LOFTUS PEAK

# Loftus Peak Global Change Portfolio

## MONTHLY UPDATE JUNE 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) | +4.36% | +26.91% | +16.45% | +18.94% | +26.47% | +15.33% | +19.68% | +20.25% | +19.01% |
| Benchmark | +3.17% | +14.48% | +7.39% | +17.61% | +18.28% | +12.80% | +13.51% | +13.63% | +13.15% |
| Outperformance (net-of-fees) | +1.19% | +12.43% | +9.07% | +1.33% | +8.20% | +2.52% | +6.17% | +6.62% | +5.87% |

**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 Portfolio delivered a clean sweep of outperformance for the month, quarter, half year and well beyond. For the financial year ending 30 June 2026 the Portfolio was up +18.9% net-of-fees, with +1.3% outperformance, while the return since inception (June 2014) was +19.0% per annum net-of-fees, with outperformance of +5.9% per annum.

Notwithstanding this, the past three months have been among the most challenging in Loftus Peak's history. Hand-to-hand combat is how one Loftus Peak operative described the daily management of the portfolios.

For example, the US administration confused investors by flagging the end of the Iranian war several times, only to be contradicted by Iran, which is clearly in no hurry to give the US a free ride home given past behaviour.

Elsewhere, the signaling on interest rates by the new US Federal Reserve Chairman was (and is) mixed. Also unsettling, has been the volatility in the share prices of near trillion-dollar companies, which regularly moved through 10% in a day – up or down.

This resulted in profit-taking in some of the Portfolio's investments, marked by a sell-off in major semiconductor/mega-cap shares in the first weeks of June. Fortunately, the rotation out of chipmakers boosted broader cyclical sectors, such as health care, streaming and some battery/electric vehicle makers.

| Key Facts | |
|---|---|
| Inception Date | 30 June 2014 |
| Strategy FUM (AUD) | $1,557 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 strongest performer for the month, adding +1.1% to overall performance. There were also solid contributions from **Marvell Technology** (+0.8%), a specialist in the silicon and switches integral to the hyper-scalers, and **ASML** (+0.7%), the company which makes the machines which make the semiconductors (especially TSMC).

The slightly surprising figures this month came from three life sciences investments: **Eli Lilly**, **Moderna** and **Revolution Medicines**, which together added +1.6% to Portfolio performance. In the case of Lilly there is progress outside of the diabesity drugs, with the company buying Kelonia, the T-cell cancer treatment start-up, for US$7.5b.

Moderna alone added +0.8% to return for the month. The vaccine maker jumped on news about its treatments for melanoma and most lung cancers. These treatments, which are in advanced trials with the US FDA (Food and Drug Administration) are actually vaccines which are engineered to recognise and treat certain cancer cells specific to the patient.

The streaming company **Roku** (+0.4%) accepted a merger proposal from Fox Corporation at a premium to the traded price. However, this number is below what we believe the company to be worth. A higher bid is possible, but it may be risky to wait for one.

