which would need to be large enough to ensure ride certainty for users and commercial viability for the provider. The capital involved in doing this would itself be large - even 10k cars would be a cash cost of \$300m, and this would be in just one city. We are seeing this play out with Google's Waymo selectively selling its rideshare inventory through Uber. Up until now, autonomy has been a two-horse race between Waymo and Tesla.

Key Facts

Inception Date	15 November 2016
ASX Code	LPGD
APIR Code	MMCO110AU
Fund FUM (AUD)	\$627 million
Strategy FUM (AUD)	\$1,124 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

Loftus Peak Global Disruption Active ETF

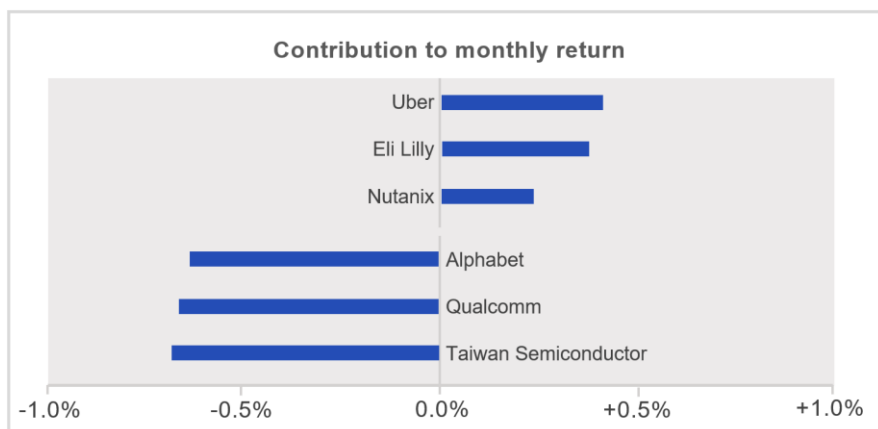
This would obviously be bad for an aggregator like Uber which thrives in a market of fragmented supply. So it was that BYD's entry to the advanced-driver-assistance/autonomy space by way of its free 'God's Eye' offering (vs Tesla's \$10,000 FSD) provided a data point in favour of a more competitive market in the supply of autonomous vehicle solutions.

Eli Lilly was strong on the back of a series of developments, including the building of 3 new plants to service demand for its obesity medications. The company also announced it was seeking FDA approval as early as 2026 for the oral version of its obesity drug Orfogliperon. The oral version may be preferred relative to its weekly injectable drug Mounjaro, for which approval has also been granted against sleep apnoea and in certain cases heart conditions.

Nutanix was a bright spot and one of the only higher growth companies in the Fund that outperformed for the month, adding +0.2% to Fund value. The company provides software that enables enterprise customers to operate their digital infrastructure virtually across on-premises IT environments as well as private and public cloud. Nutanix reported a great set of earnings at the end of February, increasing its full fiscal year revenue guidance as it executes on an opportunity to move upmarket.

The Australian dollar depreciated -0.3% against the US dollar over the month, increasing the value of the Fund's US-dollar denominated positions. As at 28 February 2025, the Fund carried a foreign currency exposure of 94.9%.

Selected Contributors and Detractors



Portfolio Construction

At February month end, the Fund was 98.7% invested in 32 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	Netflix	Mega Cap > \$100b	66.3%
Amazon	Nvidia	Large Cap \$50-100b	9.3%
Broadcom	NXP Semiconductors	Mid Cap \$2-50b	23.1%
Meta	Qualcomm	Small Cap < \$2b	0.0%
Microsoft	Taiwan Semiconductor		

Unit Prices

Pricing Frequency	Daily
Date	28 February 2025
Entry Price (in AUD)	5.3332
Exit Price (in AUD)	5.3066

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.
-------------------	---

ESG Attributes

Carbon Intensity ²	60% less carbon intensive than benchmark: tCO2e/Mil USD
	45.1 (LPGD)
	114.0 (benchmark)
	No exposure to companies involved in fossil fuel extraction, generation and related products and services.

