Loftus Peak
Global Change Portfolio

MONTHLY UPDATE JULY 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)	-5.74%	+6.82%	+13.97%	+9.26%	+21.78%	+13.75%	+18.03%	+19.02%	+18.29%
Benchmark	-1.55%	+6.71%	+7.30%	+11.79%	+16.59%	+11.83%	+12.91%	+13.19%	+12.90%
Outperformance (net-of-fees)	-4.19%	+0.10%	+6.67%	-2.52%	+5.19%	+1.92%	+5.12%	+5.84%	+5.39%

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

July was a highly volatile month with significant share price movements in both directions for many investee companies. Market analysts have characterised the month as the largest, fastest and deepest momentum movement in recent market history, eclipsing prior unwinds seen during the dot-com bubble in 2000 and the global financial crisis in 2009. Goldman Sachs' US High Beta Momentum basket fell over 37%, the highest move on record.

The value of the Portfolio decreased -5.7% (net-of-fees) in July, while the benchmark MSCI All Countries World Index (net) (as expressed in AUD from Bloomberg) was down -1.6%, generating Portfolio underperformance of -4.2% (net-of-fees).

The major issue was burgeoning spending on the part of AI companies. For example, hyperscalers **Google**, **Amazon** and **Microsoft** are estimated to invest as much as ~US$900 billion in 2028 (from a base of ~US$300 billion in 2025) to build datacentres and install the chips produced by **TSMC** for **Nvidia**, **Broadcom** and others. The hyperscalers are in talks with debt markets to provide these funds, since their own substantial operating cashflows will be insufficient.

Equally important has been the related hike in the cost of memory, which (perversely) caused **Micron**, **Seagate** and **SanDisk** to fall -30.0%, -12.5% and -47.3% respectively (although in fairness these falls came after huge upward movements in those companies' share prices over the past year). These very large movements were also tied to the collapse of a $45 billion hedge fund Situational Awareness (the irony in the name was, apparently, unintentional).

Key Facts	
Inception Date	30 June 2014
Strategy FUM (AUD)	$1,445 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

Investor concern about the size of the funding requirements for AI dragged down the performance of TSMC which produced a -1.1% contribution to the Portfolio with memory maker SanDisk and GPU competitors AMD and ASML each resulting in a -0.8% and -0.7% contribution, respectively, to Portfolio return. The thinking here is simple. If there is a hiccup in financing the rollout, then it is possible that demand for the GPUs, CPUs and memory will fall short of that which the stock market has pencilled in.

So it was that the best performers for the first month of the new fiscal year, only emerged once there had been clarification on the way the spending would unfold. Microsoft's Satya Nadella and Amazon's Andy Jassy, both CEOs, spoke of the monetisation models for AI, confirming that the uptake of AI services through the cloud platforms continues to grow above expectations.

Specifically, Microsoft's cloud platform showed revenue growth in the quarter of +43% over the prior corresponding quarter with Amazon at +37% and Google at +82%. Only after this did Microsoft and Amazon rally strongly (adding a combined +1.0% to Portfolio value) assisted by a small bounce in Google, the third of the three hyperscalers.

The Portfolio has also been active in China, with car maker BYD adding +0.4% to return on strong export volumes, while battery maker CATL, which is the Portfolio's second largest position delivering a negative return of -0.8%, having retraced some of its earlier strong gains. Eli Lilly was also weaker (-0.3%) while the cancer drug company Revolution Medicines consolidated recent strong gains.

