LOFTUS PEAK

Loftus Peak
Global Change Portfolio

MONTHLY UPDATE SEPTEMBER 2025

Loftus Peak is a global equities fund manager focused on disruptive businesses. Founded in 2014, Loftus Peak 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)	+4.24%	+4.26%	+23.41%	+26.76%	+34.18%	+17.21%	+17.84%	+18.72%	+19.00%
Benchmark	+2.48%	+6.87%	+13.17%	+22.94%	+21.93%	+15.38%	+12.70%	+12.56%	+13.11%
Outperformance (net-of-fees)	+1.76%	-2.62%	+10.24%	+3.82%	+12.25%	+1.83%	+5.14%	+6.16%	+5.88%

Source: Loftus Peak, Bloomberg. Manager estimated returns. Past performance is not a reliable indicator of future performance. Returns greater 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 customisation. Each client should also take into account their own taxation situations.

Review and Performance

The value of the Portfolio increased +4.2% (net-of-fees) in September with outperformance of +1.8% against the benchmark MSCI All Countries World Index (net) (as expressed in AUD from Bloomberg).

Artificial Intelligence (AI) continues to dominate headlines and the numbers keep getting larger. September was punctuated with earnings from Oracle, which disclosed $455 billion in remaining performance obligations from **Meta**, xAI, and most importantly, OpenAI. Oracle looks to have cemented its status as OpenAI's partner of choice following turmoil in the OpenAI/**Microsoft** partnership and Microsoft's reluctance to unconditionally fund OpenAI's ambitions. Oracle is projected to spend $35 billion this financial year to support this immense demand from OpenAI, a large chunk of which will flow through to the tools companies such as **Nvidia**, **Broadcom**, **Arista Networks** and **Advanced Micro Devices** (AMD).

Nvidia's announcement of a $100 billion investment in OpenAI added to the positive sentiment surrounding the AI trade. Deal specifics are yet to be finalised but OpenAI will deploy at least 10 gigawatts of Nvidia systems incrementally. Nvidia will release funds to OpenAI as each gigawatt comes online. For Nvidia, the deal increases OpenAI's reliance on the Nvidia ecosystem and enables it to own a portion of OpenAI. For OpenAI, it secures a chunk of the funding required for it to hit scale.

On the economic front, US Fed chair Jay Powell cut interest rates by another -25bps, the first cut of the year, as the economy started to show signs of cooling, with inflation seemingly under control. Markets have largely ignored weakening consumer and business data, focusing instead on AI headlines and the unrelenting pace of the AI infrastructure build out.

Key Facts	
Inception Date	30 June 2014
Strategy FUM (AUD)	$1,254 million
Product Type	Managed Discretionary Account - Suitable for Sophisticated Investors
Product Sponsor	Mason Stevens Limited
Benchmark	MSCI All Countries World Index (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
Suggested time frame	3-5 years
Minimum Investment	$150,000

Contributors and Detractors to Return

Taiwan Semiconductor Manufacturing Company (TSMC) was the biggest contributor for September, adding +1.7% to Portfolio value. As the monopoly manufacturer of leading-edge chips, the company is exposed to almost all incremental demand for AI chips. The business models of Nvidia, AMD and Broadcom hinge on the ability of TSMC to physically produce their chip designs. Other AI-exposed infrastructure and hardware holdings contributed +1.6% Portfolio value. The announcement of Oracle's remaining performance obligation backlog and the series of deals from OpenAI were a shot in the arm for the ecosystem of companies exposed to the increasing demand for compute.

Contemporary Amperex Technology Limited (CATL) is a relatively new addition to the Portfolio after listing in Hong Kong. CATL contributed +0.9% to Portfolio return in September. The company is the world's largest producer of lithium-ion batteries for electric vehicles and energy storage systems. It supplies batteries to leading global automakers across Asia, Europe and North America, and is winning market share from existing South Korean and Japanese suppliers.

CATL exhibits the potent combination of best-in-class technology and lowest cost base which has enabled it to dominate battery manufacturing. During the month, CATL's shares rose following news of strong industry demand for energy storage systems, and the potential for CATL to expand production capacity to 1,000Gwh in 2026.

