# Disclaimers

This information has been prepared and issued by Loftus Peak Pty Limited ("Loftus Peak") (ACN 167 859 332, AFSL 503 571) as investment manager for the Loftus Peak Global Disruption Fund, Loftus Peak Global Disruption Fund (Hedged) and Orca Global Disruption Fund ("Funds").

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298, AFSL 240 975), is the responsible entity of the Loftus Peak Global Disruption Fund and Loftus Peak Global Disruption Fund (Hedged). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615) a publicly listed company on the Australian Securities Exchange (ASX: EQT).

The Trust Company (RE Services) Limited ("Perpetual") (ABN 45 003 278 831, AFSL 235 150) is the responsible entity of the Orca Global Disruption Fund.

This is general information only and is not intended to provide you with financial advice and has been prepared without taking into account your objectives, financial situation or needs. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Loftus Peak, Equity Trustees, Perpetual nor any of their related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should consider each Funds' product disclosure statement (PDS) and target market determination (TMD) prior to making any investment decisions.

The PDS and TMD for the Funds can be obtained by calling +61 2 9163 3333 or visiting our websites loftuspeak.com.au and orcafunds.com.au.

A TMD 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 TMD for this financial product may need to be reviewed.

Mason Stevens Limited ("Mason Stevens") (ABN 91 141 447 207, AFSL 351 578) is the Managed Discretionary Account ("MDA") Provider of the MDA Service and has appointed Loftus Peak as Investment Sub-Adviser on the Loftus Peak Global Change Portfolio ("the Portfolio"). You should consider the Investment Mandate for the Portfolio in deciding whether to acquire, or continue to hold, the product. The Investment Mandate and application form may be requested by emailing enquiry@loftuspeak.com.au.

# How much of the physical world is now 'digital'?

| Then | Now |
| --- | --- |
| Tape or CD Walkman | Hardware/software plus headphones |
| Camera | Lens/hardware + software |
| Newspaper | Hardware + Software |
| Internal combustion engine | Battery + software |

# Disruption Themes
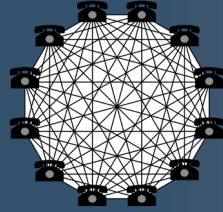
**Networks, including Platforms**

**Data, Cloud and Machine Learning**

**Energy as a technology, not a fuel**

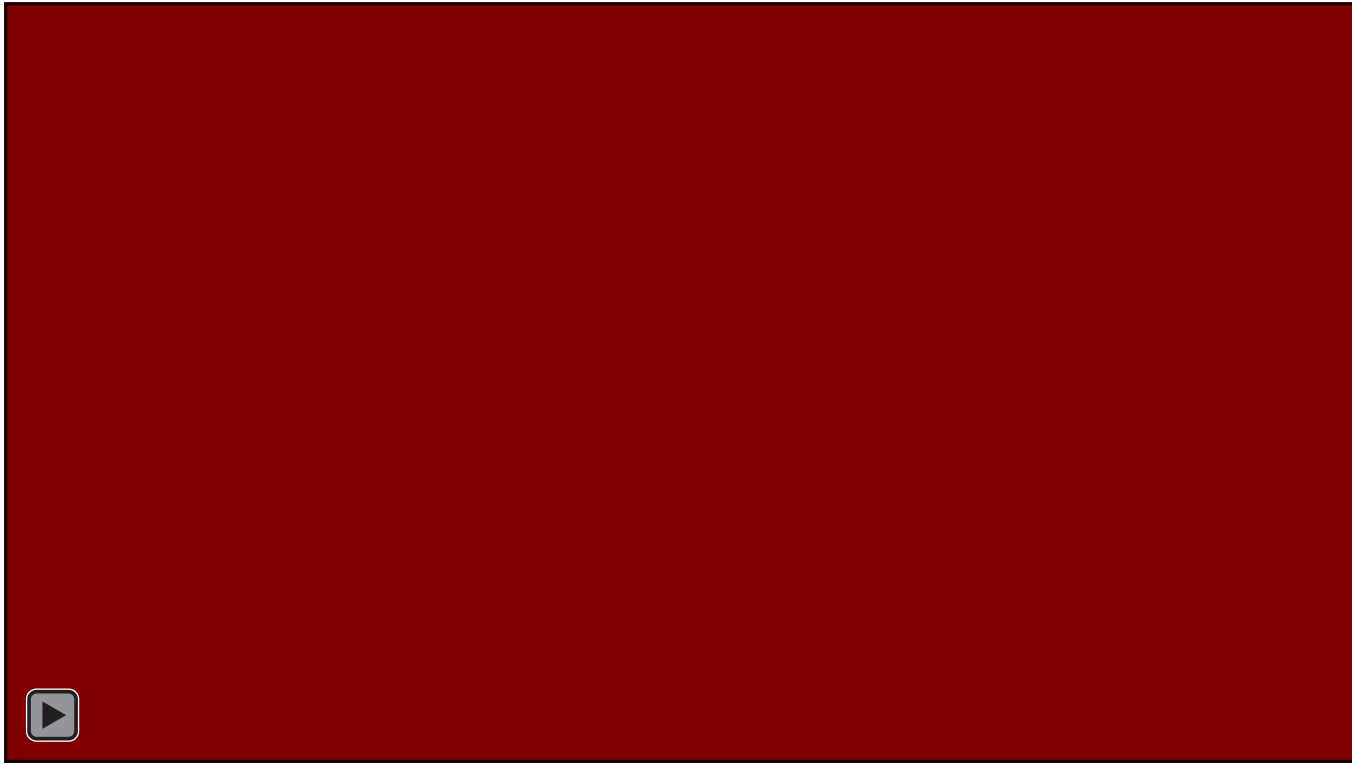**Connected Devices (Internet of Things)**

