

# Loftus Peak Global Change Portfolio

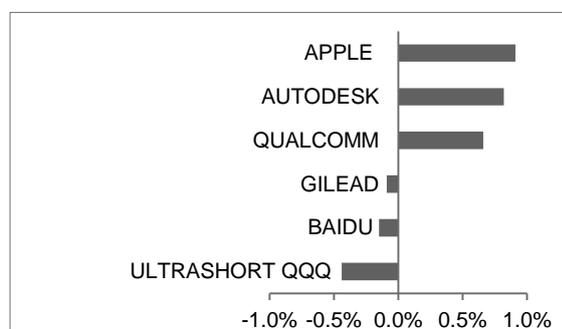
## Monthly Investor Letter February 2015

The Loftus Peak Global Change Portfolio posted a manager estimated return\* of +4.99% for February 2015, compared with a return of +4.96% for the Fund's benchmark, the MSCI AC World Net Total Return Index in A\$

### Performance

The representative portfolio produced a manager estimated return\* of +4.99% for the month of February 2015. This compares with a benchmark return of +4.96% (MSCI AC World Net Total Return Index in Australian dollar terms).

### Portfolio Contributors/Detractors



There was another positive contribution to the portfolio performance from Apple for February (+0.91%), on the back of the largest quarterly profit for any company ever. Buried in the release was the alarming statistic that Apple's operating system accounted for 73 percent of enterprise (read business) device activations for the quarter ending in December, while Google's Android platform slumped to 25%. Applepay and the Apple Watch (9 March launch) are yet to play into the numbers. Autodesk contributed +0.82% as subscriptions for the company's design software posted better than expected numbers.

We are investing in the 'internet of things' thematic through a number of companies, amongst them Qualcomm, which performed (+0.66%) well this month, recovering after the bad news on patents in China.

Generally, markets (and our stocks) had a rough time in Dec-Jan on the back of growth/deflation fear in Europe, and concerns the falling oil price would put the brakes on recovery (because the oil industry is a significant part of the economy). But looking at the bigger picture there is some cause for optimism - the new oil price, lower interest rates and increasing asset values in the property and stock markets are causes of unexpected but significantly improved economics for the consumer/small investor, after a period when two of the three of these were problematic.

After a strong run the greenback was a negative for us in the period, falling by 0.69%.

### Portfolio Construction

Just over 81% 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 February 2015 were:

Company	% of Portfolio
APPLE	10.2%
GOOGLE	7.9%
COMCAST	5.2%
TSMC	5.2%
GILEAD	5.2%

### 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](http://www.loftuspeak.com.au). or email [alexpollak@loftuspeak.com.au](mailto: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.