Instacart was the largest detractor for September, decreasing Portfolio value by -0.3%. The stock fell after competitors Amazon and DoorDash announced partnerships with grocery retailers Winn-Dixie and Kroger, respectively, elevating concerns that the grocery delivery sector was becoming increasingly competitive. However, the industry has always been competitive and Instacart remains a best-in-class solution, providing the technology back-end for many grocers' online offerings. Meanwhile, the online grocery market is forecasted to grow at a double-digit rate, and we expect Instacart to be a beneficiary.

Salesforce cut -0.2% from Portfolio value. The software sector has been a particular pain point in markets over the past few months. This has been particularly true of companies employing software-as-a-service (SAAS) business models. Investors fear that AI coding tools will make software development easier and more customisable, while increased use of AI in the workplace reduces employee headcount as more tasks are automated. This constitutes a two-pronged threat to SAAS companies. While these concerns are legitimate, they discount the value of the proprietary data within these software systems and how deeply embedded they are in enterprise workflows.

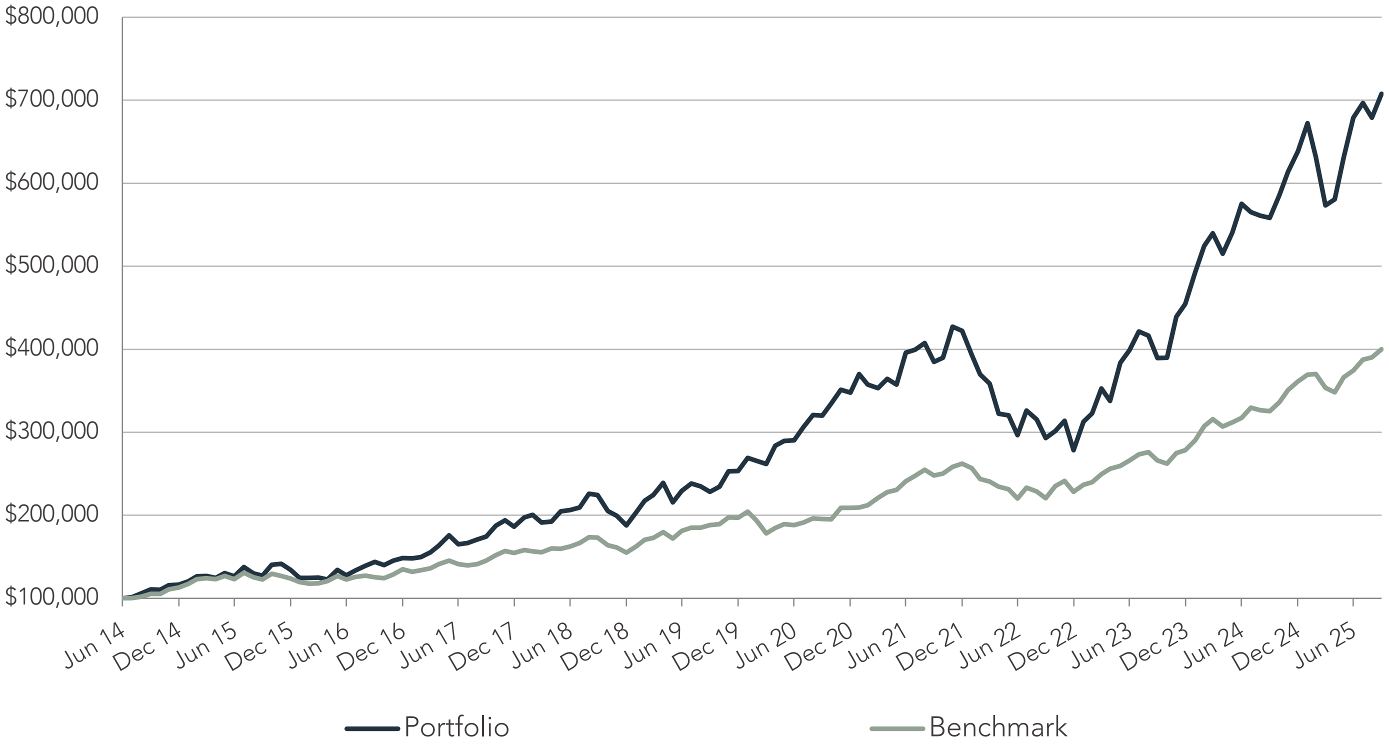
For the quarter to 30 September the Portfolio returned +4.3%. The top three contributors were CATL, TSMC and Marvell Technology, which collectively added +3.2% to Portfolio value, extending the September monthly returns. Amazon, Salesforce and Instacart were the top three detractors, cutting -0.8% from the Portfolio between 30 June and 30 September. Netflix cooled off following a stunning run in the first half of the year. Salesforce and the broader software sector was weighed down across the quarter by the same AI concerns that loomed during the month. Similarly, Instacart's headwinds have caused it to be a detractor for the quarter as well the month.

