

# ARK GLOBAL DISRUPTIVE INNOVATION FUND

## Net returns as at 31 May 2025

	1 month	3 months	1 year	3 years p.a.	5 years p.a.	Since inception* p.a.
Ark Global Disruptive Innovation Fund <sup>‡</sup>	10.94	0.38	44.99	15.89	0.62	5.16
Growth return <sup>#</sup>	10.94	0.38	44.99	15.89	0.58	5.13
Distribution return <sup>#</sup>	0.00	0.00	0.00	0.00	0.04	0.03
MSCI All Countries World Index <sup>^</sup>	5.14	-0.94	17.45	16.42	14.06	11.85

Past performance is not a reliable indicator of future performance. Taxes payable by investors have not been taken into account. The figures shown have been provided for illustrative purposes – they are unaudited and subject to change. The total returns shown are prepared on an exit to exit basis – they include all ongoing fees and expenses and assume reinvestment of all distributions.

<sup>‡</sup>Effective April 2023, the Fund was renamed from the Nikko AM Ark Global Disruptive Innovation Fund to the Ark Global Disruptive Innovation Fund. There was no change to the Fund's investment team, philosophy or process. The Fund gains exposure to global equities by investing in the Nikko AM ARK Disruptive Innovation Fund (Underlying Fund), a sub-fund of the Nikko AM Global Umbrella Fund. The Underlying Fund is an open-ended investment company (Company) established under Luxembourg law as a 'société d'investissement à capital variable' (SICAV).

<sup>#</sup>Growth returns are measured by the movement in the Fund's unit price, ex-distribution. Distribution return is the proportion of the total return which is paid to unitholders by way of distribution. It does not include distribution amounts deemed as capital distributions.

<sup>^</sup> Reference Index shown for illustrative purposes only: MSCI All Countries World Index (with net dividends reinvested) expressed in Australian Dollars (unhedged).

\* Inception date of the ARK Global Disruptive Innovation Fund: August 2018.

## Portfolio review

The Fund outperformed broad based global equities during the month (net).

Key contributors to absolute performance:

- **Roblox**, a leading online gaming and metaverse platform, shares climbed higher after reporting strong Q1 results, with revenue and bookings growth year-over-year, both exceeding analyst expectations. The company also raised its full-year guidance.
- **Tesla** shares advanced as Elon Musk shifted focus back to growth initiatives, stepping back from political involvement. The company showcased AI progress through new videos of its Optimus robot performing practical tasks and dancing. The company also strengthened its leadership team with the appointment of Jack Hartung to the Board. Additionally, reports suggested Tesla may launch robotaxi operations in Austin in June, following successful incident-free testing of driverless Model Ys in the city.
- **Robinhood**, a retail brokerage and trading platform, rallied after reporting strong Q1 earnings, with year-over-year revenue and net income growth. The stock also rose following its acquisition of crypto exchange Bitstamp, expanding its global crypto footprint and institutional client reach. Increased trading activity amid market volatility further supported performance.

- **Coinbase**, the largest U.S.-based cryptocurrency exchange, outperformed after being added to the S&P 500 index in May—becoming the first crypto-native firm to join. The stock was also buoyed by Bitcoin's surge to a record high above \$111,000 and announced acquisition of crypto options exchange Deribit, expanding its footprint in derivatives.
- **Palantir Technologies**, a data analytics and defence software company, shares rose following a strong Q1 earnings report with year-over-year revenue growth and a raised 2025 revenue outlook. The Pentagon's announcement of increased funding for Palantir's Maven Smart System further reinforced its strategic role in defence technology.

