

Loftus Peak Global Change Portfolio

Monthly Investor Letter May 2015

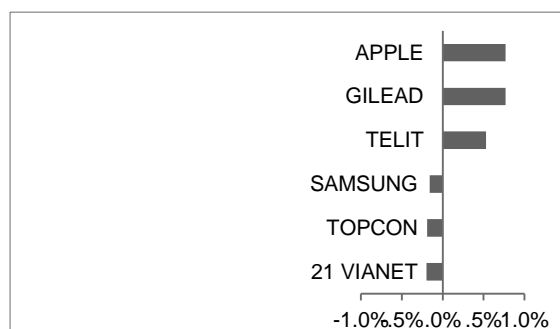
The Loftus Peak Global Change Portfolio posted a manager estimated return* of +4.83% for May 2015, compared with a return of +3.05% for the Fund's benchmark, the MSCI AC World Net Total Return Index in A\$

Performance

The portfolio produced a manager estimated return* gross of fees of 4.83% for the month of May 2015, which was 1.78% above the benchmark (MSCI AC World Net Total Return Index in Australian dollar terms). The benchmark was up 3.05% for the month.

Since 1 July 2014 inception, the portfolio is up 33.22%* gross of fees, outperforming the benchmark by 6.21%*.

Portfolio Contributors/Detractors



There were good returns from Apple, Telit and Gilead. Telit, an emerging player in the internet of things area, delivered a 0.53% increase to the value of the portfolio – solid given we hold it as a small position. The company has a strong presence in automotive and industrial grade cellular modules and related cloud connectivity services, enabling automotive location and assistance for motorists. Automotive OEM shipments are forecast to grow fivefold to 30 million in 2018, with talk about 100% penetration in connected cars within ten years.

Gilead and Apple each contributed 0.77%, with Gilead performing strongly in May on the back of a strong quarter, driven by the Hepatitis drug Sovaldi. The

biopharma research-based company is now trading on a 12x PER, has cash for strategic acquisitions and superior management.

The hiccup with respect to the supply chain around Apple watch's haptic engine seems to be resolved.

There were no major negative positions for the month, with Samsung, Topcon and 21 Vianet all slightly in the red, as the chart at left shows.

Currency was a positive after last month's sell-off in the US dollar wiped around 3.5% from the value of investments.

Portfolio Construction

Around 85% of the fund was invested in 21 companies which the manager identified as likely out-performers. The five largest positions for May 2015 were:

Company	% of Portfolio
APPLE	10.2%
GOOGLE	7.3%
GILEAD	5.5%
AMZN	5.5%
TSMC	5.1%

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.