The Australian dollar appreciated +1.3% against the US dollar over the month, decreasing the value of the Portfolio's US-dollar denominated positions. As at 30 September 2025, the Portfolio carried a foreign currency exposure of 100.0%.

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.

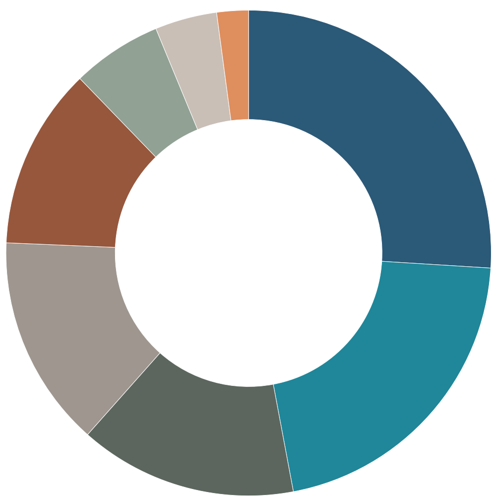
The Team	
Alex Pollak	CIO and Founder
Anshu Sharma, CFA	Portfolio Manager and Founder
Harry Morrow, CFA	Senior Investment Analyst
Raymond Tong, CFA	Head of Research

Cumulative Performance



Past performance is not a reliable indicator of future performance.
Benchmark is MSCI All Countries World Index (net) (as expressed in AUD from Bloomberg).

Portfolio Exposure



- AI and Data Infrastructure (26.0%)
- Cloud and Software (21.1%)
- Internet of Things and Robotics (14.5%)
- Platforms and Ecommerce (14.1%)
- Digital Media (12.1%)
- New Energy (6.0%)
- Health and Life Sciences (4.1%)
- Cash (2.1%)

Portfolio Construction

At September month end, the Portfolio was 97.9% invested 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.

Portfolio Statistics	
Number of Holdings	31
Sharpe Ratio[3] (risk-free rate = BBSW3M)	0.95
Information Ratio[3]	0.51
Volatility[3]	17.8%

Capitalisation (USD)		
Mega Cap	> $100b	74.2%
Large Cap	$50-100b	5.8%
Mid Cap	$2-50b	16.1%
Small Cap	< $2b	0.0%

[3] Since inception.

Top 10 Holdings

Amazon – is the global leader in internet retail and cloud-based computing. From its listing in 1997 as primarily an online book retailer, Amazon has now expanded its offering to most areas of consumer merchandise, whilst also developing market leading cloud computing services. It has a relentless focus on low-cost operations, constant reinvestment and customer service.

Broadcom – is a leader in wireless, datacentre networking, AI chips, storage, and infrastructure silicon/hardware/software with broad-based exposure to positive trends in these end markets. Broadcom is a technology infrastructure powerhouse with semiconductor leadership positions in AI (#2 global AI semiconductor supplier), custom chip ASIC supplier, cloud datacentre/telco networking, wireless and enterprise storage.

CATL – founded in 2011 and headquartered in Ningde, China, is the world's largest producer of lithium-ion batteries for electric vehicles and energy storage systems. The company supplies batteries to leading global automakers including Tesla, BMW, Mercedes-Benz, Hyundai, and Toyota . CATL's core products include lithium iron phosphate (LFP) and nickel manganese cobalt (NMC) battery chemistries, and it is at the forefront of innovations in solid-state batteries and cell-to-pack architecture. With operations spanning China, Europe, and other key EV markets, CATL plays a central role in the global energy transition and electrification of transport.

