

LOFTUS PEAK GLOBAL CHANGE MODEL PORTFOLIO QUARTERLY REPORT

31 March 2016



MARKET & PORTFOLIO COMMENTARY

The Loftus Peak March quarter numbers were not great, down -7.66% against our benchmark which was down -4.74%. The story is better since the June 2014 inception of the portfolio with a return of 25%.

Global markets were poorly performing and volatile - the S&P500 recorded 26 moves in either direction of 1% or more from one day's close to the next during the first three months in the March quarter - double the index's average and the sixth most for a first quarter, according to the Wall Street Journal. The Australian market was even worse - it underperformed the US S&P500 by -4.8%, with the US index finishing up 0.8% against a fall of -4.0% for the ASX S&P200.

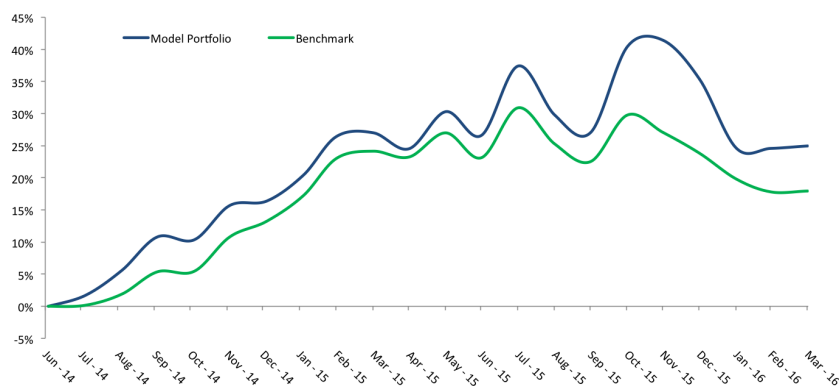
We were hurt the most in our largest positions, including Amazon and Apple as the big sovereign wealth funds liquidated their best performing names to fund deficits in their oil holdings, while worries about China also hurt our Chinese services majors Alibaba, Baidu and Tencent. Better performers in the quarter were Comcast, TSMC and Paypal.

PERFORMANCE SUMMARY[^]

Period	Model Portfolio	Benchmark*	+/- Return
1 month	0.31%	0.12%	+0.19%
3 months	-7.66%	-4.74%	-2.92%
1 Year	-1.61%	-5.00%	+3.39%
Since inception ⁺	24.97%	17.95%	+7.02%

*The Model Portfolio Benchmark is the MSCI ACWI (net) (as expressed in AUD from Bloomberg). [^]Returns are calculated net of management, performance, administration/ custody and transaction fees, but excluding any adviser fees from the Model Portfolio's inception date of 30/6/14, and assumes reinvestment of all income (but not franking credits). ⁺Not annualised. Returns are based on the theoretical performance of a portfolio which implemented the Model Portfolio based on simplifying assumptions and stock weightings. Actual individual returns of each client's portfolio will differ depending on factors such as date of initial investment, timing of transactions, contributions and withdrawals, fees and any customisations. Performance includes dividends attributed to the quarter but not yet paid; actual performance may differ due to the foreign exchange rate applied at payment and by any applicable withholding tax assessed. **Past performance is not a reliable indicator of future performance and may not be achieved in the future.** Each client should also take into account their own taxation situations. All information provided in this Report is correct as at the date of this Report.

PERFORMANCE SINCE INCEPTION[^]



TOP FIVE HOLDINGS

Security	%
Cash	13.00%
Apple Inc (AAPL)	11.10%
Google (GOOGL)	6.80%
Tencent Holdings (700)	5.70%
Alibaba Group Holding (BABA)	5.70%

INVESTMENT OBJECTIVE & STRATEGY

The Loftus Peak Global Change Model Portfolio (Model Portfolio) aims to deliver a return over the MSCI ACWI (net) (as expressed in AUD from Bloomberg), over the medium to long term by bringing a disciplined investment process to listed global companies impacted by change.

Technology is changing the world, with the leap now analogous to that which took place during the industrial revolution. Over the past 20 years, technology and innovation have changed the face of major sharemarkets globally. The Model Portfolio will attempt to harvest return from this thematic.

The Model Portfolio offers investors the opportunity to potentially profit from the rapid, exponential growth in innovation. The Model Portfolio follows a long-only strategy that will result typically in 10-30 investments. It will also be able to move to around 50% cash from time to time, when the sharemarket is judged to be overvalued.

KEY FEATURES

Feature	Details
Investment universe	Listed global equities
Benchmark	MSCI ACWI (net) (as expressed in AUD from Bloomberg)
Number of investments	10-30
Min. cash weighting	1%
Max. equity weighting	99%
Rebalancing	Instructed by the Program Adviser
Min. investment	A\$250,000
Suggested timeframe	5 years

FEES (Including GST)

Fee type	Details
Management fee	1.00% p.a. calculated daily and charged monthly in arrears.
Performance fee	15% of excess returns over the benchmark return. Please refer to the Investment Mandate for full details.
Transaction cost	0.55% of the value of the transaction.
Account service fee	\$165 p.a. charged monthly in arrears
Administration & Custody fee	0.275% p.a. on balances up to \$1,000,000. Calculated daily and charged monthly in arrears. 0.055% p.a. on the portion of the balance above \$1,000,000. Calculated daily and charged monthly in arrears.
Adviser fees	Fees may also be agreed between the investor and their adviser.

PORTFOLIO MANAGEMENT

Mason Stevens Limited, as the Managed Discretionary Account (MDA) Operator, will administer and implement the Model Portfolio on the instructions of Loftus Peak as the Program Adviser.

ABOUT LOFTUS PEAK

Loftus Peak is a bottom-up stock investor that seeks to deliver absolute returns over the medium to long term.

Loftus Peak is a corporate authorised representative of Eight Investment Partners Pty Limited.

ABOUT MASON STEVENS

Mason Stevens is an investment house committed to providing clients with a transparent and complete multi-asset, multi-currency solution. This is delivered through managed accounts, portfolio accounts and packaged equity solutions.

All Mason Stevens products and services are administered via an online service available 24-hours a day to provide investors with up to date information on their investments and comprehensive reporting.

CONTACT

 1300 98 88 78

 info@masonstevens.com.au

 www.masonstevens.com.au

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All information provided in this Report is correct as at the date of this Report.