² Source: Sustainalytics as at 28 February 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

Firm Awards



IMAP
MANAGED ACCOUNT
AWARD FINALIST
INTERNATIONAL
EQUITIES



HIGHLY COMMENDED
Global Equities
Large Cap
FINANCIAL NEWSWIRE
SQM RESEARCH

RATINGS DISCLAIMERS

LONSEC: The rating issued May 2024 for MMC0110AU is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2024 Lonsec. All rights reserved.

SQM: The rating contained in this document is issued by SQM Research Pty Ltd ABN 93 122 592 036 AFSL 421913. SQM Research is an investment research firm that undertakes research on investment products exclusively for its wholesale clients, utilising a proprietary review and star rating system. The SQM Research star rating system is of a general nature and does not take into account the particular circumstances or needs of any specific person. The rating may be subject to change at any time. Only licensed financial advisers may use the SQM Research star rating system in determining whether an investment is appropriate to a person's particular circumstances or needs. You should read the product disclosure statement and consult a licensed financial adviser before making an investment decision in relation to this investment product. SQM Research receives a fee from the Fund Manager for the research and rating of the managed investment scheme.

ZENITH: The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (MMC0110AU assigned 28 Nov 2024) referred to in this piece is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual, including target markets of financial products, where applicable, and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at [Fund Research Regulatory Guidelines](#).

RESEARCH IP: The Research IP rating (assigned 20 November 2024) is published by Research IP Pty Ltd (ABN 81 602 947 562, AFSL 481674, New Zealand FSP 710351). The rating is limited to "General Advice" (as defined in the Corporations Act 2001 (Cth)) and based solely on consideration of the investment merits of the financial product(s), using comprehensive and objective criteria, but without taking into account the objectives, financial situation or needs of any individual. The rating is not a recommendation to purchase, sell or hold the product(s) and you should seek independent financial advice before investing in this product(s). For further advice on the relevance of this rating to your personal situation, please consult your authorised financial adviser. Investors should obtain a copy of, and consider the PDS or offer document, before making any decision and refer to the full Research IP report available at <https://portal.research-ip.com>. The rating is subject to change without notice and Research IP assumes no obligation to update the relevant document(s) following publication. Past performance information is for illustrative purposes only and is not indicative of future performance. Research IP usually receives a distribution licensing fee from the Fund Manager for the right to publish the research report and rating. For further information regarding Research IP's Ratings, please refer to our website at: <https://research-ip.com/research/our-ratings>.

IMPORTANT INFORMATION: This report was prepared by Loftus Peak Pty Limited ("Loftus Peak"). Equity Trustees Limited ("Equity Trustees") ABN 46 004 031 298 AFSL No. 240975, is a subsidiary of EQT Holdings Limited ABN 22 607 797 615, a publicly listed company on the Australian Securities Exchange (ASX:EQT), and is the Responsible Entity of the Loftus Peak Global Disruption Active ETF. This document has been prepared for the purpose of providing general information only, without taking account of any individual person's investment objectives, financial circumstances or needs. This document is not intended to take the place of professional advice and we do not express any view about the accuracy or completeness of information that is not prepared by us and no liability is accepted for any errors this document may contain. You should consider the Product Disclosure Statement ("PDS") in deciding whether to acquire, or continue to hold, the product. A PDS and application form is available at www.loftuspeak.com.au. Loftus Peak and Equity Trustees do not guarantee the performance of the Fund or the repayment of the investor's capital. To the extent permitted by law, neither Equity Trustees, Loftus Peak, nor any of their related parties including its employees, directors, consultants, advisers, officers or authorised representatives, are liable for any loss or damage arising as a result of reliance placed on the contents of this report. Past performance is not indicative of future performance.

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.