

Loftus Peak Global Change Portfolio

Monthly Investor Letter October 2015

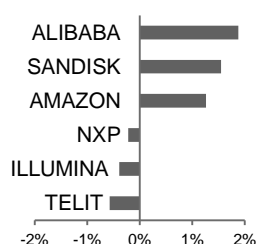
The Loftus Peak Global Change Portfolio posted a manager estimated return* of +10.64% for October 2015, compared with a return of +5.92% for the Fund's benchmark, the MSCI AC World Net Total Return Index in A\$

Performance

The portfolio manager estimated return gross* of fees was +10.64% which was +4.73% above the benchmark (MSCI AC World Net Total Return Index in Australian dollars). The benchmark returned +5.92% for the month.

Since 30/6/14 inception, the portfolio is up +44.50%* gross of fees, outperforming the benchmark by +14.73%.

Portfolio Contributors/Detractors



There was much to like in the September quarterly results of the portfolio companies, with the largest positive and negative contributions are shown above. Retail giant Alibaba (in which we took a much larger position over the past months) rallied very strongly after its quarterly result, and is up 43% (USD) since 1 October. It was the company's shift to mobile which really excited investors – mobile monthly active users and revenues rose by 59% and 183% respectively. GMV (gross merchandise volume, essentially sales) was up 27% on the previous corresponding quarter. Not shown here but also performing strongly is Baidu.

Amazon was strong again following its results, which provided further clarity on the strength of the cloud business, with good numbers from retail sales.

Sandisk rallied following a US\$19b takeover offer from Western Digital, which needs Sandisk as the market evolves away from spinning disks to solid state. WD believes the acquisition will give it a share in the market for wearables, servers, as well providing it with an entry into devices which will be part of the internet of things.

Currency was a negative for us in the month, with the rising Australian dollar cutting around 2% from the value of the portfolio.

Portfolio Construction

Around 90% of the fund was invested in 26 companies which the manager identified as likely out-performers. The five largest positions at end of October 2015 were:

Company	% of Portfolio
APPLE	10.1%
AMAZON	6.7%
ALIBABA	5.9%
COMCAST	5.4%
AUTODESK	5.3%

Autodesk remains a core holding because of its dominant position in industrial design, notwithstanding pressure as a result of its changing revenue pattern as it migrates its business toward software as a service.

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.