Eli Lilly – founded in 1876 and headquartered in Indianapolis, Indiana, is a global pharmaceutical company known for its innovations in drug development. The company focuses on therapeutic areas such as diabetes, oncology, neuroscience, and immunology, with blockbuster drugs including Trulicity and Mounjaro for diabetes and Zepbound for weight loss. Eli Lilly is also a leader in Alzheimer's research, developing treatments like donanemab to address cognitive decline. Leveraging biotechnology and advanced research, the company continues to drive medical breakthroughs in both small molecules and biologics. With a strong pipeline and growing presence in obesity and metabolic health, Eli Lilly is shaping the future of healthcare innovation.

Meta – is one of the world's premier advertiser platforms with a user base of over 3bn Daily Active Users and over 10m advertisers. META has invested significantly into AI infrastructure, and this enables the company to drive user engagement and provides advertisers with a range of ad automation and targeting tools. META's two major goals are to: (1) to build the most popular and advanced AI Products and services; and (2) invest into building the next generation of augmented, virtual and mixed reality computing platforms.

Microsoft – is a multinational technology company that manufactures, licenses, supports and sells computer software, personal computers, consumer electronics and services. The Company's main segments include Intelligent Cloud, More Personal Computing, Productivity and Business Process. Its products include cross device productivity applications, server applications, business solution applications, desktop and server management tools, software development-tools, video games, and training and certification of computer system integrators and developers. The Company also designs, manufactures and sells devices including personal computers, tablets, gaming and entertainment consoles, and other intelligent devices that integrate with its cloud-based offerings.

NVIDIA – founded in 1993 and headquartered in Santa Clara, California, is a leading technology company specializing in graphics processing units (GPUs) and artificial intelligence (AI). Originally known for its dominance in gaming GPUs, Nvidia has expanded into AI, data centers, autonomous vehicles, and professional visualization. Nvidia's AI and deep learning technologies power industries ranging from healthcare to robotics, enabling breakthroughs in generative AI and high-performance computing. With its continuous innovation in AI chips and software ecosystems like CUDA, Nvidia remains at the forefront of the AI and semiconductor industries.

Roku – founded in 2002, is an American company headquartered in San Jose, California, that manufactures a variety of digital media players for video streaming. Roku's devices allow users to access streaming services like Netflix, Hulu, and Disney+, among others, directly on their televisions. Roku has also expanded into the smart TV market and offers an advertising platform for content publishers. The company plays a significant role in the streaming media and connected TV industry.

Taiwan Semiconductor – is the largest dedicated global foundry for the manufacture of semiconductor chips. TSMC produces chips for a wide range of uses including data centres, networking equipment, smartphones, tablets, PCs and gaming consoles. TSMC has a broad customer base of major hardware and fabless semiconductor companies including Apple, Qualcomm, Nvidia, AMD, MediaTek and HiSilicon (Huawei). The company is leveraged to chip demand from emerging themes such as 5G, IoT and artificial intelligence. TSMC was founded in 1987 and is based in Hsinchu, Taiwan.

Uber – founded in 2009 and headquartered in San Francisco, California, is a global technology company that revolutionized ride-hailing and expanded into mobility, delivery, and freight services. Its core platform connects riders with drivers through its app, offering services such as UberX, Uber Comfort, and Uber Black. Uber also operates Uber Eats, a food delivery service, and Uber Freight, a digital platform that connects shippers and carriers for logistics solutions. The company leverages AI, real-time data analytics, and dynamic pricing to optimize driver-rider matching, route efficiency, and demand forecasting.

Firm Awards

2025 IMAP Managed Account Awards — IMAP MANAGED ACCOUNT AWARD FINALIST INTERNATIONAL EQUITIES

The Australian Fund Manager Awards FINALIST 2024 — BEST AUSTRALIAN BASED GLOBAL MANAGER — Loftus Peak — australianfma.org

2024 FINALIST — HEDGE FUNDS Rock — BEST LISTED ALTERNATIVE INVESTMENT PRODUCT

2024 IMAP Managed Account Awards — IMAP MANAGED ACCOUNT AWARD FINALIST INTERNATIONAL EQUITIES

The Australian Fund Manager Awards 2023 — WINNER — BEST AUSTRALIAN BASED GLOBAL EQUITY MANAGER

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