



LOFTUS PEAK

# Loftus Peak Global Change Portfolio

MONTHLY UPDATE

NOVEMBER 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)	-6.65%	+3.60%	+11.45%	+14.63%	+30.83%	+14.90%	+19.75%	+17.38%	+18.64%
Benchmark	-0.21%	+5.85%	+12.75%	+17.68%	+19.59%	+14.60%	+14.39%	+12.51%	+13.24%
Outperformance (net-of-fees)	-6.44%	-2.25%	-1.30%	-3.06%	+11.23%	+0.29%	+5.35%	+4.87%	+5.40%

**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

November was a tumultuous month for markets, characterised by significant share price shifts among the mega-cap companies. The value of the Portfolio decreased -6.7% (net-of-fees) in November, while the benchmark MSCI All Countries World Index (net) (as expressed in AUD from Bloomberg) was down -0.2%, generating underperformance of -6.4% (net-of-fees).

One of the key drivers was concern that the significant planned AI CapEx would be difficult to justify if AI product revenues fail to materialise. However, the current numbers suggest this is not an immediate concern. Moreover, the market tends to measure AI revenues chiefly with standalone products like ChatGPT and Gemini. Undeniably these businesses are impressive and among the fastest-growing ever, but this focus can obscure the substantial upside companies realised by integrating AI into their existing businesses. As an example, CEO Mark Zuckerberg highlighted that Meta's recommendation AI system delivered "higher quality and more relevant content, which led to 5% more time spent on Facebook in Q3 and 30% more on Instagram videos." In the same quarter, Meta's advertising revenue grew by +26% year-over-year to USD50.7 billion.

A secondary concern in November was that most AI revenue will likely flow to Alphabet due to the strength of its newest model, Gemini 3. This model (like its predecessors) was most likely trained using Broadcom's Tensor Processing Units (TPUs) rather than Nvidia's Graphics Processing Units (GPUs). Loftus Peak views Broadcom as a significant competitor to Nvidia, which informed our initial purchase of the stock at approximately USD 85 per share. Nonetheless, commentary suggesting the imminent end of Nvidia's market dominance is premature.

## Key Facts

Inception Date	30 June 2014
Strategy FUM (AUD)	\$1,290 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

AI hardware companies were a net detractor to the portfolio in November. The emergence of financial leverage used to fund the AI capex spend led to a broad sell-off in AI stocks across the board - except for Google (Alphabet). This company traded up on the debut of its Gemini 3 model, amplifying the perceived competitive threat posed by Alphabet and **Broadcom** (+0.3%) to OpenAI and **Nvidia** (-1.0%). This perception may have encouraged incremental AI investors to favour Broadcom and Alphabet over other AI players.

In the context of these concerns, Nvidia's third quarter earnings, released during the month, were noteworthy. The company exceeded expectations and raised its guidance for this quarter. Furthermore, Nvidia provided datacentre guidance out to the end of calendar 2026, totaling USD350 billion, with the possibility for this to increase. This demand is largely driven by hyperscalers such as **Amazon** (-0.3%), **Microsoft** (-0.2%), **Meta** (+0.0%) and Alphabet (which currently spends more on Nvidia than Broadcom). According to Bloomberg, these four companies alone are expected to spend nearly USD500 billion in CapEx in 2026 and possess ample financial capacity to meet this outlay.

Broadcom's +0.3% (the second largest) gain was outweighed by Nvidia's -1.0% detractor. Nvidia's downward movement weighed on **Arista Networks** (-0.4%), **Advanced Micro Devices** (-0.7%) and **Taiwan Semiconductor Manufacturing** (-0.3%) as investors sold these companies because they were outside the Alphabet-Broadcom ecosystem.

Beyond AI, **CATL** (-0.6%) was a large detractor as the battery company's post-IPO lockup period came to an end. The battery company's share price has performed very well since the IPO and we do not believe this profit taking behaviour has any bearing on the company's strong outlook. **Nutanix** (-0.8%) was also a large detractor following a miss on earnings driven by delayed customer migrations and unfavourable sales mix from OEM partners (which cannot be recognised as revenue as quickly). The company's long term role in providing the interface between clouds remains intact.

The largest contributor for the month was **Eli Lilly** (+1.0%) which became the first pharmaceutical company valued over USD1 trillion. Lilly is unquestionably the leader in weight loss drugs and also has one of the most compelling non-GLP drug portfolios to boot. The share price move reflects this strong position within a market looking to diversify away from AI. That said, the potential breadth of the company's small molecule oral is not fully priced.

**Instacart** (+0.2%) was the third largest contributor following a strong earnings print. The stock has been beaten down across recent months over fears of competitions - especially from Amazon. We believe the grocery delivery market is growing fast enough to enable multiple players. Meanwhile the cheaper valuations leave a healthy amount of upside in the Instacart share price.

The Australian dollar depreciated -0.2% against the US dollar over the month, increasing the value of the Portfolio's US-dollar denominated positions. As at 30 November 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

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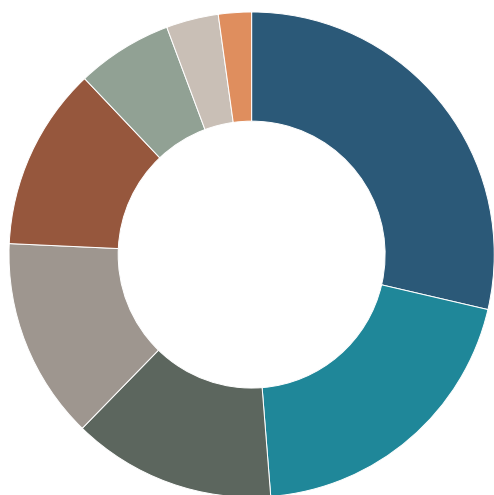
## Cumulative Performance



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 (28.6%)
- Cloud and Software (20.1%)
- Platforms and Ecommerce (13.6%)
- Internet of Things and Robotics (13.4%)
- Digital Media (12.2%)
- New Energy (6.4%)
- Health and Life Sciences (3.5%)
- Cash (2.2%)

## Portfolio Construction




At month end, the Portfolio was 97.8% 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	28
Sharpe Ratio <sup>3</sup> (risk-free rate = BBSW3M)	0.92
Information Ratio <sup>3</sup>	0.46
Volatility <sup>3</sup>	17.9%

Capitalisation (USD)		
Mega Cap	> \$100b	79.7%
Large Cap	\$50-100b	5.8%
Mid Cap	\$2-50b	12.3%
Small Cap	< \$2b	0.0%

<sup>3</sup> Since inception.

## Top 10 Holdings (in alphabetical order)

	<p><b>Advanced Micro Devices</b> – 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.</p>
	<p><b>Amazon</b> – 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.</p>
	<p><b>Broadcom</b> – 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.</p>
	<p><b>CATL</b> – 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.</p>
	<p><b>Meta</b> – 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.</p>
	<p><b>Microsoft</b> – 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.</p>
	<p><b>NVIDIA</b> – 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.</p>
	<p><b>Roku</b> – 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.</p>
	<p><b>Taiwan Semiconductor</b> – 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.</p>
	<p><b>Uber</b> – 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. Uber continues to expand its offerings, including autonomous vehicles and electric micromobility solutions.</p>

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## Firm Awards



**IMAP**  
MANAGED ACCOUNT  
AWARD FINALIST  
INTERNATIONAL  
EQUITIES



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