

Monthly Report

May 2025



PERFORMANCE

PERIOD	MINOTAUR	MSCI AC WORLD	ALPHA
1 Month	+9.2%	+5.1%	+4.0%
3 Months	+2.9%	-0.9%	+3.9%
6 Months	+5.5%	+4.1%	+1.4%
1 Year	+23.5%	+17.4%	+6.0%

May 2025

The Minotaur Global Opportunities Fund rose 9.2% in May, comfortably outpacing the 5.1% return of our benchmark. Both of our core themes - European defence and AI - delivered.

Defence: The West Rearms

European defence got a fresh leg up as NATO members began sketching a pathway to Trump's defence spending target of 5% of GDP by 2032. With NATO's June summit in The Hague approaching, Secretary-General Mark Rutte is aiming for a 3.5% baseline and an additional 1.5% earmarked for broader security initiatives. Currently, the US shoulders 64% of NATO's military spend, a ratio the White House seems determined to rebalance.

This reinforces our thesis: the shift in geopolitical burden-sharing isn't a blip, it's a structural change that our portfolio is already positioned for.

AI: More Tokens, More Infrastructure

Nvidia, still one of our largest positions, smashed expectations again. In Q1 FY26, data centre revenue jumped 73%, helping overall revenue grow 69% and net income rise 31%. The key takeaway wasn't just growth, it was usage. On the earnings call, management cited an explosion in inference demand, driven by reasoning models and agentic AI. Microsoft alone used 100 trillion tokens last quarter – a fivefold YoY increase.

The AI megatrend isn't just intact. It's accelerating.

Tailwinds from the Desert

AI also got a geopolitical boost. President Trump struck deals in Saudi Arabia and the UAE to channel investment into semiconductors and data centre infrastructure. When the world's most energy-rich nations start backing your thesis, it's worth paying attention.

Headwinds Elsewhere

Our shorts detracted this month as markets rebounded on hopes of trade de-escalation. The Trump administration softened stances with the UK, China, and the EU, and a US trade court later ruled that most of the Trump tariffs are illegal. Still, the rally felt fragile, what some are calling an “uneasy bid.”

Uneasy because there’s still lots to worry about. Moody’s joined Fitch and S&P in downgrading the US, citing a \$37 trillion debt pile and a fiscal deficit running above 6% of GDP. Yields on 30-year Treasuries pushed past the psychological 5% barrier, and the US dollar recorded its worst start to the year on record (since the availability of data starting in 2005), falling ~8% YTD.



US 30-year treasury yields broke through 5% this month



US Dollar Index down 8% YTD

AI at Minotaur: Accelerating the Edge

Internally, we've leaned into AI even harder particularly with the advent of some new and innovative coding tools. This month, we used OpenAI's coding tool, [Codex](#), to build:

- An earnings preview generator,
- A daily Slack-pushed market briefing,
- A tax optimiser for trade structuring,
- A Taurient chatbot in Slack,
- A YouTube transcript summariser,
- And a tool to convert LLM text to Australian English as the standard for most LLM responses is American English (You can try this one on [our Minotaur website!](#)).

We've also started creating agentic workflows across parts of our investment research. For example, we have one AI analyst that sizes TAMs using reasoning models. It's like hiring a junior analyst who works 24/7 and never asks for coffee.

Passing of the Baton

May also marked a generational moment in markets: Warren Buffett has stepped down as CEO of Berkshire Hathaway after 60 years, passing the baton to Greg Abel. If you're trying to find signs of optimism in US equities, look no further than Buffett's favourite valuation metric - US total market cap to US GDP. This is back to levels not seen since 2020. Cheap, right?



The Bigger Picture

We continue to believe AI is not just a technology wave, but a force multiplier for our own edge - 30 years of pattern recognition honed into the new way to do fundamental investing. As Plutarch says, *"The mind is not a vessel to be filled but a fire to be kindled"*. We would add, *"and the kindling for that fire is AI."*

PORTFOLIO

Top 10 Holdings

ALPHABETICAL — AS AT 31 MAY 2025



CD Projekt Red S.A.

Poland

Mid Cap · Communication Services



Chugai Pharmaceutical Co., Ltd.

Japan

Large Cap · Health Care



COVER Corporation

Japan

Small Cap · Communication Services



CyberArk Software

United States

Large Cap · Information Technology



First Solar Inc.

United States

Large Cap · Information Technology



IperionX Limited

United States

Small Cap · Materials



NVIDIA Corporation

United States

Mega Cap · Information Technology



RENK Group AG

Germany

Mid Cap · Industrials



Rheinmetall AG

Germany

Large Cap · Industrials



Super Micro Computer Inc

United States

Large Cap · Information Technology

Composition

MARKET CAP, EXPOSURE, REGIONS & SECTORS

MARKET CAP

Mega Cap	US\$200bn+	9.6%
Large Cap	US\$10–200bn	49.7%
Mid Cap	US\$2–10bn	13.7%
Small Cap	US\$300m–2bn	13.0%
Micro Cap	<US\$300m	4.3%

REGIONS

North America	38.2%
United States	36.0%
Canada	2.2%
Europe	30.5%
Germany	12.5%
United Kingdom	5.3%
Poland	3.9%
France	3.9%
Italy	2.2%
Sweden	2.0%
Spain	1.6%
Norway	1.1%
Denmark	-2.1%
Asia Pacific	21.6%
Japan	6.8%
Australia	5.8%
China	3.8%
Hong Kong	3.2%
Singapore	1.9%

INVESTED POSITION

Gross Long	98.9%
Gross Short	8.6%
Net Exposure	90.3%
Long Positions	61
Short Positions	7

SECTORS

Energy	1.5%
Materials	3.7%
Industrials	23.7%
Consumer Discretionary	5.9%
Consumer Staples	3.0%
Health Care	6.8%
Financials	3.6%
Information Technology	22.5%
Communication Services	17.0%
Utilities	0.8%
Real Estate	2.0%

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<https://www.minotaurcapital.com/reports/monthly/2025-05>

For investor enquiries, contact invest@minotaurcapital.com.

IMPORTANT INFORMATION

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