

ARK GLOBAL DISRUPTIVE INNOVATION FUND

Net returns as at 28 February 2025

	1 month	3 months	6 months	1 year	2 years p.a.	3 years p.a.	5 years p.a.	Since inception* p.a.
Ark Global Disruptive Innovation Fund [‡]	-9.18	3.06	38.68	22.10	27.69	0.60	3.30	5.31
Growth return [#]	-9.18	3.06	38.68	22.10	27.69	0.60	3.25	5.27
Distribution return [#]	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.04
MSCI All Countries World Index [^]	-0.30	5.08	13.56	20.48	23.92	14.88	13.60	12.50

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 underperformed broad based global equities during the month (net).

Key contributors to absolute performance:

- **Palantir Technologies**, which provides data analytics and AI-driven platforms for government and commercial clients, performed well this month following a strong earnings report showcasing significant growth in U.S. customers and commercial revenue. The stock surged as the company reported an increase in U.S. commercial revenue year-over-year and provided an optimistic outlook for fiscal year 2025, indicating continued demand for its AI-driven platforms, particularly from government clients. However, concerns about U.S. government budget cuts negatively impacted Palantir's stock price by the end of the month.
- **Pinterest**, a social media platform focused on visual discovery and inspiration, saw positive performance this month after reporting strong fourth-quarter earnings, including year-over-year revenue growth and an increase in global monthly active users.
- **Spotify**, a music streaming service, performed well after reporting strong fourth-quarter earnings, highlighted by revenue growth year-over-year on an FX-neutral basis and an increase in monthly active users (MAUs) across all regions.
- **Mercadolibre**, an e-commerce and fintech platform

in Latin America, also performed well following a strong fourth-quarter earnings report, marked by 96% revenue growth on an FX-neutral basis and operating margin expansion.

- **DraftKings**, a sports betting and gaming company, had a strong month after reporting solid fourth-quarter results, including year-over-year revenue growth and an increase in average monthly unique paying customers. Management raised its guidance, projecting approximately 35% revenue growth for 2025.

Key detractors from absolute performance:

- **Tesla** shares were sold off amid concerns about slowing EV adoption linked to Elon Musk's political involvement. However, the company continued advancing its Full Self-Driving (FSD) software, launching FSD Supervised Beta in Mexico and introducing FSD-like smart driving features in China. Tesla remains on track to launch a commercial robotaxi service in Austin in June. Later in the month, Tesla began delivering the refreshed Model Y in China, with U.S. deliveries expected to begin in early March.
- **Coinbase**, a cryptocurrency exchange platform, tracked the decline in Bitcoin prices. However, the company reported strong fourth-quarter earnings, with year-over-year growth in net revenue and trading volume. The SEC also formally dropped its case against Coinbase, marking a key milestone that

signals the end of "regulation by enforcement" under former SEC Chair Gary Gensler and a more progressive approach to digital asset regulation in the U.S.

- **Block Inc**, a financial technology company, reported lower-than-expected year-over-year revenue growth in its fourth-quarter results. However, Square, the company's merchant platform, delivered solid performance, with accelerating Gross Payment Volume (GPV) growth year-over-year.
- **The Trade Desk**, a digital advertising platform, reported fourth-quarter earnings that missed Wall Street expectations for the first time since going public. Management also provided weaker-than-expected revenue guidance for the first quarter. CEO Jeff Green acknowledged execution missteps and announced a strategic reorganization to streamline operations. The company launched a share buyback program, signalling confidence in its long-term prospects and strong market position in the evolving digital advertising landscape.
- **Roblox Corp**, a gaming platform operator, reported strong fourth-quarter earnings, though revenue growth slightly missed Wall Street expectations. Additionally, the governor of New Jersey proposed an increase in iGaming and sports betting taxes, which could negatively affect the industry.

Market outlook

Broad-based global equity indexes declined in February, reflecting heightened uncertainty surrounding the presidential transition and increased downside risks for economic growth. Relative to the MSCI World Index, the Consumer Staples, Real Estate, and Energy sectors outperformed, while the Consumer Discretionary, Communication Services, and Technology sectors lagged.

Although short-term uncertainty is weighing on growth, Ark believe interest rates are likely to surprise on the downside, paving the way for a rebound as the Trump administration implements pro-growth policies. In the longer term, advancements in AI, robotics, energy storage, blockchain, and multiomics sequencing should drive productivity and real economic growth.

Top 10 holdings (underlying Fund*)

Security Name	% of Fund
Tesla Inc	8.4
Roblox Corp	7.2
Palantir Technologies Inc	6.4
Roku Inc	6.4
Coinbase Global Inc	6.2
Shopify Inc	4.8
Robinhood Markets Inc	4.6
Meta Platforms Inc	4.4
Tempus AI Inc	4.1
Block Inc	3.2

Sector exposure (underlying Fund*)

Element	Exposure (%)
Communication Services	25.4
Health Care	20.7
Information Technology	20.4
Consumer Discretionary	15.8
Financials	15.5
Industrials	2.2

Portfolio composition (underlying Fund*)

Element	Exposure (%)
Intelligent Devices	22.5
Next Gen Cloud	16.1
Digital Wallets	12.4
Neural Networks	11.0
Multiomic Technologies	9.7
Autonomous Mobility	9.4
Precision Therapies	5.4
Cryptocurrencies	3.7
Smart Contracts	2.8
Humanoid Robotics	2.5
Programmable Biology	2.3
Advanced Battery Technologies	2.1

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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\$50.4 mn as at 28 February 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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