



LOFTUS PEAK

Loftus Peak Global Disruption Fund (Class A)

MONTHLY UPDATE

OCTOBER 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.	Inception p.a.
Fund (net-of-fees)	+7.01%	+8.06%	+30.61%	+31.47%	+35.04%	+12.88%	+16.85%	+17.59%
Benchmark	+3.50%	+6.77%	+18.83%	+22.71%	+20.80%	+16.28%	+14.17%	+14.01%
Outperformance (net-of-fees)	+3.51%	+1.29%	+11.78%	+8.76%	+14.24%	-3.40%	+2.68%	+3.58%

Source: Loftus Peak, MSCI. Past performance is not a reliable indicator of future performance. Returns greater than one-year are annualised. Net-of-fees performance for the Fund is based on end-of-month redemption prices after the deduction of fees and expenses and the reinvestment of all distributions. Investment return and the principal value fluctuate, so your units, when sold, may be worth more or less than the original cost. For further details, please refer to the Fund's Product Disclosure Statement, Information Booklet and Target Market Determination. The data source for the Fund's benchmark was changed from Bloomberg to MSCI effective 29 February 2024. All data prior to this date remains unchanged. Loftus Peak Pty Limited replaced Orca Funds Management as the Investment Manager of the Fund on 1 March 2024.

Review and Performance

The value of the Fund increased +7.0% (net-of-fees) in October, while the benchmark MSCI All Countries World Index (net dividends reinvested) in Australian dollars was up +3.5%, generating Fund outperformance of +3.5% (net-of-fees).

Markets rode higher as disruptive secular themes outmuscled macroeconomic concerns. The month kicked off with a series of enormous Artificial Intelligence (AI) announcements between hyperscalers, AI labs and semiconductor designers. The scale of what these companies plan to do is unprecedented and in our view is not yet priced in. Despite the positive share price moves, Loftus Peak believes investors retain a level of healthy skepticism (and understandably so).

This caution has played out more generally across earnings season. Company numbers have generally been strong, but investors have tended to sell down company results that fail to raise forward expectations. Against this backdrop, and an extended US government shutdown, the Fed made its second 25bps interest rate cut. President Trump threatened an additional 100% tariff on China only to end the month by reducing US tariffs on Chinese imports by 10%.

Key Facts

Inception Date	25 July 2017
APIR Code	PIM4432AU
Fund FUM (AUD)	\$177 million
Strategy FUM (AUD)	\$1,353 million
Product Type	Registered Managed Investment Scheme domiciled in Australia
Responsible Entity	The Trust Company (RE Services) Limited ("Perpetual")
Investment Universe	Listed Global Equities
No. of Investments	15-35
Benchmark	MSCI All Countries World Index (net dividends reinvested) in Australian dollars
Cash & Cash Equivalents	up to 20%
Suggested time frame	3-5 years
Minimum Investment	\$5,000
Platforms	HUB24, Xplore Wealth and Powerwrap

Contributors and Detractors to Return

Advanced Micro Devices (AMD) was the largest contributor for the month, adding +2.2% to the Fund. OpenAI’s intent to purchase tens of billions of dollars worth of AMD AI systems has demonstrated that the world’s second largest Graphics Processing Unit (GPU) designer was more competitive than previously thought. Whether or not the deal is fully realised remains uncertain, and at any rate, we believe AMD is not priced for that scale of revenue. However, the fact that OpenAI is willing to use AMD GPUs opens the door for other customers to emerge. The total addressable market for AI chips is vast and even taking 5%~10% market share would be material to AMD’s share price.

Amazon (+0.8%) also hit back convincingly against its ‘AI laggard’ reputation. The company’s cloud service, AWS, is the largest in the world. However, due to slower growth over the last several quarters, it has been losing share to **Microsoft** (+0.0%), Alphabet and Oracle. This may have just changed. AWS year-over-year growth accelerated from +17% in Q2 to +20% in Q3 - its highest growth rate since 2022 (and at a much larger scale). The re-acceleration was largely driven by AI, helped by the company’s new 500,000 chip ‘Project Rainier’ AI data centre. This cluster was activated less than 12 months after first being announced and makes use of custom chips designed by **Marvell** (+0.2%) to support the AI ambitions of Anthropic.

