

Loftus Peak Global Change Portfolio

Monthly Investor Letter September 2015

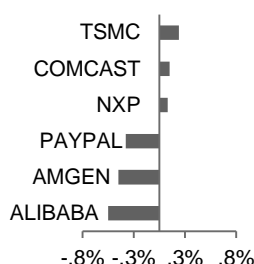
The Loftus Peak Global Change Portfolio posted a manager estimated return* of -1.97% for September 2015, compared with a return of -2.18% for the Fund's benchmark, the MSCI AC World Net Total Return Index in A\$

Performance

The portfolio manager estimated return gross* of fees was -1.97% which was +0.21% above the benchmark (MSCI AC World Net Total Return Index in Australian dollar terms). The benchmark returned -2.18% for the month.

Since 1 July 2014 inception, the portfolio is up +30.60%* gross of fees, outperforming the benchmark by 8.08%.

Portfolio Contributors/Detractors



The largest positive and negative contributions to the portfolio are shown above. TSMC performed well on the back of Q3 guidance which was at the high end, suggesting margin sustainability in Q4 even with decreasing QoQ sales. As well there is the prospect of higher than expected A10 order allocation from the new Apple iPhone 7. Fundamentally TSMC continues to be in a dominant position with its proprietary InFO technology and 16nm chips.

Comcast was also a minor contributor. Concerns about the fall in pay tv subscribers are legitimate, however earnings weakness from this is being countered as the broadband business grows customers and revenues from data (especially streaming tv services like Netflix and Hulu).

Amgen and Gilead were sold off on concerns that the US government will move to regulate excessive costs of some drugs. Alibaba has also been a problem on overblown concerns that Chinese growth will slow down the company's development.

For the record, the portfolio return compares with a fall of -3.6% for the month for the ASX S&P200.

Portfolio Construction

Around 87% of the fund was invested in 24 companies which the manager identified as likely out-performers.

The five largest positions for September 2015 were:

Company	% of Portfolio
APPLE	10.2%
ALPHABET	7.4%
AMAZON	6.9%
COMCAST	5.6%
ALIBABA	4.9%

Our biggest bet, in part because it has performed so well, is Apple followed by Alphabet (the renamed Google). There has been some negative news concerning the use of ad-blocking software, especially on mobile, and we are treating the threat seriously.

Enquiries

For enquiries plus the latest on investment in global change and disruption, including our commentary in the Sydney Morning Herald, Financial Review, BRW, Sky Business, Livewire, and on 2GB, visit us at www.loftuspeak.com.au or email alexpollak@loftuspeak.com.au

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*Returns calculated by the manager based on portfolio valuations provided by Mason Stevens Limited before management and performance fees. The returns quoted in this monthly report may differ from the returns determined by Mason Stevens.