**China, by virtue of its size and power**

**Genetics, Health and Life Sciences**

# Live Translate on Google Pixel 8 Pro

# Using 'attention based' deep learning for language

Human
language

Olá, o teu gato está na
minha veranda.

Machine Language
(sample)

$$\begin{pmatrix} 1.0 & 0 & 5.0 & 0 & 0 & 0 & 0 & 0 \\ 0 & 3.0 & 0 & 0 & 0 & 0 & 11.0 & 0 \\ 0 & 0 & 0 & 0 & 9.0 & 0 & 0 & 0 \\ 0 & 0 & 6.0 & 0 & 0 & 0 & 0 & 0 \\ 0 & 0 & 0 & 7.0 & 0 & 0 & 0 & 0 \\ 2.0 & 0 & 0 & 0 & 0 & 10.0 & 0 & 0 \\ 0 & 0 & 0 & 8.0 & 0 & 0 & 0 & 0 \\ 0 & 4.0 & 0 & 0 & 0 & 0 & 0 & 12.0 \end{pmatrix}$$

Human
language

Hi. Your cat is on my
terrace.

# Using 'attention based' deep learning for *anything*

Human language

Olá, o teu gato está na minha veranda.

Machine Language (sample)

$$\begin{pmatrix} 1.0 & 0 & 5.0 & 0 & 0 & 0 & 0 & 0 \\ 0 & 3.0 & 0 & 0 & 0 & 0 & 11.0 & 0 \\ 0 & 0 & 0 & 0 & 9.0 & 0 & 0 & 0 \\ 0 & 0 & 6.0 & 0 & 0 & 0 & 0 & 0 \\ 0 & 0 & 0 & 7.0 & 0 & 0 & 0 & 0 \\ 2.0 & 0 & 0 & 0 & 0 & 10.0 & 0 & 0 \\ 0 & 0 & 0 & 8.0 & 0 & 0 & 0 & 0 \\ 0 & 4.0 & 0 & 0 & 0 & 0 & 0 & 12.0 \end{pmatrix}$$