Marvell chips as well as those from **Nvidia** (+0.7%) and **Broadcom** (+0.5%) are fabricated at **Taiwan Semiconductor Manufacturing Company** (TSMC). TSMC’s share price rose along with other AI hardware companies, contributing +1.0% to the Fund. TSMC has virtually monopolised leading chip manufacturing and has significant scope to leverage its position. Despite the headwinds of establishing fabrication in the US, increasing pricing, higher utilisation rates and greater efficiency of manufacture are driving margins upwards. This underpins a materially growing end market; TSMC has visibility of AI chip compounded annual growth of 45% from 2024 through to 2029.

This growth is being reflected in hyperscaler CapEx guidance for 2025 which increased yet again during earnings. From what has been announced so far, 2026 looks to be even larger than 2025. Investors are giving public cloud providers like Microsoft the benefit of the doubt in terms of monetising their GPUs. However, **Meta** (-0.6%) has not received the same leniency and was the largest detractor for the month.

On Meta’s Q3 earnings call the company increased its CapEx guidance. Despite operating data centres for its own operations, Meta does not offer these services to third parties. This combined with a lack of overt AI products and fears of Reality-Labs-scale losses (again) has irked investors. In contrast to the market, Loftus Peak believes Meta is currently benefiting from AI - perhaps even more immediately than its public cloud peers. AI underpins every aspect of Meta’s business: increasing user engagement (Instagram video time was up 30% year-over-year), improving ad targeting and enabling easier content and marketing material generation through generative AI. These factors contributed to incredible revenue growth (26% year-over-year) at incredible scale (\$51.2bn in the quarter) - almost as large as Google’s Search business.

The Australian dollar depreciated -1.2% against the US dollar over the month, increasing the value of the Fund’s US-dollar denominated positions. As at 31 October 2025, the Fund carried a foreign currency exposure of 99.7%.

Fees	
Management Fees & Costs	1.45% per annum (inc. GST net RITC)

Unit Prices	
Pricing Frequency	Daily
Date	31 October 2025
Entry Price (in AUD)	3.4636
Exit Price (in AUD)	3.4498

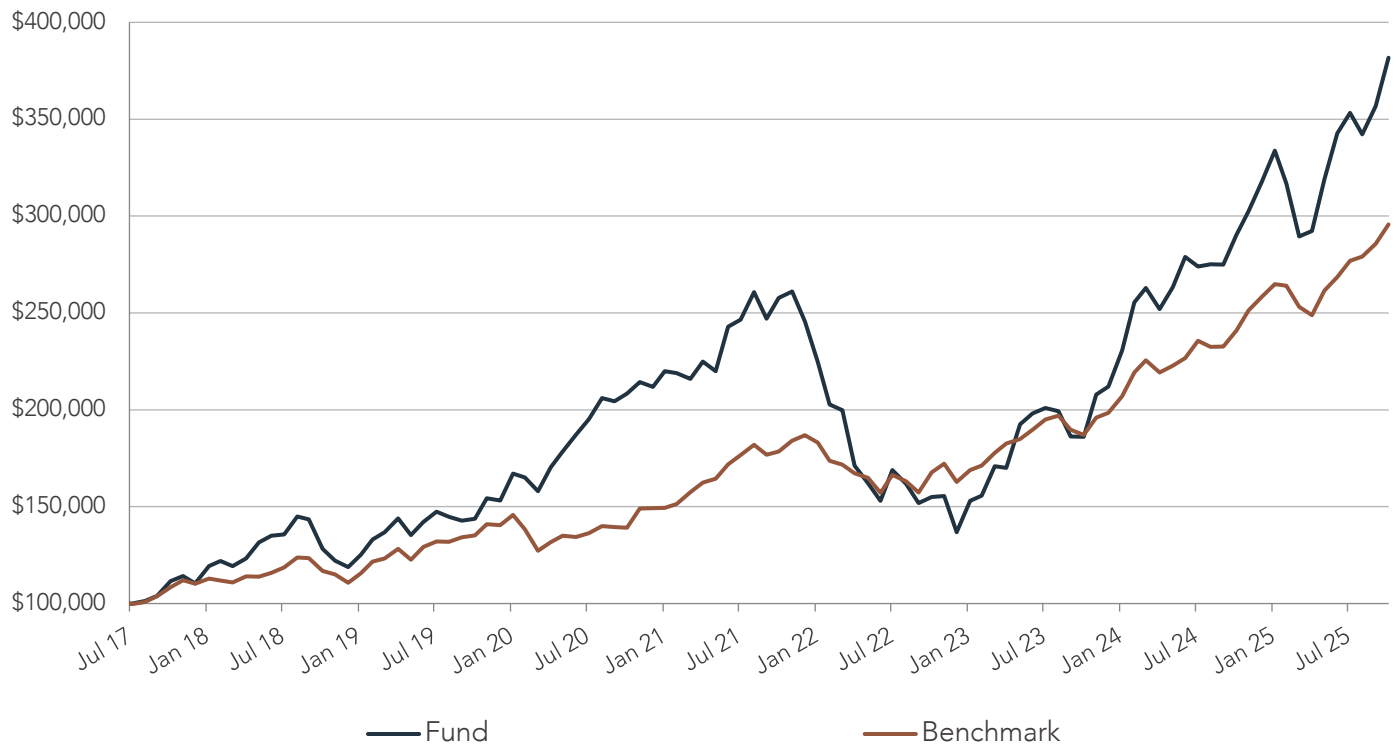
Distributions	
Distribution Frequency	Paid annually as at 30 June
Latest distribution date	30 June 2025
Latest distribution	63.23 cents

