

Loftus Peak Global Change Portfolio

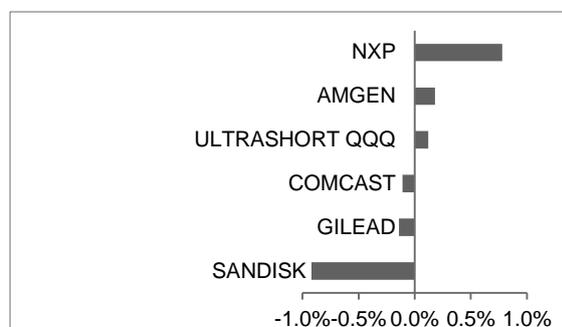
Monthly Investor Letter March 2015

The Loftus Peak Global Change Portfolio posted a manager estimated return* of +0.53% for March 2015, compared with a return of +1.30% for the Fund's benchmark, the MSCI AC World Net Total Return Index in A\$

Performance

The portfolio produced a manager estimated return* of +0.53% for the month of March 2015. This compares with a benchmark return (MSCI AC World Net Total Return Index in Australian dollar terms) of +1.30%. The US dollar appreciated by +2.62% against the Australian dollar, which also assisted in generally volatile markets.

Portfolio Contributors/Detractors



Comcast continues to bubble along, with more and more commentary about the potential for cable operators to pick up mobile telephony subscribers using the ubiquitous cable modems as wi-fi bases for voice-over-internet phone calls. An excellent piece from Nomura cites numbers as high as US\$5b in EBITDA for Comcast, a 28% increase. This is a very large and disruptive business hidden in the company's asset suite, with potential to pick up significant numbers of mobile telephony customers without a material rise in capital employed. The 'discovery' of this business is following a similar arc to that of Amazon's cloud business – ie no impact on the stock price until the market receives a data-point which crystallises the view that the business has value. (Amazon rose 20% in the week when this took place.)

NXP was the top performer for the month, following a merger with Freescale which extended its product portfolio further into the connected car – one which can alert drivers to traffic jams, pay for restricted parking spaces and allow groceries or parcels to be delivered directly to the vehicle.

When thinking about disruption, companies like NXP don't immediately fit the mould – it operates with a traditional business model. However, the group's products – sensors and technology for the internet of things – position it as an enabler of disruption. The same can be said of Sandisk (which performed poorly) and which we hold because our expectation of the growth of solid state memory in the server market.

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 March 2015 were:

Company	% of Portfolio
APPLE	10.1%
GOOGLE	7.7%
COMCAST	5.1%
TSMC	5.1%
AMGEN	5.0%

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.