LOFTUS PEAK

Loftus Peak Global Disruption Fund (Class A)

MONTHLY UPDATE OCTOBER 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.	Inception p.a.
Fund (net-of-fees)	-8.14%	-1.94%	+5.71%	+0.71%	+27.39%	+8.33%	+15.09%	+15.63%
Benchmark	-2.73%	-0.30%	+6.54%	+4.53%	+18.23%	+11.61%	+12.55%	+12.94%
Outperformance (net-of-fees)	-5.41%	-1.63%	-0.83%	-3.82%	+9.15%	-3.29%	+2.54%	+2.69%

Source: Loftus Peak, MSCI. Past performance is not a reliable indicator of future performance. Returns greater than one-year are annualised. Net-of-fees performance for the Fund is based on end-of-month redemption prices after the deduction of fees and expenses and the reinvestment of all distributions. Investment return and the principal value fluctuate, so your units, when sold, may be worth more or less than the original cost. For further details, please refer to the Fund's Product Disclosure Statement, Information Booklet and Target Market Determination. The data source for the Fund's benchmark was changed from Bloomberg to MSCI effective 29 February 2024. All data prior to this date remains unchanged. Loftus Peak Pty Limited replaced Orca Funds Management as the Investment Manager of the Fund on 1 March 2024.

Review and Performance

It now seems clear that the market sell-off which drove a bad October for Loftus Peak was the precursor to a full-on market rout which followed the shock-sized US mid-term republican election loss. One of the proximate causes for this is the headwind for the build-out of Artificial Intelligence (AI) datacentres. So it was that the value of the Fund decreased -8.1% (net-of-fees) in October, with the benchmark MSCI All Countries World Index (net dividends reinvested) in Australian dollars was down -2.7%, generating Fund underperformance of -5.4%.

Some of these losses appear now to have been staunched, with the market turning up late last week. We believe that the buildout of AI datacentres and AI compute itself, from GPU's (semiconductors) to end customers, will proceed - though not at the pace thought possible as recently as a month ago. There is a usage boom in demand for AI tools from large companies all the way to children doing homework, with the pushback around the siting of the datacentres rather than the AI itself.

When all is said and done, what that means is that AI investment returns may not be as good as predicted. But not as good as… what? Investors who have waited out the AI "bubble" have lost out. While those who have stayed in the trade have benefited mightily. Loftus Peak as a funds manager has historically preferred the players which have carefully mitigated risk and so has not owned shares in companies like CoreWeave (a neocloud) or fringe chip producers or any of the myriad companies pitching for a slice of AI business.

These leveraged players will find it harder if not impossible to find new finance in the coming months. This is a market clearing event which will winnow out the weaker players leaving those with the best technology/ biggest balance sheet as the main players.

Key Facts	
Inception Date	25 July 2017
APIR Code	PIM4432AU
Fund FUM (AUD)	$177 million
Strategy FUM (AUD)	$1,480 million
Product Type	Registered Managed Investment Scheme domiciled in Australia
Responsible Entity	The Trust Company (RE Services) Limited ("Perpetual")
Investment Universe	Listed Global Equities
No. of Investments	15-35
Benchmark	MSCI All Countries World Index (net dividends reinvested) in Australian dollars
Cash & Cash Equivalents	Up to 20%
Suggested time frame	3-5 years
Minimum Investment	$5,000
Platforms	HUB24, Xplore Wealth and Powerwrap

Contributors and Detractors to Return

The biggest contributor for October was **Eli Lilly** (+1.4%). The company reported better than expected numbers and guided higher for coming quarters, driven by the existing injectable obesity drugs (the GLP-1's). During the quarter, Lilly grew share in the U.S. and in international markets. Insurer and pharmacy coverage constraints have kept initial revenue from its oral weight-loss treatment, Foundayo, relatively modest; its next-generation injectable GLP-1, Retatrutide, is also awaiting commercial release. Together, these upcoming therapies position the business for further long-term growth.

Spotify (+0.7%) was the second largest contributor after posting solid earnings. The company exceeded expectations for subscriber ads, bringing the total paid user base to 306 million. Spotify continues to draw users into its higher tier and leverage its advertising business to push gross margins higher. **Instacart** (+0.6%) was the third largest - rising after Dash announced its acquisition of the grocery delivery company for US$65 per share.

