

# Loftus Peak Global Change Portfolio

**Change.** The way you **should** invest.



**June 2025**

Loftus Peak is a global equities fund manager focused on disruptive businesses. Founded in 2014, the Portfolio invests in global companies driving industry change, such as Nvidia, first bought in 2016. As well as Microsoft and Broadcom, the diverse portfolio also includes many less well-understood companies which are expected to be household names in the future, such as AMD and Qualcomm. This global approach aims to reduce concentration risk often associated with home-biased Australian portfolios.

	1m	3m	6m	1y	3y p.a.	5y p.a.	7y p.a.	10y p.a.	Inception p.a.
Portfolio (net-of-fees)	+7.56%	+18.37%	+6.35%	+18.03%	+31.76%	+18.53%	+18.55%	+18.28%	+19.02%
Benchmark	+2.14%	+5.89%	+3.55%	+17.95%	+19.33%	+14.73%	+12.66%	+11.76%	+12.75%
Outperformance (net-of-fees)	+5.42%	+12.48%	+2.80%	+0.08%	+12.43%	+3.80%	+5.89%	+6.53%	+6.27%

Manager estimated returns. The Benchmark is the MSCI ACWI (net) (as expressed in AUD from Bloomberg). Portfolio Inception date is 30/06/14. All returns are shown to two decimal places. Returns for periods of more than one year are annualised. Total returns include realised and unrealised gains. Valuations are computed and performance reported in Australian dollars. Net-of-fees performance returns are presented after management and performance fees. Returns are based on the theoretical performance of a portfolio which implemented the Model Portfolio based on simplifying assumptions and stock weightings. Actual individual returns of each client's portfolio will differ depending on factors such as date of initial investment, timing of transactions, contributions and withdrawals, fees and any customisations. Past performance is not a reliable indicator of future performance and may not be achieved in the future. Each client should also take into account their own taxation situations. All information provided in this Report is correct as at the date of this Report.

## Review and Performance

The Portfolio had another strong month in June, increasing in value by +7.6% net-of-fees, which is outperformance of +5.4% relative to the MSCI All Countries World Index (net) (as expressed in AUD from Bloomberg). For the twelve months to 30 June 2025, the Portfolio returned +18.0% net-of-fees, with outperformance of +0.1%.

One of the most important events of the past month was the apparent cessation of hostilities between Iran and Israel. Separating any human or political impacts from the ceasefire, the bond market has been much stronger, with yields on US ten-year bonds decreasing from a high of 4.6% to around 4.3%. This bond market action suggests investors believe that asset values generally have benefitted from a reduction in tensions. The situation has changed dramatically in the past year when considering that there has also been regime change in Syria (December 2024).

Keep in mind that up until the cease-fire the bond market and equity market were heading in opposite directions, which is somewhat unusual, though not unheard of. In essence, bond investors did not believe that there was a way out of the Trump/tariff/inflation morass, while equity market buyers thought that Trump would find a way.

## Contributors and Detractors to Return

The AI trade remains robust, with **Taiwan Semiconductor Manufacturing Company** topping the monthly contributor list by adding +1.3% to the value of the Portfolio. **Nvidia** was close behind (+1.2% contribution to Portfolio value) while **Meta** added +0.7% and **Broadcom**, +0.7%. Advantest outperformed on the back of its important position in the testing of the most advanced chips.

The resurgence in value among the AI companies has come as AI is recognised as the new 'how' by which companies deliver services and goods – the 'what'. To illustrate, we wrote recently of the use of AI by **Microsoft** and Google to plan vacations, but truthfully many people would be seeing tens of thousands of applications having an AI format, and importantly, working. There is much less chatter of AI hallucinating.

Entertainment streamers were strong as well, with good performances from **Roku** and **Netflix**. There continues to be a significant re-alignment in sport and general entertainment delivery. Roku is a global participant in free advertising-supported television (FAST). With cable pay TV audiences in decline generally, Roku stands to win share in sports viewing. Advertising companies like Roku distribute audiences to advertisers, winning revenue as a result.

Cyclical players such as **Qualcomm**, **Amazon** and **Uber**, which are all leveraged to the strength of consumer sales via smart phones, transport and cars, had a solid month.

