

# LOSE THE HOME BIAS.

Need a compelling reason to diversify your portfolio away from the traditional Australian bias? The Magnificent 7 have outperformed the broader market and driven growth in the stock market for several years.

# INTRODUCTION

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Australian investors don't need to venture too far to take advantage of offshore growth opportunities and benefit from foreign currency earnings. Home grown success stories that operate overseas like Goodman Group, Orica, Brambles, Worley, Sonic Healthcare, WiseTech and Aristocrat Leisure offer a certain level of diversification, but there are many other names, sectors and opportunities that Australian investors simply cannot get exposure to by investing locally.

There are 80 major stock exchanges in the world and 53,795 active securities with a total value of ~US\$130 trillion. The Australian share market is currently ranked 12th with a market capitalisation of A\$2.9 trillion (US\$1.9 trillion). While there are over 2,200 stocks listed on the ASX within 11 sectors, most of the value is made up of the top 200 stocks by market capitalisation (The S&P/ASX 200 Index).

However, the Aussie market represents only 1.5% of the total world share market and it is highly concentrated by industry, with Resources and Financials dominating over 50% of the Index by value. Local stocks are also comparatively smaller in terms of market capitalisation and liquidity.

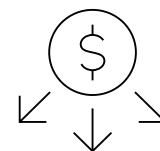
International investing exposes you to the businesses and brands that feature in your daily life. Think about your phone (e.g. Apple or Samsung), credit card (e.g. MasterCard or Visa) or shopping (e.g. Amazon, Nike, Gucci). Global companies not only offer geographical and industrial diversification, but also tap into the next generation of technological advancements (e.g. NVIDIA, Microsoft, Google).

You can gain access to these renowned companies with the same ease and convenience as Australian shares, so what's stopping you from owning a small part of these familiar brand names?

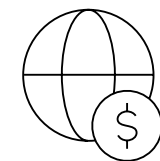
In this report we explore the Magnificent 7, a group of high-performing and influential companies in the U.S. stock market.

## Why invest globally?

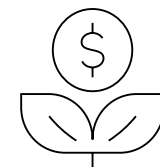
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Diversification of risk



Access to global brands



Exposure to industries and sectors not available in Australia

# THE MAGNIFICENT 7

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## Alphabet

**Alphabet (NASDAQ:GOOGL)**

Alphabet is a global technology conglomerate and the parent company of Google, YouTube and Android, and a broad array of other businesses. Through Google, Alphabet has a near-monopolistic share in online search. The segment also provides cloud-based services, software technologies, and online advertising to its users. Alphabet's core business is the generation of revenue from online advertising, which monetises its vast ecosystem of products. Beyond Google, it operates a portfolio of long-term ventures known as 'Other Bets,' which includes autonomous driving (Waymo) and life sciences. Although publicly traded, the company's founders retain significant voting control through a dual-class share structure, allowing them to steer the group's long-term strategic direction.

## amazon

**Amazon (NASDAQ:AMZN)**

Amazon, which originated as an online bookstore, is now a multinational eCommerce company and the world's largest retailer, providing a platform through which users can buy and sell products. Through this it delivers more packages annually than FedEx. Additionally, the Amazon Web Services business leads the market in public cloud infrastructure, providing services to software developers and enterprises. Other key business areas include the provision of online advertising, digital streaming (e.g., Prime Video), and the development and sale of electronic devices like Kindle and Echo.



**Apple (NASDAQ:AAPL)**

Apple Inc. is a global technology company renowned for its consumer electronics, proprietary software, and a rapidly expanding portfolio of online services. Its principal products include the iPhone (which generates 50% of revenues), Mac, iPad, and a suite of wearables and home accessories. These devices operate within a tightly integrated ecosystem powered by its proprietary operating systems, such as iOS and macOS. This creates a powerful network effect, fostering brand loyalty and pricing power. While hardware sales, led by the iPhone, constitute most of its revenue, the company's high-margin Services segment, encompassing the App Store, subscriptions, and cloud services, is its primary engine for future growth.

## Meta

**Meta (NASDAQ:META)**

Meta Platforms is a global social technology company and the parent of Facebook, Instagram, WhatsApp, and Messenger. Collectively, these platforms form one of the world's largest social networks, enabling billions of users to communicate, share, and consume content. The company's primary business is the generation of revenue from digital advertising, which leverages its vast user data to deliver targeted marketing across its applications. Beyond its established social media platforms, Meta is making a long-term investment in building the metaverse through its Reality Labs segment, which develops virtual and augmented reality hardware and software.

