LOFTUS PEAK

Loftus Peak Global Change Portfolio

MONTHLY UPDATE

AUGUST 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)	+2.88%	+1.21%	+22.04%	+15.32%	+23.42%	+13.95%	+18.77%	+18.85%	+18.42%
Benchmark	+0.64%	+2.22%	+8.81%	+11.73%	+16.43%	+11.32%	+13.04%	+13.12%	+12.87%
Outperformance (net-of-fees)	+2.24%	-1.02%	+13.23%	+3.59%	+6.98%	+2.62%	+5.73%	+5.73%	+5.56%

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

August saw less volatility than the previous month as markets marched higher on strong earnings data. Most companies in our universe have now reported. According to FactSet, as at August 28, 86% of all S&P 500 companies topped earnings per share estimates.

The value of the Portfolio increased +2.9% (net-of-fees) in August, while the benchmark MSCI All Countries World Index (net) (as expressed in AUD from Bloomberg) was up +0.6%, generating Portfolio outperformance of +2.2%.

While Artificial Intelligence (AI) continued to dominate management commentary with near-universal optimism, the share price reaction was more selective. As forecast expenditure on the infrastructure buildout approaches >US$1 trillion per year (for multiple years), the range of potential sharemarket outcomes has broadened. The growing reliance on debt financing for the key AI participants (because operating cash flows are insufficient) adds further complexity to the outlook.

Despite the U.S. Consumer Price Index indicating slowing inflation, the new Fed Chair, Kevin Warsh struck a hawkish tone during his speech at Jackson Hole. The Chicago Mercantile Exchange Fedwatch tool now indicates >50% chance of a rate hike in the September meeting. The trajectory of inflation is further complicated by the stop-start ceasefires hanging over the Strait of Hormuz and its impact on the economically significant supply of energy.

Key Facts	
Inception Date	30 June 2014
Strategy FUM (AUD)	$1,513 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

Moderna (+2.3% contribution to Portfolio return) was far and away the Portfolio's largest contributor following success in the phase III trials for its personalised cancer vaccine Intismeran. The stock's +177% single-day surge may have broken a historic 25-year record as the largest single-day percentage gain for any current S&P 500 company. Combined with **Revolution Medicines** (+0.2%) and **Eli Lilly** (-0.1%), the aggregate contribution of life sciences in August was equivalent to all of the outperformance. This underpins the importance of investing in disruption across all sectors – life sciences, streaming, e-commerce, electrification, etc.

August was also a strong month for streamers **Netflix** (+0.4%) and **Spotify** (+0.3%). **Uber** was flattish (+0.2%). The latter two companies have experienced material multiple compression. In the case of Spotify, the company missed earnings estimates due to larger than expected AI expenditure. Investors are nervous about Uber because of driverless taxis.

AI hardware was a mixed contributor to the Portfolio. **Nvidia** (+0.6%) was the second largest contributor after a formidable earnings report and positive guidance for the next 18 months (the first time the company has ever done so). Although it holds the title of the world's largest company by market capitalisation, it is still priced reasonably and projected to achieve over 100% earnings growth in 2026. Conversely, **Broadcom** (-0.3%), was the third-biggest detractor. Even with solid valuation backing, worries persist regarding potential for loss of market share in its custom AI accelerators.

