



Loftus Peak Global Change Portfolio

MONTHLY UPDATE

MAY 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)	+8.58%	+20.58%	+9.99%	+22.58%	+26.34%	+16.70%	+20.02%	+19.15%	+18.74%
Benchmark	+5.06%	+6.45%	+3.26%	+16.42%	+18.04%	+13.11%	+13.85%	+12.88%	+12.95%
Outperformance (net-of-fees)	+3.52%	+14.14%	+6.72%	+6.15%	+8.30%	+3.59%	+6.17%	+6.27%	+5.79%

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 +8.6% (net-of-fees) in May, while the benchmark MSCI All Countries World Index (net) (as expressed in AUD from Bloomberg) was up +5.1%, generating Portfolio outperformance of +3.5% (net-of-fees).

The Portfolio required shepherding through a complex macroeconomic backdrop, characterised by sticky inflation data brought on by war tensions in the Middle East. Despite or maybe because of this there was persistent demand for secular tech themes.

Investors seem to have accepted that artificial intelligence (AI) is useful, and so here to stay, and turned their attention to the questions of pricing it rather than simply declaring it a bubble to avoid.

News also surfaced on the document which will be used to list SpaceX, Elon Musk's rocket/datacentre/connectivity/AI play, at US\$1.77 trillion. This will be the largest raising at US\$75 billion IPO in history, bigger even than Aramco, the Saudi oil company which, though a more highly valued company at the time, only raised US\$26 billion.

Waiting in the wings is Anthropic, which now looks like a more highly valued company than OpenAI, with both preparing to be listed in coming weeks.

But AI isn't everything. Loftus Peak maintains significant weightings in electric car and battery companies, China enterprises such as Alibaba, streaming and life sciences.

Key Facts	
Inception Date	30 June 2014
Strategy FUM (AUD)	\$1,491 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 largest positive contributor to the Portfolio's return was **Advanced Micro Devices** (+1.8%). The market rewarded the high performance computing leader following a strong quarterly result as demand for its datacentre CPUs and AI accelerators continued to surge, validating the company's strong position within the expanding global AI ecosystem.

Datadog (+1.5%) was the second largest contributor to performance. As enterprise IT complexity grows alongside the adoption of cloud and AI technologies, demand for Datadog's comprehensive observability and security platform is strengthening. Datadog reported accelerating revenue growth of +32% in Q1 driven by AI tailwinds across its core business as well as its AI native customer base.

CATL (+1.2%) also added significantly to performance, continuing to benefit from the structural tailwinds of the global energy transition and its dominant market share in electric vehicle (EV) and energy storage systems. CATL's share price recovered strongly from a weaker April when it raised US\$5bn in capital to accelerate its global expansion strategy.

The primary detractor was **Arista Networks** (-0.3%), which experienced short term weakness despite its foundational role in cloud networking infrastructure. While demand continues to increase with a strong Q1 result and increased FY guidance, Arista is running into some near term hurdles across its supply chain.

BYD (-0.3%) also hurt the Portfolio following a soft Q1 result (reported at the end of April) which saw a decline in unit volumes as a result of a challenging Chinese EV market which more than offset strong export growth. We expect domestic volumes to recover through the year supported by a new product cycle and rollout of an ultra fast charging network. We also expect exports to continue to accelerate as EV adoption rises with tailwinds from oil price uncertainty resulting from the Middle East conflict.

Finally, **Siemens Energy** (-0.3%) weakened during the month despite reporting strong Q2 results. The company reported record order intake, upgraded its full year guidance and its strong FCF led to an acceleration in its capital returns program. We expect the company to benefit from long term demand for renewable energy infrastructure and grid modernisation while the AI infrastructure rollout will continue to drive demand across its gas services business.

The Portfolio remains steadfast in the execution of its mandate, actively managing weightings to capitalise on the structural disruption ripping through the global economy.

The Australian dollar appreciated +0.3% against the US dollar over the month, decreasing the value of the Portfolio's US-dollar denominated positions. At month-end, 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 (25.8%)
- Cloud and Software (17.5%)
- Digital Media (17.3%)
- Internet of Things and Robotics (10.8%)
- New Energy (9.9%)
- Platforms and Ecommerce (9.4%)
- Health and Life Sciences (6.9%)
- Cash (2.4%)

Portfolio Construction

At month end, the Portfolio was 97.6% 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	30
Sharpe Ratio ³ (risk-free rate = BBSW3M)	0.92
Information Ratio ³	0.49
Volatility ³	18.1%

Capitalisation (USD)

Mega Cap	> \$100b	81.3%
Large Cap	\$50-100b	5.1%
Mid Cap	\$2-50b	11.2%
Small Cap	< \$2b	0.0%

³ Since inception.

Top 10 Holdings (in alphabetical order)

	<p>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.</p>
	<p>Alphabet – key products include Google, Android, Maps, Chrome, YouTube and Google Play which all have over 1 billion active users. The core product is Search where the company is the clear market leader with an estimated desktop search market share of 80% – more than 10x its closest peer. The company is owner-managed and controlled through its founders Larry Page and Sergey Brin and currently operates in more than 40 countries worldwide.</p>
	<p>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.</p>
	<p>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.</p>
	<p>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.</p>
	<p>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.</p>
	<p>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.</p>
	<p>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.</p>
	<p>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.</p>
	<p>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.</p>

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Firm Awards



IMAP
MANAGED ACCOUNT
AWARD FINALIST
INTERNATIONAL
EQUITIES



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