



# Loftus Peak Global Change Portfolio

## MONTHLY UPDATE

FEBRUARY 2026

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 Advanced Micro Devices and CATL. 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)	-3.93%	-8.79%	-5.51%	+1.59%	+25.71%	+12.41%	+16.71%	+17.81%	+17.28%
Benchmark	-0.76%	-2.99%	+2.68%	+8.31%	+18.63%	+13.56%	+12.98%	+13.02%	+12.64%
Outperformance (net-of-fees)	-3.16%	-5.80%	-8.19%	-6.72%	+7.08%	-1.15%	+3.73%	+4.78%	+4.64%

**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 decreased -3.9% (net-of-fees) in February, while the benchmark MSCI All Countries World Index (net) (as expressed in AUD from Bloomberg) was down -0.8%, generating Portfolio underperformance of -3.2% (net-of-fees).

Artificial Intelligence (AI) continued to be the driving force behind market moves. Concern over the technology's ability to automate white collar jobs stoked market fears. Investors sold sectors like software and services and shifted into safe haven physical asset business which are likely to persist irrespective of AI disruption. While some knowledge workers will face disruption from AI, others are poised to thrive, likely leading to an overall increase in net productivity.

Across earnings season, the large cloud providers materially increased their expected expenditure on AI infrastructure, especially chips. The scale of this build-out puts downward pressure on their future free cash flows which has cast doubt on its sustainability. The market doubts this investment will generate a justifiable amount of revenues and is selling the stocks. This scepticism extends into the chip vendors themselves which are derating on fears that the AI infrastructure spend will peak this year. As the market prices for a lose-lose situation; valuations in the hyperscalers and chip vendors are becoming increasingly compelling.

Key Facts	
Inception Date	30 June 2014
Strategy FUM (AUD)	\$1,217 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

The muted response of chip stocks to the cloud infrastructure spending was not evident in the second order beneficiaries of the AI chip supply chain. Historically, memory chips have been a cyclically linked commodity. However, due to AI induced scarcity, prices for leading edge memory chips have ballooned more than three-fold across 6 months. Over that same period, the market cap of **Samsung** (+1.0%) tripled - crossing the USD 1 trillion threshold for the first time.

**Taiwan Semiconductor Manufacturing** (+0.9%) and **Applied Materials** (+0.4%) manufacture the AI chips and make chip manufacturing equipment respectively. TSM is the sole manufacturer of almost all AI chips and expects revenues from AI chip manufacturing to grow at over +55% each year until 2029. To do this they will need to materially expand capacity, pushing up the revenue for semiconductor manufacturing equipment companies like Applied Materials.

The key beneficiary of this AI chip spend is still **Nvidia** (-1.0%). The company beat guidance, the sell side estimates and the buy-side whisper number. Guidance for next quarter was set to US\$78.0bn against an estimate of US\$72.6bn. Not only is this easily the largest absolute beat, but it is the largest % beat in eight quarters. Revenue is accelerating off a large base even faster than expected! Even if 2026 is the peak for hyperscaler CapEx, Nvidia's earnings multiple is already at its historical trough. That said, we expect 2027 CapEx to rise, driven by accelerating hyperscaler AI revenue, new AI use cases, and increased sovereign investments.

The second largest GPU designer after Nvidia is **Advanced Micro Devices** (-0.7%) saw similar weakness across the month (albeit from a higher base). Earnings for AMD were solid and were followed by the much-anticipated announcement of a hyperscaler partner in **Meta** (-0.9%). This sets the chip company up for GPU revenue inflection.

Meta itself was the second largest detractor with a similar set up of falling from an elevated base post earnings. It has suffered from the broader market rotation out of tech. Despite the general fear of AI investments not generating revenue, Meta is an exception. AI is already accelerating Meta's top line growth while pushing operating costs down.

The Australian dollar appreciated +1.4% against the US dollar over the month, decreasing the value of the Portfolio's US-dollar denominated positions. As at 28 February 2026, 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.

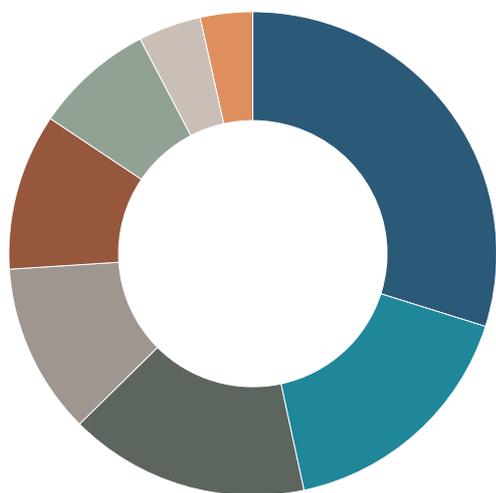
The Team	
Alex Pollak	CIO and Founder
Anshu Sharma, CFA	Portfolio Manager and Founder
Harry Morrow, CFA	Senior Investment Analyst
Raymond Tong, CFA	Head of Research

## 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 (29.9%)
- Digital Media (16.8%)
- Cloud and Software (15.9%)
- Internet of Things and Robotics (11.4%)
- Platforms and Ecommerce (10.5%)
- New Energy (7.9%)
- Health and Life Sciences (4.2%)
- Cash (3.5%)

## Portfolio Construction

At month end, the Portfolio was 96.5% 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	26
Sharpe Ratio <sup>3</sup> (risk-free rate = BBSW3M)	0.85
Information Ratio <sup>3</sup>	0.40
Volatility <sup>3</sup>	17.9%

Capitalisation (USD)		
Mega Cap	> \$100b	76.8%
Large Cap	\$50-100b	13.3%
Mid Cap	\$2-50b	6.4%
Small Cap	< \$2b	0.0%

<sup>3</sup> Since inception.

## Top 10 Holdings (in alphabetical order)



**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. Uber continues to expand its offerings, including autonomous vehicles and electric micromobility solutions.

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## Firm Awards



**IMAP**  
MANAGED ACCOUNT  
AWARD FINALIST  
INTERNATIONAL  
EQUITIES



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