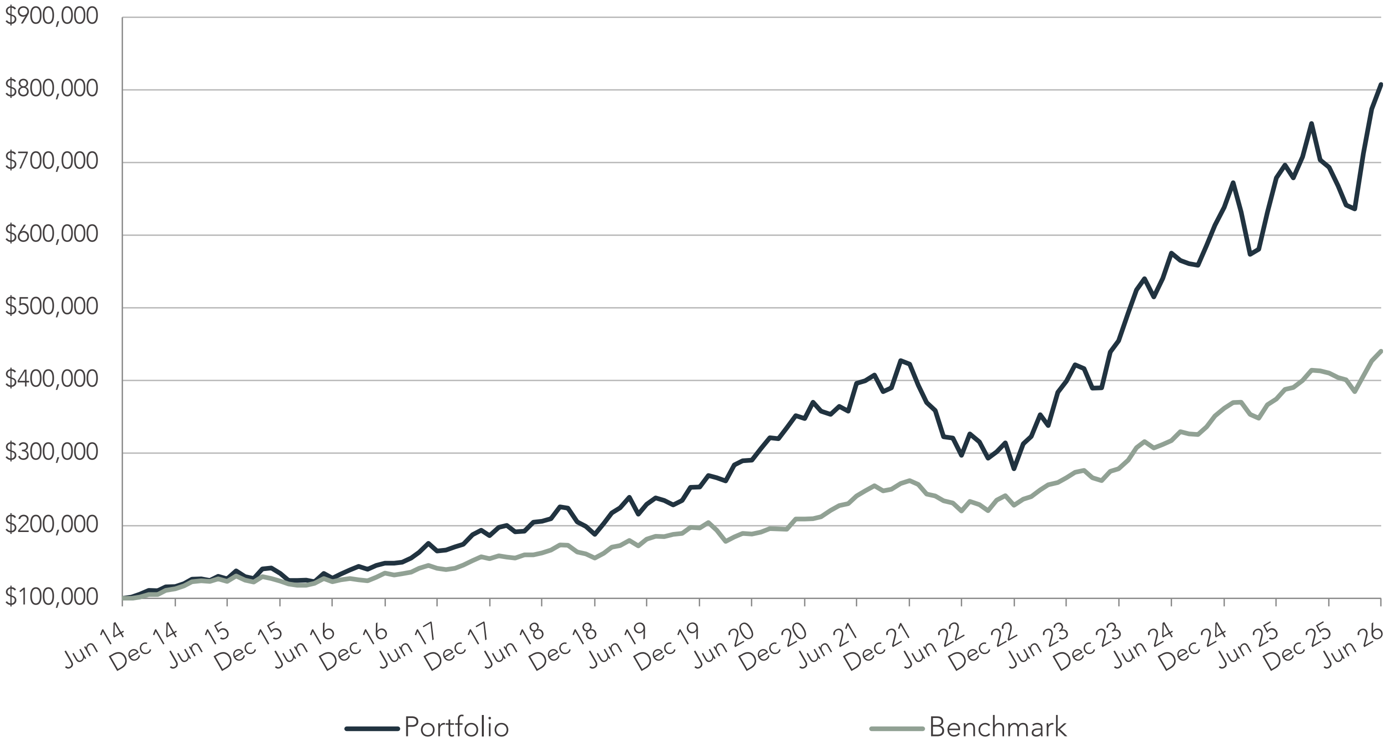
The biggest underperformers reads like a list of the winners of the past five years. **Microsoft** (-0.6%), **Qualcomm** (-0.6%), **Netflix** (-0.5%), **Meta** (-0.5%) and **Amazon** (-0.3%) were responsible for partially undoing the good work at the top end of the table. In particular, the weak showings of Microsoft and Amazon reflected market nervousness about the size and duration of the capital expenditure, which is approaching US$1trillion if we assume a three-year time horizon.

The Australian dollar depreciated -4.0% against the US dollar over the month, increasing 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. |

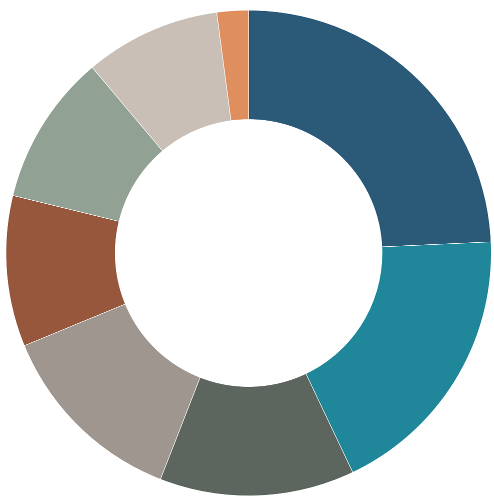
| The Team | |
|---|---|
| Alex Pollak | CIO and Founder |
| Anshu Sharma, CFA | Portfolio Manager and Founder |
| Harry Morrow, CFA | Senior Investment Analyst |
| Raymond Tong, CFA | Head of Research |

## 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 (24.3%)
- Digital Media (18.7%)
- Internet of Things and Robotics (13.0%)
- Cloud and Software (12.9%)
- Health and Life Sciences (10.0%)
- Platforms and Ecommerce (10.0%)
- New Energy (9.1%)
- Cash (2.1%)

## Portfolio Construction

At 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 | 32 |
| Sharpe Ratio[3] (risk-free rate = BBSW3M) | 0.93 |
| Information Ratio[3] | 0.50 |
| Volatility[3] | 18.0% |

| Capitalisation (USD) | | |
|---|---|---|
| Mega Cap | > $100b | 76.3% |
| Large Cap | $50-100b | 7.2% |
| Mid Cap | $2-50b | 14.4% |
| Small Cap | < $2b | 0.0% |

[3] Since inception.

## Top 10 Holdings (in alphabetical order)

**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.

**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.

**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.

**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.

**Netflix** – is the leading video streaming provider in the world with over 260m subscribers as of the December 2023 quarter. As the global leader, Netflix will continue to benefit from the shift of linear TV to streaming with still a significant opportunity to grow subscribers (1bn broadband households globally), pricing power and further monetization opportunities through advertising.

**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.

**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** – 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.

## Firm Awards



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