

Loftus Peak Global Change Portfolio

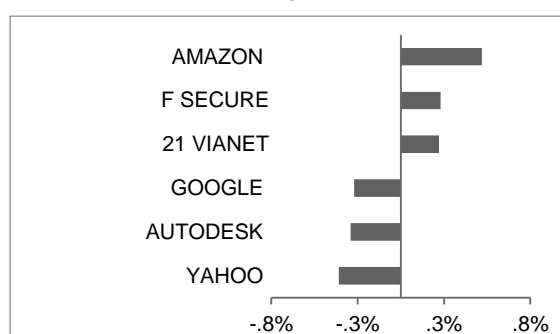
Monthly Investor Letter April 2015

The Loftus Peak Global Change Portfolio posted a manager estimated return* of -1.82% for April 2015, compared with a return of -0.73% for the Fund's benchmark, the MSCI AC World Net Total Return Index in A\$

Performance

The portfolio produced a manager estimated return* of -1.82% for the month of April 2015. This compares with a benchmark return (MSCI AC World Net Total Return Index in Australian dollar terms) of -0.73%.

Portfolio Contributors/Detractors



The most significant negative was the US\$, which fell by 3.53% this month relative to the Australian dollar. The portfolio has no currency hedge since the aim is provide exposure to companies out of Australia. Stripping out the US\$ movement reveals that the underlying positions were up around 2%, which we believe validates the disruptive investment thematic.

Amazon was again the largest contributor, as the market gained more understanding of its cloud business, Amazon Web Services. AWS is already a huge business globally, with revenues approaching US\$6b. Companies such as Nike, Netflix, Kellogg's and Conde Naste use Amazon's cloud service, which can handle enterprise IT, content and application delivery, data storage and web hosting (to name only a few). Last week, even Westpac announced its intention to shift some services to the cloud. At full deployment, company IT infrastructure can literally be shut down,

with AWS handling the entire "stack." AWS is disrupting the traditional computing business of Microsoft, with its emphasis on selling individual companies on-premises technology solutions which by definition require long lead times and carry significant capex and capacity issues. Amazon rose 13% US\$445 in just two trading sessions before falling back to US\$421 by month end.

There were good quarterly results from F-Secure, the on-line security company. However Google has been performing poorly, as has Yahoo and Autodesk.

Elsewhere, the month ended poorly for Apple, with component issues in its Taptic (Apple's word for haptic, or touch) component, which is the real reason that the watch roll-out has seemed slow.

Portfolio Construction

Just over 83% of the fund was invested in 21 companies which the manager identified as likely out-performers, and an exchange traded fund to reduce market risk. The five largest positions for April 2015 were:

Company	% of Portfolio
APPLE	9.9%
GOOGLE	7.4%
AMAZON	5.5%
TSMC	5.2%
COMCAST	5.1%

Enquiries

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

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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.