Applications and Withdrawals	
Withdrawal Notice	Generally, notice received by 2pm (Sydney time) receives the price effective for that business day.

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

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Cumulative Performance



Past performance is not a reliable indicator of future performance.

Benchmark is MSCI All Countries World Index (net dividends reinvested) in Australian dollars.

Portfolio Exposure



- AI and Data Infrastructure (27.2%)
- Cloud and Software (20.7%)
- Platforms and Ecommerce (14.7%)
- Internet of Things and Robotics (14.2%)
- Digital Media (12.4%)
- New Energy (6.1%)
- Health and Life Sciences (4.1%)
- Cash (0.7%)

Portfolio Construction

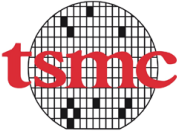
At month end, the Fund was 99.3% invested with the balance in cash exposure. The Fund has a high exposure to large capitalisation names which are highly cash generative with strong balance sheets. Focusing on high quality companies helps the Fund to withstand difficult periods in the market and drive strong, long-term outcomes for investors.

Portfolio Statistics	
Number of Holdings	31
Sharpe Ratio ³ (risk-free rate = BBSW3M)	0.81
Information Ratio ³	0.28
Volatility ³	19.1%

Capitalisation (USD)		
Mega Cap	> \$100b	78.1%
Large Cap	\$50-100b	9.1%
Mid Cap	\$2-50b	12.1%
Small Cap	< \$2b	0.0%

³ Since inception.

Top 10 Holdings

	Advanced Micro Devices – a high performance and adaptive computing leader, powering the products and services that help solve the world’s most important challenges. Its technologies advance the future of the data center, embedded, gaming and PC markets. AMD was founded in 1969 by Jerry Sanders, a former executive at Fairchild Semiconductor Corporation, and seven other technology professionals.
	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.

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Firm Awards



IMAP
MANAGED ACCOUNT
AWARD FINALIST
INTERNATIONAL
EQUITIES



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To learn more about our awards and their criteria, please visit:

<https://imap.asn.au/>

<https://australianfma.org/>

<https://www.hedgefundsrock.org.au/>

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MSCI All Countries World Index (AUD) Source

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Benchmark selection

The Loftus Peak Global Disruption Fund (Class A) is designed in a benchmark unaware manner. The Investment Manager believes the MSCI ACWI index is appropriate for comparison purposes given the Fund invests in companies across a range of industries including technology, renewable energy, consumer, communication services and healthcare. The risk/return profiles of the Fund and benchmark differ due to differences in the constituents of each. The Fund's objective is to provide investors with capital growth over the long-term through exposure to companies that benefit from disruptive innovation – in or from any industry/sector, including emerging market listed investments.

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