Key detractors from absolute performance:

- **Beam Therapeutics**, a gene editing company, weighed on performance following its Q1 earnings results. During the month Beam achieved several regulatory milestones, including FDA Orphan Drug and Regenerative Medicine Advanced Therapy designations for BEAM-302 (an in vivo base editing therapy for alpha-1 antitrypsin deficiency) and Orphan Drug Designation for BEAM-101, its ex vivo base editing candidate for sickle cell disease.
- **Twist Bioscience**, a synthetic DNA manufacturer, faced headwinds after announcing the spinout of its DNA data storage technology into Atlas Data Storage, which secured significant seed funding. Although Twist retains internal use of the technology and

reported year-over-year revenue growth with improved gross margins, concerns over the strategic shift pressured the stock.

- **Recursion Pharmaceuticals**, a biotech focused on AI-driven drug discovery, saw a pullback after trimming its pipeline—cutting three clinical programs, pausing one clinical candidate, and discontinuing a preclinical effort—to focus on higher-confidence assets and evolve toward validated candidates.
- **Schrödinger**, a scientific software and drug discovery company, experienced weakness amid leadership changes including CFO Geoffrey Porges' departure and the appointment of Mannix Aklia as Chief Commercial Officer. Despite reaffirming 2025 guidance and resilient software revenue growth, the stock remained flat amid restructuring efforts to reduce workforce and costs.
- **Veracyte**, a genomic diagnostics firm, declined following Q1 results that showed revenue and test volume growth alongside a strong testing revenue outlook. Despite this, the company's wind-down of French operations and strategic operational adjustments in Europe likely contributed to its share's temporary underperformance.

## Market outlook

Broad-based global equity indexes traded up, due to favourable reactions to progress in trade negotiations between the United States and the United Kingdom, China, and other countries, as well as rising expectations for President Trump's tax cuts. Relative to the MSCI World Index, the Information Technologies, Communication Services, and Industrials sectors outperformed on balance in May, while Health Care, Real Estate and Consumer Staples sectors lagged.

While short-term uncertainty is weighing on growth, Ark believe that interest rates are likely to surprise to the downside. A loss of pricing power will force corporations to curb employment, extending the pressure on growth. Longer-term, setting the stage for a rebound as the Trump administration implements pro-growth policies, breakthroughs in AI, robotics, energy storage, blockchain, and multiomics sequencing should unleash productivity and real economic growth.

## Top 10 holdings (underlying Fund\*)

Security Name	% of Fund
Tesla Inc	9.2
ROBLOX Corp	8.6
Coinbase Global Inc	8.2
Palantir Technologies Inc	7.0
Roku Inc	5.6
Robinhood Markets Inc	5.0
Shopify Inc	4.7
Tempus AI Inc	4.2
Meta Platforms Inc	3.2
Amazon.com Inc	2.7

## Sector exposure (underlying Fund\*)

Element	Exposure (%)
Communication Services	24.6
Information Technology	22.0
Health Care	17.7
Consumer Discretionary	17.0
Financials	15.3
Industrials	3.4

## Portfolio composition (underlying Fund\*)

Element	Exposure (%)
Intelligent Devices	21.9
Next Gen Cloud	17.9
Digital Wallets	11.1
Neural Networks	10.7
Autonomous Mobility	10.2
Multiomic Technologies	8.9
Cryptocurrencies	4.7
Precision Therapies	3.9
Smart Contracts	3.7
Advanced Battery Technologies	3.3
Programmable Biology	1.9
Humanoid Robotics	1.9

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Features

Investment objective	The Fund aims to achieve a target average total return (before fees, expenses and taxes) of 10% to 15% per annum over a rolling five year period.	
Recommended investment time frame	7+ years	
Fund inception	August 2018	
Fund size	A\$46.7 mn as at 31 May 2025	
APIR code	NIK1854AU	
Estimated management cost	1.35% p.a.	
Buy/sell spread	+/- 0.20%	
Platform availability	Asgard BT Panarama Hub24 Macquarie Wrap	Netwealth Praemium uXchange

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## Applications and contacts

Investment into the ARK Global Disruptive Innovation Fund can be made by Australian resident investors only.

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