

ARK GLOBAL DISRUPTIVE INNOVATION FUND

Net returns as at 31 July 2025

	1 month	3 months	1 year	3 years p.a.	5 years p.a.	Since inception* p.a.
Ark Global Disruptive Innovation Fund [‡]	7.89	34.92	63.41	22.59	1.41	8.05
Growth return [#]	7.89	34.92	63.41	22.59	1.41	8.01
Distribution return [#]	0.00	0.00	0.00	0.00	0.00	0.03
MSCI All Countries World Index [^]	3.17	11.30	17.52	18.37	15.24	12.46

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.

[‡]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).

[#]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.

[^] 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, rose following the launch of its new self-serve licensing platform, which enables creators to legally incorporate blockbuster franchises into their Roblox experiences.
- **Coinbase Global**, a major cryptocurrency exchange and financial services provider, traded up supported by strong crypto asset performance. Additional momentum came from several positive developments: a strategic partnership with a large U.S. bank to facilitate easier crypto purchases, the launch of the Base app, and the rollout of CFTC-regulated perpetual futures.
- **Palantir Technologies**, a data analytics and AI software company, rallied to record highs, driven by the ongoing success of its commercial AI business.
- **Advanced Micro Devices (AMD)**, a global semiconductor company, rose ahead of its fiscal second-quarter earnings report. Investor enthusiasm was fuelled by anticipation around new AI products and strategic initiatives. Confidence was further bolstered by plans to resume MI308 chip sales to China and OpenAI's reported intent to increase its use of AMD products.

- **Robinhood Markets**, a commission-free trading platform operator, saw its shares advance. Robinhood demonstrated exceptional product velocity, unveiling several new features and hosting a dedicated event focused on its crypto strategy. As part of its crypto push, Robinhood launched a promotion matching 2% of any crypto deposits made to the platform. At its highly anticipated crypto event, the company announced the introduction of tokenized stocks and ETFs for EU customers, the launch of 24/5 commission-free trading of tokenized U.S. securities, and the development of a proprietary Layer 2 blockchain built on Arbitrum to support tokenized assets. Additionally, Robinhood enabled crypto staking for Ethereum and Solana in the U.S., offering APYs higher than their competitors. The company also introduced advanced Robinhood Legend charts on its mobile app and added crypto rewards to its Robinhood Gold credit card.

Key detractors from absolute performance:

- **Tempus AI**, a healthcare technology company specializing in AI-driven diagnostics, rose following the announcement of FDA 510(k) clearance for its ECG-Low EF software, enhancing its credibility in the sector. However, the stock later declined due to ongoing class action lawsuits and concerns over unethical billing practices, which raised scrutiny around its financial reporting and operational integrity.

- **Spotify**, a leading global audio streaming platform, detracted from performance after reporting second-quarter earnings that showed year-over-year growth in monthly active users. However, third-quarter revenue and gross margin guidance missed Wall Street expectations, largely due to foreign exchange headwinds.
- **Natera**, a genetic testing and diagnostics company, declined despite no company-specific news, amid a broader sell-off in biotech stocks during the month.
- **Tesla**, an electric vehicle and clean energy company, saw its stock decline despite several positive developments—including expansion of its Austin robotaxi service, entry into the Indian market, and the first fully autonomous Model Y delivery. Investor sentiment was weighed down by CEO Elon Musk’s warning of potentially difficult quarters ahead before autonomy scales, as well as political distractions tied to his launch of the “America Party.” Tesla also signed a chip supply agreement with Samsung.
- **Guardant Health**, a precision oncology company, fell despite strong second-quarter results, including revenue growth and raised 2025 guidance. The decline was driven by investor caution due to delays in Shield V2 data and intensifying competition in the diagnostics space.

Market outlook

Broad-based global equity indices appreciated during the month, as the United States reached tariff agreements with a number of major trading partners. Relative to the MSCI World Index, the Information Technologies, Energy and Utilities sectors outperformed on balance in July, while Healthcare, Consumer Staples, and Materials sectors lagged.

In Ark’s view, the innovation space is not only recovering but also being revalued. The headwinds that once pressured disruptive technologies are shifting into structural tailwinds, supported by broadening market participation, favourable policy shifts around crypto, AI, and healthcare, and potential fiscal catalysts like tax cuts. Should inflation continue to surprise to the downside, interest rates should follow and establish a constructive macroeconomic backdrop that will sustain momentum. The pro-growth policies of the Trump administration, as well as breakthroughs in AI, robotics, energy storage, blockchain, and multiomics, could drive a new cycle of productivity and long-term economic growth, particularly among underappreciated names not yet reflected in benchmark-heavy market leadership.

Top 10 holdings (underlying Fund*)

Security Name	% of Fund
Tesla Inc	8.9
Coinbase Global Inc	7.9
ROBLOX Corp	7.4
Robinhood Markets Inc	5.7
Roku Inc	5.5
Palantir Technologies Inc	5.2
Shopify Inc	4.6
Tempus AI Inc	3.7
Advanced Micro Devices Inc	3.4
Meta Platforms Inc	2.7

Sector exposure (underlying Fund*)

Element	Exposure (%)
Information Technology	25.1
Communication Services	21.3
Health Care	17.0
Financials	16.2
Consumer Discretionary	16.1
Industrials	4.3

Portfolio composition (underlying Fund*)

Element	Exposure (%)
Intelligent Devices	20.0
Next Gen Cloud	15.6
Digital Wallets	12.4
Autonomous Mobility	10.9
Neural Networks	9.6
Multiomic Technologies	8.1
Cryptocurrencies	6.9
Precision Therapies	4.7
Smart Contracts	4.4
Advanced Battery Technologies	3.1
Adaptive Robotics	2.4
Programmable Biology	1.7
Reusable Rockets	0.3

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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\$60.3 mn as at 31 July 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

Applications and contacts

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

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