Cat on terrace high,
Whiskers twitch beneath moonlight,
Purring whispers fly.
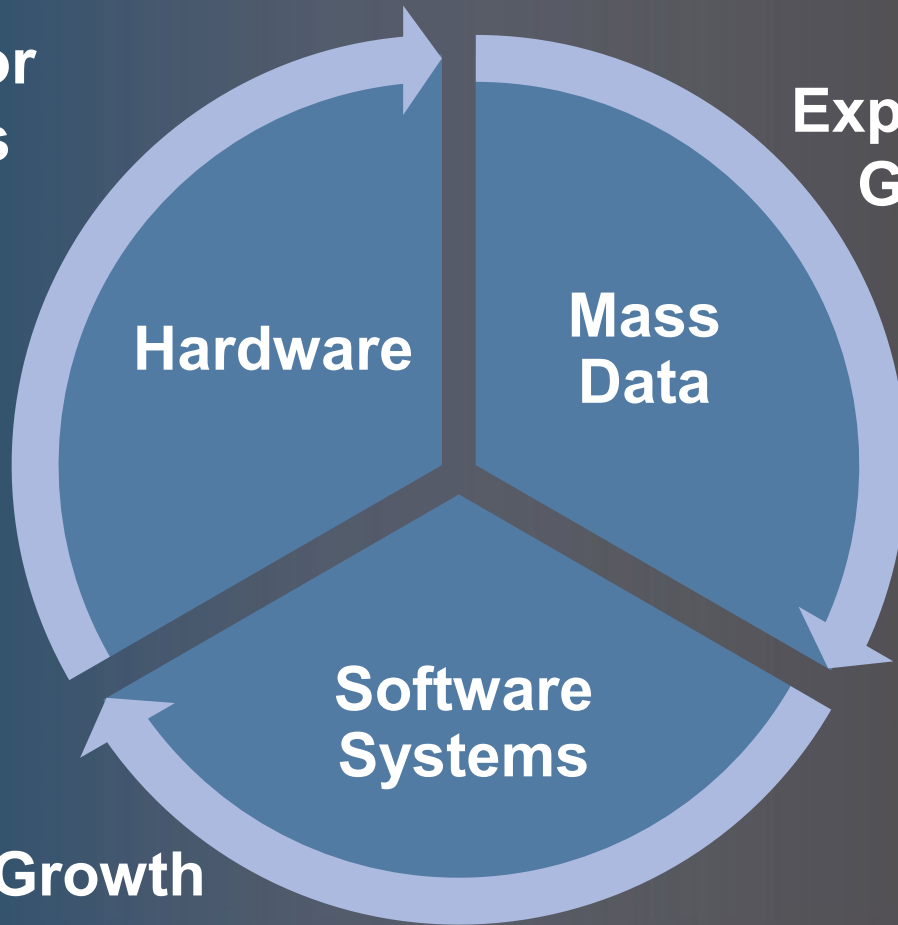
Hi. Your cat is on my terrace.

# There are fewer bottlenecks here

1. Data growing exponentially
2. Data enablers (i.e. hyperscalers) generally pioneer the software
3. These companies can be slow to market
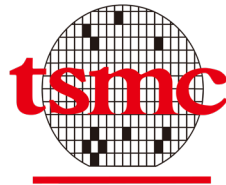4. The timing of software innovation is hard to predict