## Key Facts

Inception Date	30 June 2014
Strategy FUM (AUD)	\$1,186 million
Product Type	Managed Discretionary Account - Suitable for Sophisticated Investors
Product Sponsor	Mason Stevens Limited
Benchmark	MSCI ACWI (net) (as expressed in AUD from Bloomberg)
No. of Investments	15-35
Minimum Cash	2%
Maximum Cash	20%
Maximum weighting per investment	20% at time of purchase
Minimum Investment	\$150,000
Liquidity	Daily
Suggested time frame	3-5 years

## Fees

Management Cost	1.00% p.a. (inc. GST) calculated daily and charged monthly in arrears
Administration and Custody Fee	0.275% p.a. calculated daily and charged monthly in arrears. A lower fee applies for investments above \$1 million.
Performance Fee	15% of excess returns over the benchmark return
Transaction Cost	0.55% of the value of the transaction

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Companies which cut value from the Portfolio were predictably few in a strong month, with payment processor **Adyen** (-0.2%) while **GitLab**, **ServiceNow**, **MercadoLibre** and **Instacart** combined resulted in less than -0.1% value drag.

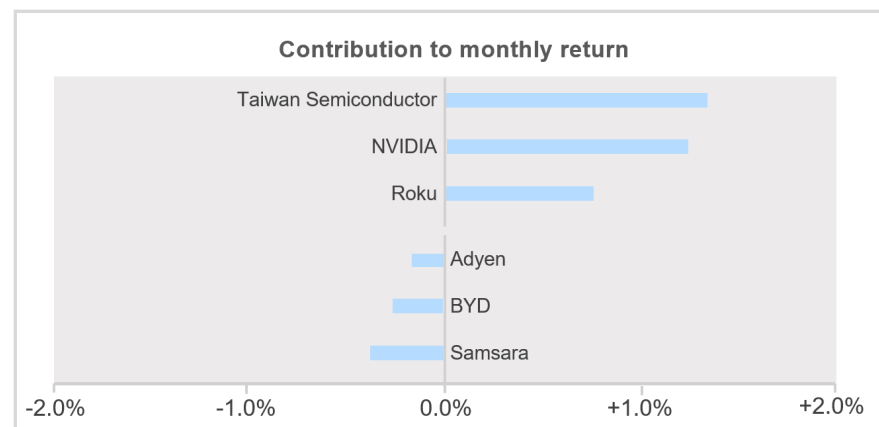
We do not hold Google (Alphabet) at present for the following reason. The largest, most valuable and closest disruptor on the horizon is artificial intelligence (AI) and one of the main targets is the ten blue links in Google's search. Further, the threat is so serious that Google has been forced to disrupt itself with its own AI engine, Gemini.

At stake is Google's US\$200bn annual search revenue stream - which explains why the funding of new AI disruptors continues to rise and 'big tech' companies (including Google) invest to position themselves in the AI era (big tech capex is expected to be US\$300bn+ in 2025).

While yet to show up in the headline Google Search revenue (which is still growing at a healthy 10% Y/Y), under the surface there appear to be warning signs. In the company's latest quarterly SEC filing, the company disclosed the lowest paid click growth ever (2% Y/Y, lowest by ~2 percentage points). There continues to be considerable competitive jockeying among the big players, including Apple, Microsoft and Amazon.

The Australian dollar appreciated +1.7% against the US dollar over the month, which meant the value of the Portfolio's US dollar positions decreased. As at 30 June 2025, the Portfolio carried a foreign currency exposure of 100.0%.

### Selected Contributors and Detractors



### Portfolio Construction

At June month end, the Portfolio was 97.1% invested in 27 holdings with the balance in cash exposure. The Portfolio has a high exposure to large capitalisation names which are highly cash generative with strong balance sheets. Focusing on high quality companies helps the Portfolio to withstand difficult periods in the market and drive strong, long-term outcomes for investors.

### Firm Awards



**IMAF**  
MANAGED ACCOUNT  
AWARD FINALIST  
INTERNATIONAL  
EQUITIES



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### The Team

Alex Pollak	CIO and Founder
Anshu Sharma, CFA	Portfolio Manager and Founder
Harry Morrow, CFA	Senior Investment Analyst
Raymond Tong, CFA	Head of Research

### Top 10 Holdings (in alphabetical order)

Amazon	Netflix
Broadcom	Nvidia
Eli Lilly	Qualcomm
Meta	Roku
Microsoft	Taiwan Semiconductor

### Capitalisation USD

Mega Cap > \$100b	75.7%
Large Cap \$50-100b	5.7%
Mid Cap \$2-50b	15.8%
Small Cap < \$2b	0.0%