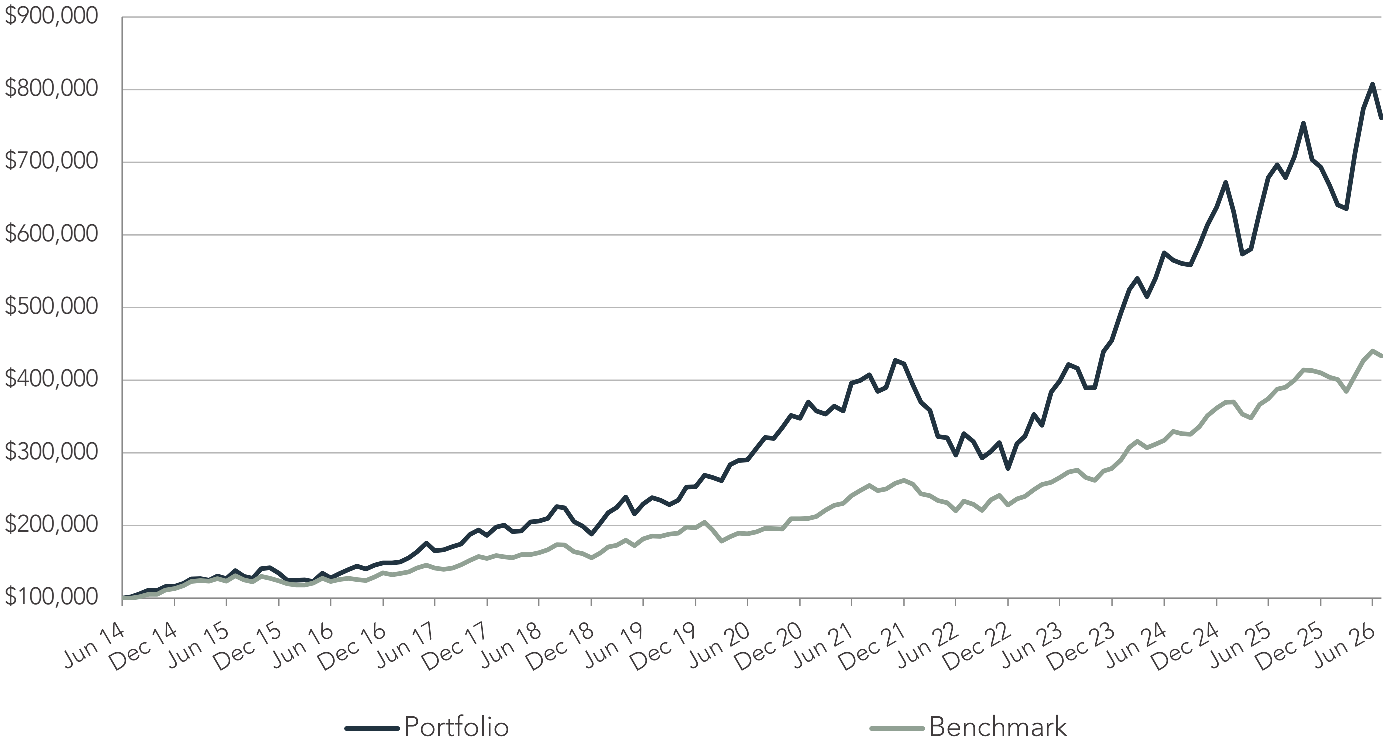
Eli Lilly has been a solid performer for the Portfolio since it was first included in April 2024 at around 1%, now 5.8%. The investment was initiated not just because of its importance as a weight-loss aid, but for its long-term impacts on health. The relationship between obesity and serious follow-on diseases affecting the heart, liver and kidney is well understood. All of this is before considering its importance in controlling type 2 diabetes. These considerations were significant in the decision to lift the company's weight so that it is now the fourth largest position.

The Australian dollar appreciated +1.9% 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.

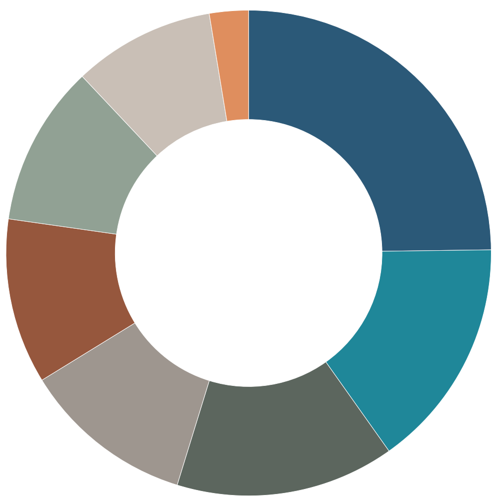
The Team	
Alex Pollak	CIO and Founder
Anshu Sharma, CFA	Portfolio Manager and Founder
Harry Morrow, CFA	Senior Investment Analyst
Raymond Tong, CFA	Head of Research

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



Portfolio Construction

At month end, the Portfolio was 97.4% 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	31
Sharpe Ratio[3] (risk-free rate = BBSW3M)	0.89
Information Ratio[3]	0.46
Volatility[3]	18.1%

Capitalisation (USD)		
Mega Cap	> $100b	82.8%
Large Cap	$50-100b	4.5%
Mid Cap	$2-50b	10.1%
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 datacentre, 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.

NVIDIA – founded in 1993 and headquartered in Santa Clara, California, is a leading technology company specialising in graphics processing units (GPUs) and artificial intelligence (AI). Originally known for its dominance in gaming GPUs, Nvidia has expanded into AI, datacentres, autonomous vehicles, and professional visualisation. 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.

Spotify – founded in 2006 and headquartered in Stockholm, is the world's leading music streaming platform. Its sole focus is on audio (unlike competitors where audio offerings are an after thought), which means that it can launch unique products ahead of the competition and deliver a better user experience. The company uses a freemium model funnels free, ad-supported listeners into paid subscriptions. Spotify has over 750 million users and leverages this scale to enter new markets like audiobooks and podcasts.

Taiwan Semiconductor – is the largest dedicated global foundry for the manufacture of semiconductor chips. TSMC produces chips for a wide range of uses including datacentres, 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 revolutionised 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 optimise driver-rider matching, route efficiency, and demand forecasting. Uber continues to expand its offerings, including autonomous vehicles and electric micromobility solutions.

Firm Awards

Visit www.loftuspeak.com.au to find more commentary, including performance.

Loftus Peak Pty Limited ABN 84 167 859 332 AFSL 503 571