



Loftus Peak Global Change Portfolio

Monthly Investor Letter November 2014

Global Change. Listed Investments. Daily Liquidity.

The Loftus Peak Global Change Portfolio posted a manager estimated return* of +4.84% for November 2014, compared with a return of +5.08% for the Fund's benchmark, MSCI AC World Net Total Return Index (A\$)

Performance

The representative portfolio produced a manager estimated return* of +4.8% for the month of November 2014. This compares with a benchmark return of +5.1% (MSCI AC World Net Total Return Index in Australian dollar terms).

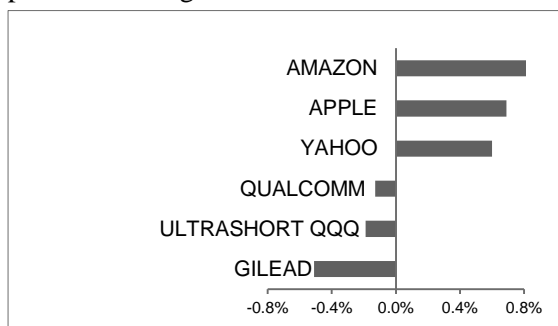
Loftus Peak Thematic Overview

We held a higher cash weighting entering the month but still managed to almost match performance against the benchmark suggesting that the companies in which we are invested are gaining ground against those that are traditionally considered blue chip (Coke, Walmart etc).

We are of the view that this movement shows an acceleration in the hunt for sustainable growth businesses, represented in the portfolio by companies such as Amazon, Baidu, Illumina, Comcast and NXP.

Portfolio Contributors/Detractors

The best and worst performing stocks in the portfolio during November are shown below:



We increased our holding in Amazon during the recent sell-off, a bet which paid off with the company the number one contributor to performance in the month. Investor focus on Amazon is short-term profit focused with very strong Black Friday numbers justifying the recent run-up in the stock. Amazon is not yet being paid for its massive drive into offshore distribution centres, despite very strong growth

in sales volumes, but we believe this will happen as capex growth falls.

Currency Exposure

The other major thematic which played into the month's performance numbers was the sell-off in the Australian dollar (down 3.3% against the US\$) as investors became increasingly concerned about the reliance of the dollar on hard commodities such as iron ore, coal and oil. This weakness was exacerbated by OPEC's decision to hold supply at 30m bpd, which triggered the December sell-off in oil stocks.

Portfolio Construction

81.9% of the fund was invested in 21 companies which the manager identified as likely out-performers, and an ETF to reduce market risk. The largest 5 investments in the portfolio as at 30 November 2014 are shown below:

Company	% of Portfolio
Google	7.1%
Amazon	6.6%
Gilead Science	5.7%
Amgen	5.7%
Apple	5.4%

The central philosophy behind Loftus Peak is the provision of a 'disruption' counter balance for the Australian market, given its focus on banks and resources and its denomination in Australian dollars. Virtually all of the investments in the portfolio are offshore companies

Enquiries

All the best for the holiday season! For enquiries plus the latest commentary on global change as it impacts Australian investors please visit us at www.loftuspeak.com.au or email Alexpollak@loftuspeak.com.au