

## Quarterly performance report

### Loftus Peak Global Change Managed Portfolio

30 June 2019

The Loftus Peak Global Change Managed Portfolio is a Managed Discretionary Account (MDA), also sometimes referred to as a Separately Managed Account (SMA).

Performance as at 30 June 2019 <sup>1</sup>					Selected top 5 holdings	
	1 mth (%)	3 mths (%)	1 yr (%)	Annualised return since incep (%pa)		%
<b>Portfolio</b>	6.43	2.27	11.27	18.00	<b>Xilinx</b>	9.7%
Benchmark	5.35	4.88	11.52	12.63	<b>Tencent</b>	7.7%
+/- Return	1.08	-2.61	-0.25	5.36	<b>Alibaba</b>	7.7%
					<b>Amazon</b>	7.5%
					<b>Apple</b>	7.4%

## Portfolio and market returns

The June quarter was a poor one for our investors, marked by negative market reaction to the on-going trade war between the US and China.

Many of our investee companies are global in nature, supplying critical elements in data centres for which there simply is no ready substitute. The quarter commenced with Chinese telco Huawei the subject of a banning order with respect to US trade.

Fortunately, the order was softened in the lead up to the G20, but it still remains in place formally.

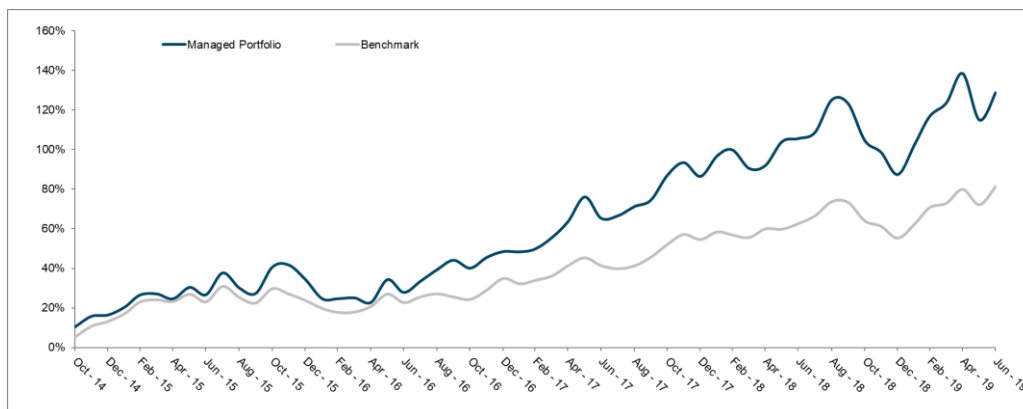
Trump maintains the tariffs are working, however China's actions in the past few weeks suggest the country has a far more nuanced approach to dealing with these poorly-thought-through tariffs, including allowing its currency to slide, withholding imports of American farm goods and/or just waiting Trump out.

The strongest performer for the Portfolio was Qualcomm, which contributed almost 300 basis points to the Portfolio's return for the period. The company performed solidly, even in an environment of escalating trade tensions, and was helped by the lawsuit with Apple being dropped. Microsoft was also strong, contributing close to 100 basis points of the Portfolio's return, as the company continued to deliver on a cloud strategy which is enabling business all around the world.

One of our smaller positions, Roku, also made solid contributions to the Portfolio's return as the market started to digest the implications of a television world which was app first, not channel first.

We had negative contributions from Alibaba, a victim of trade issues, with Google also weaker.

## Performance since inception<sup>1</sup>



<sup>1</sup> The Portfolio's benchmark is MSCI ACWI (net) (as expressed in AUD from Bloomberg). Past performance is not a reliable indicator of future performance and may not be achieved in the future. All information provided in this Report is correct at the date of this report. Returns are calculated net of management, administration, custody and transaction fees, and assume the reinvestment of all income (but not franking credits). Inception date of the Portfolio is 30 June 2014. Actual individual returns of each client's portfolio will differ depending on factors such as date of initial investment, timing of transactions, inflows and outflows, other fees and any customisations. Please refer to the relevant Investment Mandate for full information on product specifics, including all fees and costs.

## Investment objective & strategy

The Loftus Peak Global Change Managed 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 share markets 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 10-35 investments. It will also be able to move to around 50% cash from time to time, when the share market is judged to be overvalued.

## 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 provides a multi-asset and multi-currency investment administration and managed account service to help produce tailored investment outcomes for Advisers and their clients.

Clients benefit from efficient portfolio administration, secure online access to their investments, as well as comprehensive reporting.

### Contact

#### Investors

Please speak to your adviser

## Key features

<b>Investment universe</b>	Listed global equities and cash
<b>Benchmark</b>	MSCI All Country World Index (net) (\$A)
<b>Number of investments</b>	10-35
<b>Min cash weighting</b>	2%
<b>Max equity weighting</b>	98%
<b>Maximum individual security weights</b>	20% (at purchase)
<b>Rebalancing</b>	Investment Sub-Adviser discretion
<b>Min investment</b>	A\$50,000
<b>Suggested timeframe</b>	5 years

## Portfolio management

Mason Stevens Limited, as the Managed Discretionary Account Provider, will administer and implement the Managed Portfolio on the instructions of Loftus Peak as the Program Adviser.

## More information

Further information about the Portfolio, including fees and costs, is outlined in the Loftus Peak Global Change Managed Portfolio Investment Mandate.

#### Advisers

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