



LOFTUS PEAK

Loftus Peak Global Change Portfolio

MONTHLY UPDATE

SEPTEMBER 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)	+3.33%	+0.20%	+27.17%	+14.31%	+27.61%	+16.03%	+19.80%	+18.84%	+18.61%
Benchmark	+1.97%	+1.03%	+15.66%	+11.18%	+18.67%	+12.40%	+13.07%	+13.48%	+12.95%
Outperformance (net-of-fees)	+1.36%	-0.83%	+11.50%	+3.14%	+8.93%	+3.63%	+6.73%	+5.35%	+5.65%

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 U.S. Federal Reserve raised interest rates for the first time in two years, a move widely anticipated. Investors expected an even more hawkish tone from the new Fed Chair Kevin Warsh. His moderate tone, combined with undemanding valuations in many large cap companies and growing demand for Artificial Intelligence (AI) helped drive equity markets to record highs. The value of the Portfolio increased +3.3% (net-of-fees) in September, while the benchmark was up +2.0%, generating Portfolio outperformance of +1.4%.

AI demand received a significant boost with the debut of Meta Muse, marking the first consumer-oriented agentic AI aimed at widespread adoption. Moving beyond document creation and coding tasks, this AI autonomously manages everyday errands: cancelling unwanted subscriptions, discovering restaurants tailored to individual preferences, and completing reservations. While consumer AI was long anticipated, its realisation required advances in foundational models, computational power, software integration and system harnesses (the operational frameworks surrounding the models). Meta's progress in consumer AI was echoed by OpenAI's 1.2 billion weekly active user milestone, announced during the month. The vast majority of these users were previously un-monetised consumer accounts.

High profile AI hacks revealed during the month culminated in a broader industry commitment to control the bleeding edge of AI research. While this could slow the rate of AI improvement, it will likely come at the cost of more compute resources required to monitor the AI itself. As a result, it is probably a net positive for AI demand - at least as far as compute is concerned.

Key Facts

Inception Date	30 June 2014
Strategy FUM (AUD)	\$1,579 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

Agentic consumer AI served as the primary driver of the Portfolio’s overall performance. Even though **Meta** (+1.5% contribution to performance) has directed substantial capital toward AI over multiple quarters, investors remained slow to price this into the stock, mindful of earlier investment errors including the Metaverse. Late in the month Meta released its Muse AI agent, which helped move the stock price by around 40%. Its performance was reminiscent of **Alphabet** (+0.1%) in 2025 and justified maintaining a sizable position in the company.

Although Meta is currently testing usage-based subscription tiers, advertising continues to generate the vast majority of its revenue, leaving the direct monetisation trajectory for its agentic offerings uncertain. What is more clear is the significant compute demands generated from the proliferation of agentic AI. This was reflected in the contributions to return of semiconductor names such as **AMD** (+0.9%), **TSMC** (+0.8%), **Nvidia** (+0.6%) and **Marvell** (+0.6%).

Conversely, the detractors for the month were companies with a perceived disruption risk due to agentic consumer AI. Specifically, subscription-based entertainment groups like **Netflix** (-0.5%) and **Spotify** (-0.3%) sold down as agentic AI is now being seen as a catalyst for users to unsubscribe. Such share price declines appear largely knee-jerk; neither Netflix nor Spotify relies on hindering customer cancellations as a primary strategy for subscriber retention.

Datadog (+0.4%) was another contributor, rising off the back of increased AI demand for cybersecurity. While Datadog is not a cybersecurity company per se, its observability functionality is useful for monitoring AI deployments. Although Datadog’s valuation remains at a reasonable level, cybersecurity firms such as Palo Alto Networks and CrowdStrike (both previous holdings) sit at extremely bullish valuations. While these players may well capture a substantial share of this expanding market, such elevated valuations leave minimal margin for error.

CATL (-1.2%) was the single largest detractor as rumours swirled that key automakers are broadening battery supply chains away from the company. CATL commands a leading share of the battery market and an enormous share of its gross profits. This dominance was born out of CATL’s manufacturing efficiency and technology leadership. Replacing CATL is a costly choice in an EV market already seeing ferocious competition.