**Mass Data**

**Software Systems**
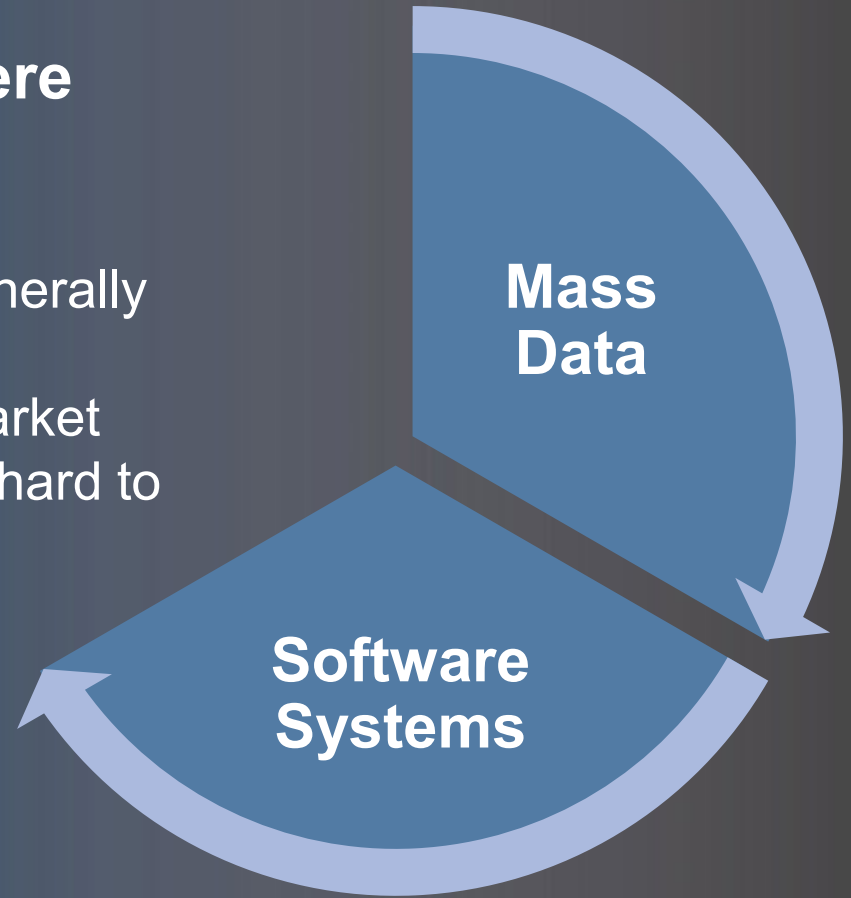
# Hardware

## Here is where we allocate capital

1. The number of transistors per chip used to double annually
2. A finite number of chips can be fabricated a year
3. Every high-end logic chip requires a plethora of complementary components

# Hardware Value Chain

# Generative AI Value Chain

**Tools** ⚙️ — **Enablers** 🔍 — **Beneficiaries** 💡 →

| Tools | Enablers | Beneficiaries |
|---|---|---|
| AMD | amazon | **Finance** |
| NVIDIA | Google | **Drug Discovery** |
| BROADCOM | Microsoft | **Code** |
| Qualcomm | | **Generation** |
| Micron | | **Advertising** |
| | | **And more…** |

# Performance* summary – 29 March 2024 (inception Nov 2016)

| | 1m | 3m | 6m | 1y | 3y p.a. | 5y p.a. | 7y p.a. | Inception p.a. |
|---|---|---|---|---|---|---|---|---|
| **Performance (net-of-fees)** | +3.45% | +18.50% | +36.67% | +51.66% | +15.85% | +20.43% | +20.68% | +21.35% |
| **Index** | +2.71% | +13.40% | +18.65% | +26.57% | +12.64% | +12.81% | +12.77% | +13.43% |
| **Alpha (net-of-fees)** | +0.74% | +5.10% | +18.01% | +25.08% | +3.21% | +7.62% | +7.91% | +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 Loftus Peak Global Disruption Fund ("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.
The benchmark for the Fund is the MSCI All Countries World Index (net dividends reinvested) as expressed in AUD from Bloomberg.

**Loftus Peak** Global Listed Disruption Investor | **Bringing process to investment in disruption**

# Awards, research ratings and quantitative ratings*

**Awards**



THE AUSTRALIAN FUND MANAGER AWARDS **2023**
★★★★★ **WINNER** ★★★★★
**BEST AUSTRALIAN BASED GLOBAL EQUITY MANAGER**

**FUND MANAGER OF THE YEAR 2022**
**HIGHLY COMMENDED**
Global Equities Large Cap
FINANCIAL NEWSWIRE | SQM RESEARCH

MONEY MANAGEMENT **FUND MANAGER OF THE YEAR 2021**
AUSTRALIA'S FIRST INDEPENDENT AND WHOLE OF MARKET AWARDS
**FINALIST** Global Equities