CATL (-1.9%) was the largest detractor after a sharp turn in the regulatory stance of the Chinese government. The government has imposed a 2% consumption tax on lithium-ion batteries and has reduced the value-added tax rebates on battery exports. Even though the company is leading the shift towards new battery chemistries, these regulations are material and also indicate the government's willingness to crack down on the industry. This is a deterrent for many investors and a structural headwind for the share price.

AI hardware as a group was the key detractor for October. **Nvidia** (-0.9%) was the second largest detractor on account of its larger weight. Other detractors include **TSMC** (-0.7%), **ASML** (-0.6%), **Seagate Technology** (-0.5%), **Marvell Technology** (-0.5%), **MKS Instruments** (-0.4%), **AMD** (-0.4%) and others. Some of these companies have already reported, delivering relatively strong results on top of undemanding valuations. Although risks around funding and regulation exist, we see incremental data points demonstrating the sustainability of AI businesses. As the AI hardware valuations become more compelling, we are looking to steer the position into the stocks with the cleanest path to material upside.

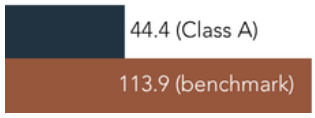
The Australian dollar appreciated +1.1% against the US dollar over the month, decreasing the value of the Fund's US-dollar denominated positions. At month-end, the Fund carried a foreign currency exposure of 99.4%.

Fees	
Management Fees & Costs	1.45% per annum (inc. GST net RITC)

Unit Prices	
Pricing Frequency	Daily
Date	30 October 2026
Entry Price (in AUD)	3.2287
Exit Price (in AUD)	3.2159

Annual Distributions	
30 June 2026	28.00 cents per unit
30 June 2025	63.23 cents per unit
30 June 2024	55.00 cents per unit

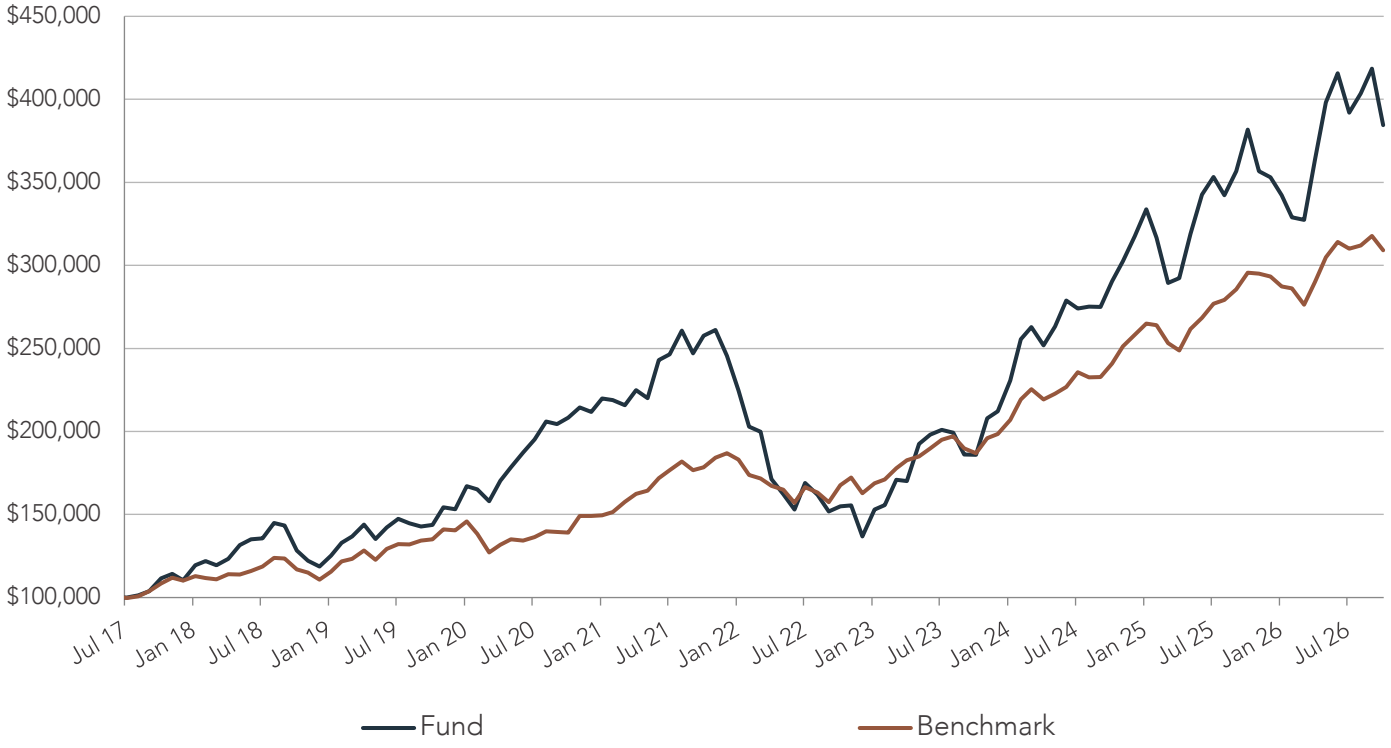
Applications and Withdrawals	
Withdrawal Notice	Generally, notice received by 2pm (Sydney time) receives the price effective for that business day.