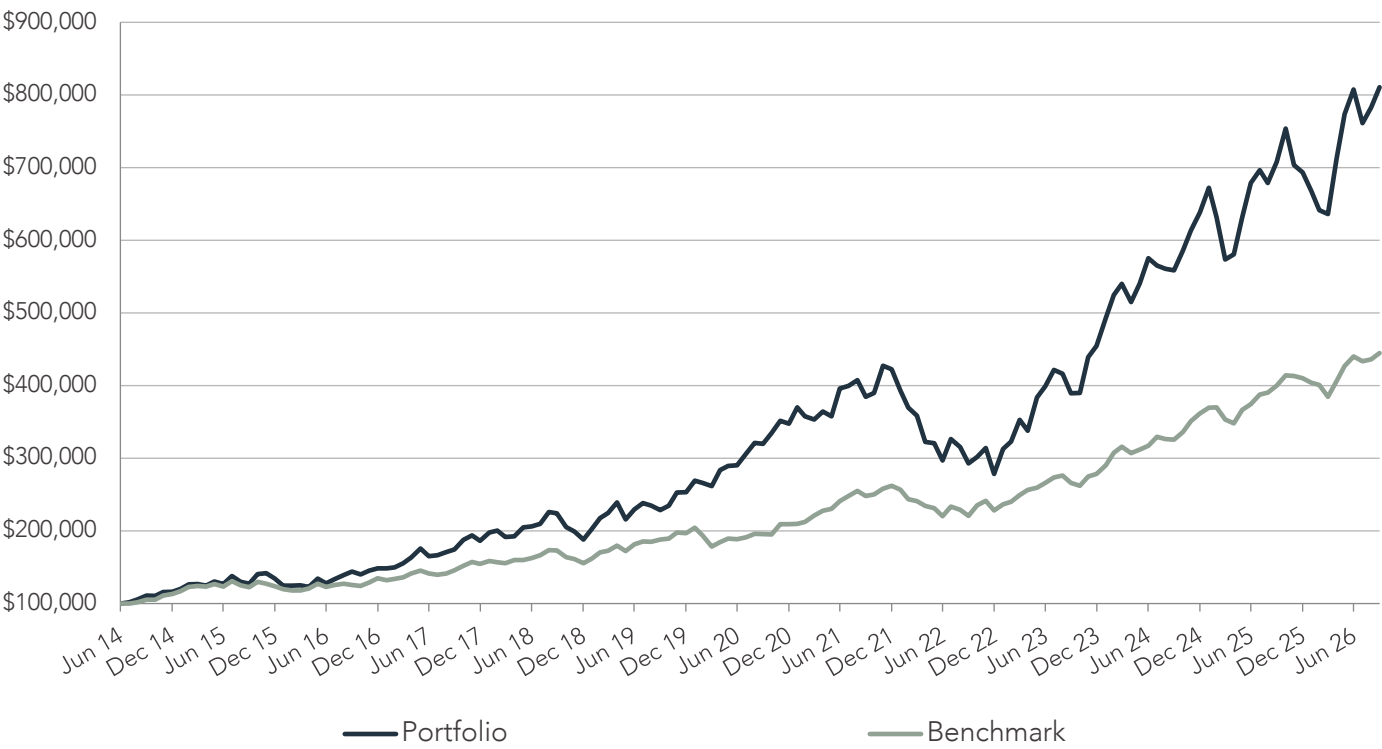
Uber (-0.3%) could be at risk if users installed multiple different ride share platforms and then operated the agent on top to look through all of the offerings and select the best ride. However, the valuation remains compelling.

The Australian dollar depreciated -2.7% 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.

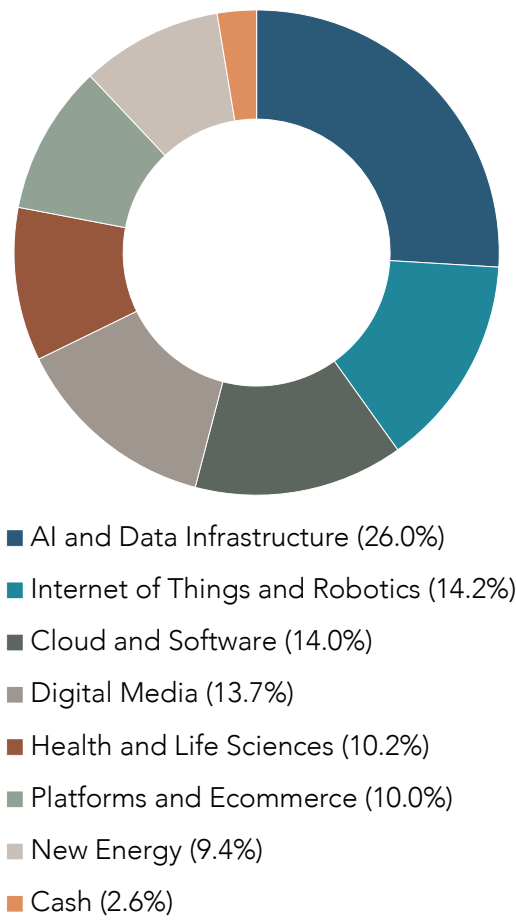
The Team	
Alex Pollak	CIO and Founder
Anshu Sharma, CFA	Portfolio Manager and Founder
Harry Morrow, CFA	Senior Investment Analyst
Raymond Tong, CFA	Head of Research

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



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	32
Sharpe Ratio ³ (risk-free rate = BBSW3M)	0.91
Information Ratio ³	0.48
Volatility ³	18.0%

Capitalisation (USD)		
Mega Cap	> \$100b	83.5%
Large Cap	\$50-100b	4.6%
Mid Cap	\$2-50b	9.3%
Small Cap	< \$2b	0.0%

³ Since inception.

Top 10 Holdings (in alphabetical order)

	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.
	ASML – is the world's leading supplier of photolithography equipment used to manufacture advanced semiconductors. The company is the sole producer of extreme ultraviolet (EUV) lithography systems, which are essential for producing leading-edge chips used in AI, smartphones, and high-performance computing. ASML's product portfolio also includes deep ultraviolet (DUV) lithography systems, and computational lithography software. Its customers include the world's largest chip manufacturers, such as TSMC, Samsung, and Intel. As semiconductor complexity continues to increase, ASML plays a critical role in enabling advances in AI, computing, and the broader digital economy.
	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 – 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 – 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 – 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.
	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.

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Firm Awards



IMAP
MANAGED ACCOUNT
AWARD FINALIST
INTERNATIONAL
EQUITIES



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