**Research Ratings**

Investment Grade Lonsec Research

**SQM RESEARCH** ★★★★★ **Superior**

**Zenith** APPROVED

**Quantitative Ratings**

**MORNINGSTAR** ★★★★

Morningstar Sustainability Rating

CERTIFIED RESPONSIBLE INVESTMENT™ CERTIFIED BY RIAA

riaa Responsible Investment Association Australasia Responsible Investor 2023

*Please refer to slide 9 and 10 for further ratings disclaimers

**Loftus Peak**  Global Listed Disruption Investor  |  **Bringing process to investment in disruption**

# Risk/Return since inception to 29 February 2024



Source: SQM Research

**Loftus Peak**  Global Listed Disruption Investor  | **Bringing process to investment in disruption**

15
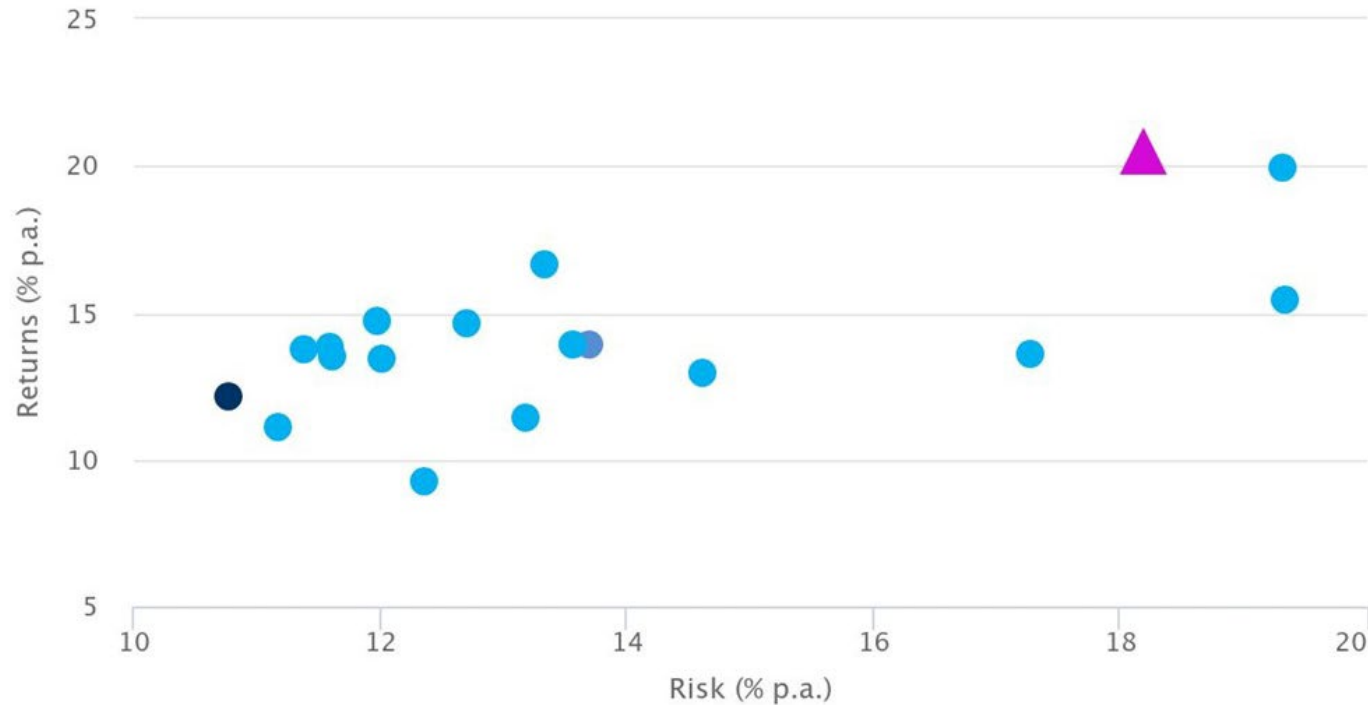
# Initially AI digitises human labour…

# And then it allows for digital industry expansion

# References

Slide 3: Google Pixel 8 Pro - Google
Slide 5: Image and haiku – OpenAI
Slide 11: The women of NASA - NASA
Slide 12: Bill Gates at the CeBIT computer show in 1995 - Microsoft

Trademark, copyright, & other intellectual property rights are & remain the property of their respective owners