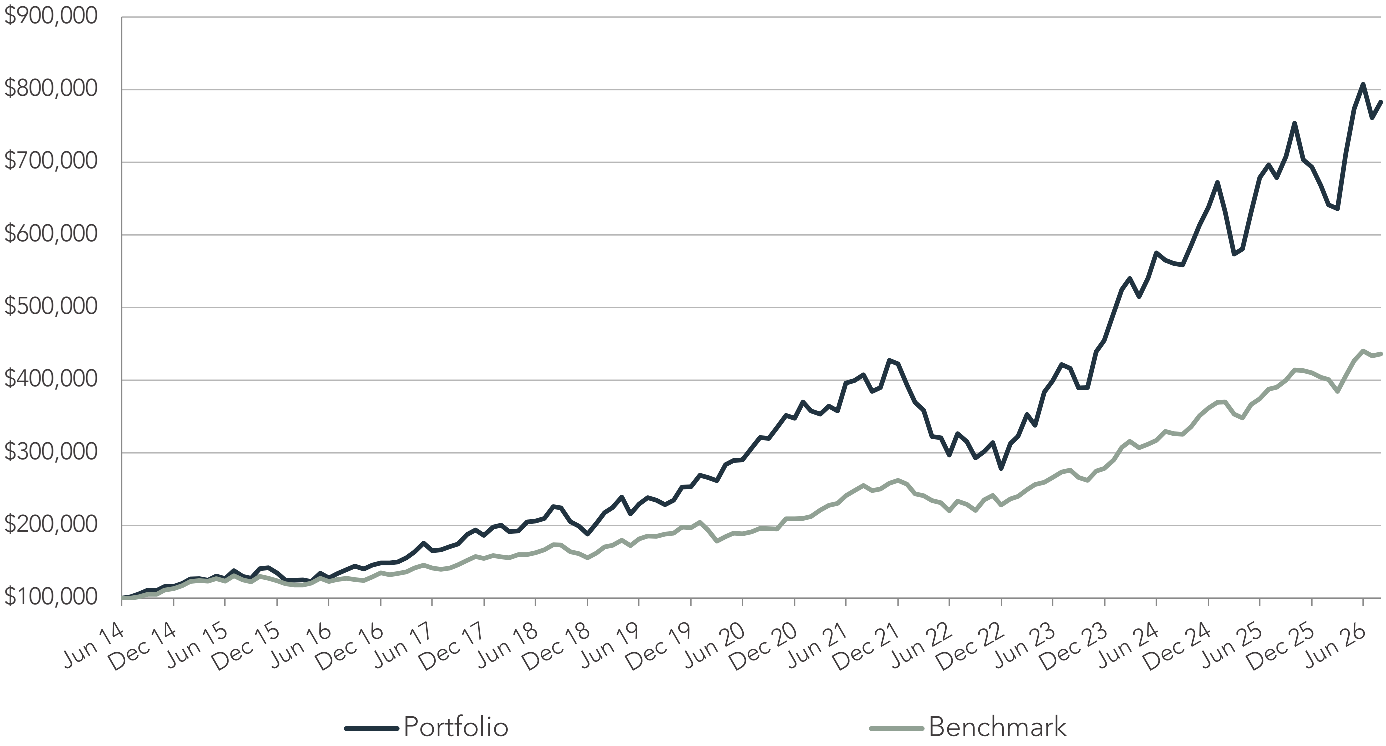
This variation of performance was further reflected across the contributions of **SanDisk** (+0.4%) and **Marvell Technology** (+0.1%) compared with **Advanced Micro Devices** (-0.1%) and **MKS Instruments** (-0.3%). Despite the strong year-to-date performance of all of these stocks, we believe the valuations remain compelling.

The Australian dollar appreciated +2.0% 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 (24.9%)
- Digital Media (14.7%)
- Cloud and Software (13.7%)
- Internet of Things and Robotics (12.9%)
- Platforms and Ecommerce (10.8%)
- Health and Life Sciences (10.4%)
- New Energy (10.4%)
- Cash (2.3%)

Portfolio Construction

At month end, the Portfolio was 97.7% 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)	0.90
Information Ratio[3]	0.47
Volatility[3]	18.0%

Capitalisation (USD)		
Mega Cap	> $100b	83.6%
Large Cap	$50-100b	4.6%
Mid Cap	$2-50b	9.5%
Small Cap	< $2b	0.0%

[3] Since inception.

Top 10 Holdings (in alphabetical order)

BROADCOM	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	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.
Lilly	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	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	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.
NETFLIX	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	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	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.
tsmc	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	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

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