

## ARK GLOBAL DISRUPTIVE INNOVATION FUND

### Net returns as at 31 January 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 <sup>‡</sup>	10.56	42.46	47.39	52.04	36.36	0.60	6.30	6.96
Growth return <sup>#</sup>	10.56	42.46	47.39	52.04	36.36	0.60	6.26	6.92
Distribution return <sup>#</sup>	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.04
MSCI All Countries World Index <sup>^</sup>	2.59	9.93	12.41	27.94	25.03	12.89	12.61	12.71

*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:

- **Robinhood** shares saw an increase after a research analyst raised its price target and included the company in their 2025 Financials Top Picks. Robinhood, is a financial services company known for pioneering commission-free trading, offers customers the ability to invest in stocks, options, and cryptocurrencies via a user-friendly app.
- **Tempus AI** shares responded positively to the announcement of a collaboration with Genialis aimed at enhancing precision medicine, as well as the launch of its FDA-approved diagnostic device, xT CDx. The stock surged, reflecting both these advancements and the introduction of the AI-enabled health concierge app, Olivia, which highlights the company's ongoing growth and strategic expansion in the precision medicine sector.
- Shares in online gaming platform operator **Roblox** continued to rise following the momentum generated by its Winter Spotlight launch event, which featured 24 holiday-themed games and rewards, leading to a notable increase in daily active users (DAUs) and overall engagement.
- Digital asset exchange operator **Coinbase** saw its shares rise, largely in line with the increase in Bitcoin's

price over the past month. The company also began rolling out Bitcoin-backed loans, allowing consumers to borrow USDC at competitive interest rates. Additionally, Coinbase acquired a licence from Cyprus-based brokerage firm BUX, enabling it to offer derivatives in several EU countries.

- Data analytics company **Palantir Technologies** saw its shares climb on sustained optimism surrounding the company's prospects under the incoming presidential administration. Furthermore, Palantir is reportedly in talks to invest in ShieldAI, a deal valued at \$5 billion, which could strengthen its position in the AI and data analytics space.

Key detractors from absolute performance:

- **Teradyne** shares declined, despite reporting better-than-expected earnings, as concerns over weakness in industrial automation and robotics dampened sentiment. Although near-term challenges remain, management remains optimistic about long-term growth, underpinned by strategic investments in AI, power semiconductors, and ongoing restructuring efforts.
- **NVIDIA** shares were sold off following concerns over competition from China's AI developments, particularly after the release of DeepSeek-R1. Ark believes these concerns are overstated, as the proliferation of affordable reasoning models should benefit hardware and infrastructure providers for inference workloads. Furthermore, Nvidia's products

remain best-in-class for training workloads, including being used in large numbers to train the DeepSeek models.

- **Intellia Therapeutics** shares weakened following a strategic reorganisation announcement that included the discontinuation of NTLA-3001 and a significant workforce reduction. This shift towards focusing on late-stage programs, particularly NTLA-2002 and nex-z, has created short-term uncertainty among investors. Intellia Therapeutics is a biotechnology company focused on developing gene-editing therapies using CRISPR technology to treat genetic diseases.
- **Advanced Micro Devices** shares dropped after a downgrade from a major research firm, the final round of export controls under the outgoing Biden administration and concerns that DeepSeek's R1 model indicated reduced demand for inference hardware. Ark believes this concern is exaggerated, arguing that the widespread adoption of affordable reasoning models will significantly boost demand for AI inference.
- **Archer Aviation** shares struggled to perform, as part of a broad-market pullback in electric vertical take-off and landing (eVTOL) stocks. The decline followed a major research firm's downgrade of the space, despite raising price targets, reflecting a cautious near-term outlook after significant price appreciation in recent months.

## Market outlook

Broad-based global equity indices appreciated, driven by solid earnings announcements, growing expectations of a more favourable regulatory environment, reduced tax burdens, a rate cut by the ECB, and expectations of economic stimulus measures in China. The Communication Services, Financials, and Healthcare sectors outperformed on balance in January, while the Information Technology, Consumer Staples, and Real Estate sectors lagged.

In ARK's view, the most significant near-term government actions—including deregulation, the Department of Government Efficiency's (D.O.G.E.) efforts to increase government efficiency, a shift in the Securities and Exchange Commission's (SEC) attitude towards digital assets, and the Federal Trade Commission's (FTC) more open stance on mergers and acquisitions (M&A)—will create profound opportunities for innovation, particularly in autonomous mobility, multiomics, and digital assets.

While the consensus forecast is for a soft landing, ARK still expects that a loss of pricing power will force corporations to curb employment, perpetuating the rolling recession that began in the spring of 2022 when the U.S. Federal Reserve (Fed) started hiking interest rates by 22-fold in just over a year.

## Top 10 holdings (underlying Fund\*)

Security Name	% of Fund
Tesla Inc	7.9
Palantir Technologies Inc	7.8
Coinbase Global Inc	7.6
ROBLOX Corp	7.0
Roku Inc	6.1
Robinhood Markets Inc	4.9
Shopify Inc	4.5
Meta Platforms Inc	4.1
Block Inc	4.0
Tempus AI Inc	3.6

## Sector exposure (underlying Fund\*)

Element	Exposure (%)
Information Technology	22.8
Communication Services	23.1
Health Care	20.5
Financials	18.2
Consumer Discretionary	14.5
Industrials	1.0

## Portfolio composition (underlying Fund\*)

Element	Exposure (%)
Intelligent Devices	20.0
Next Gen Cloud	18.1
Digital Wallets	13.1
Neural Networks	11.3
Multiomic Technologies	10.1
Autonomous Mobility	7.7
Precision Therapies	4.7
Cryptocurrencies	4.5
Smart Contracts	3.4
Programmable Biology	2.7
Humanoid Robots	2.4
Advanced Battery Technologies	2.0
Reusable Rockets	0.0
3D Printing	0.0

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## Features

<b>Investment objective</b>	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.	
<b>Recommended investment time frame</b>	7+ years	
<b>Fund inception</b>	August 2018	
<b>Fund size</b>	A\$56.3 mn as at 31 January 2025	
<b>APIR code</b>	NIK1854AU	
<b>Estimated management cost</b>	1.35% p.a.	
<b>Buy/sell spread</b>	+/- 0.20%	
<b>Platform availability</b>	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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