ESG Attributes	
Carbon Intensity[2]	**61% less carbon intensive than benchmark:** tCO2e/Mil USD  No exposure to companies involved in fossil fuel extraction, generation and related products and services.

[2] Source: Sustainalytics.

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 dividends reinvested) in Australian dollars.

Portfolio Exposure



- AI and Data Infrastructure (25.9%)
- Internet of Things and Robotics (15.2%)
- Cloud and Software (15.1%)
- Digital Media (14.7%)
- Health and Life Sciences (12.2%)
- Platforms and Ecommerce (10.6%)
- New Energy (4.2%)
- Cash & Cash Equivalents (2.1%)

Portfolio Construction

At month end, the Fund was 97.9% invested with the balance in cash and cash equivalents exposure. The Fund has a high exposure to large capitalisation names which are highly cash generative with strong balance sheets. Focusing on high quality companies helps the Fund 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)	0.69
Information Ratio[3]	0.21
Volatility[3]	19.3%

Capitalisation (USD)		
Mega Cap	> $100b	75.6%
Large Cap	$50-100b	7.7%
Mid Cap	$2-50b	14.5%
Small Cap	< $2b	0.0%

[3] Since inception.

Top 10 Holdings (in alphabetical order)

	**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.
	**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.
	**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 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's mission is to unlock the potential of human creativity by giving a million creative artists the opportunity to live off their art and billions of fans the opportunity to enjoy and be inspired by it. Spotify's platform revolutionised music listening forever when it launched in 2008. Spotify's move into podcasting brought innovation and a new generation of listeners to the medium, and in 2022 it entered the next audio market with the addition of audiobooks.. It is the world's most popular audio streaming subscription service with more than 574 million users, including 226 million subscribers in 184 markets. The company was founded by Daniel Ek and Martin Lorentzon in April 2006 and is headquartered in Luxembourg.
	**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

IMAP MANAGED ACCOUNT AWARD FINALIST INTERNATIONAL EQUITIES

FINALIST 2024 BEST AUSTRALIAN BASED GLOBAL MANAGER Loftus Peak australianfma.org

2024 FINALIST HEDGE FUNDS Rock BEST LISTED ALTERNATIVE INVESTMENT PRODUCT

IMAP MANAGED ACCOUNT AWARD FINALIST INTERNATIONAL EQUITIES

THE AUSTRALIAN FUND MANAGER AWARDS 2023 WINNER BEST AUSTRALIAN BASED GLOBAL EQUITY MANAGER

To learn more about our awards and their criteria, please visit:
https://imap.asn.au/; https://australianfma.org/; https://www.hedgefundsrock.org.au/

Research Ratings

Zenith RECOMMENDED

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The Loftus Peak Global Disruption Fund (Class A)'s Target Market Determination is available at www.loftuspeak.com.au in the downloads tab. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

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