

Quarterly performance report

30 September 2019

Loftus Peak Global Change Managed Portfolio

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 September 2019 ¹					Selected top 5 holdings	%
	1 mth (%)	3 mths (%)	1 yr (%)	Annualised return since incep (%pa)		
Portfolio	-2.73	-0.48	1.95	16.96	Alphabet	10.1%
Benchmark	1.79	3.87	8.70	12.80	Xilinx	9.9%
+/- Return	-4.52	-4.35	-6.74	4.15	Qualcomm	7.8%
					Apple	7.2%
					Tencent	6.6%

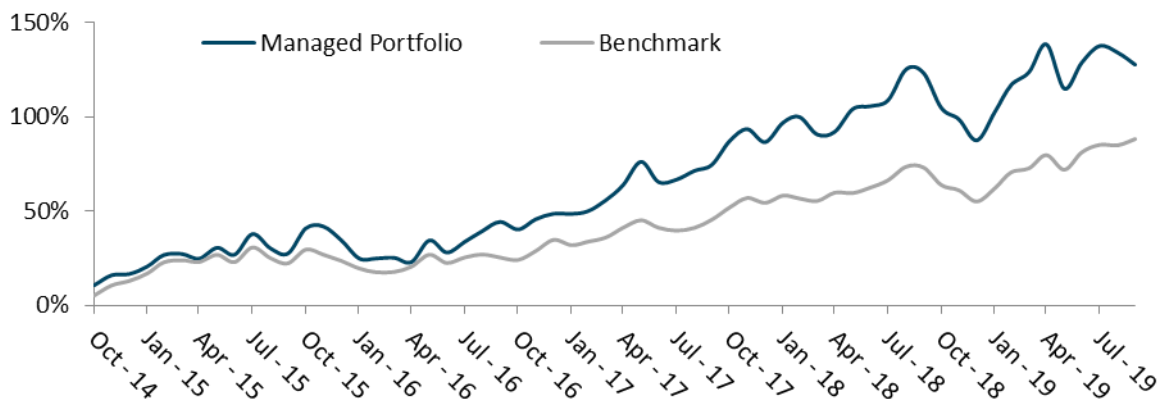
Portfolio and market returns

The past quarter has been difficult for Loftus Peak – we returned -0.48%, which was -4.35% below the benchmark.

The market has not just been buffeted by US/China trade issues (many of them delivered in 140-character tweets by the US president) but also recessionary fears brought on by bond market movements and the Brexit stalemate. We mention this not by way of seeking excuses (because as investors we play the hand we are dealt) but to say that if folks are feeling somewhat dis-orientated, well, there's a good reason for that.

But a longer term horizon is better here. The thematics which form the basis of our investment philosophy today (networks connecting people and things, data, energy, the emergence of China as a newly-powerful economic force) are playing out over multiple market cycles, and will not end in the coming decade. We are therefore focused on new monetisation models for television (hence our holdings in Netflix and Roku). We are also investing in the data plays such as Microsoft, Amazon, Alphabet (Google) and Alibaba, all of which continue to make important strategic gains against competitors. And the 5G companies (Qualcomm etc) are also extending their leads and will be at the forefront of new business models as they evolve.

Performance since inception¹



¹ 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

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