# THE MAGNIFICENT 7

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## Microsoft (NASDAQ:MSFT)

Microsoft is the largest maker of enterprise and consumer software products. The company is most known for its Windows operating systems which is used on more than 1 billion computers worldwide. Microsoft is also the provider of the Office suite of business solutions and productivity applications, including Outlook, Word and Excel. Introduced in 2001, the Xbox gaming system has developed a strong following due to its popular Xbox Live service and a strong lineup of first party games, such as Halo. Microsoft's cloud computing arm, Azure, is the fastest growing key growth indicator of the company, along with key Generative AI collaboration with Open AI that brings a new set of products with Co-Pilot and Bing AI search. Microsoft also allocates funding to conduct research and develop advanced technologies for future software, hardware, and services.



## NVIDIA (NASDAQ:NVDA)

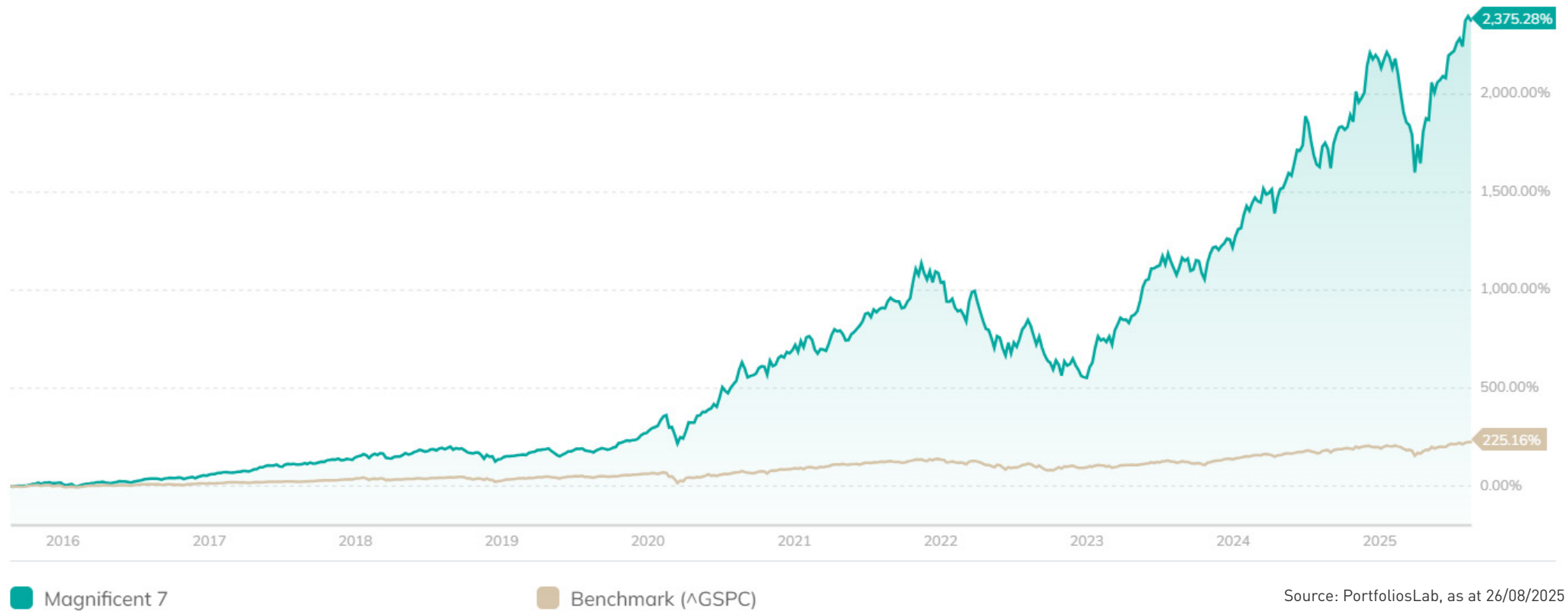
Nvidia is a technology giant that pioneered the Graphics Processing Unit (GPU). The computational power of GPU's makes them uniquely suited for training and developing artificial intelligence (AI) models, and they have become the critical infrastructure powering the AI evolution. As a first mover in the space, Nvidia supplies chips to virtually every major tech company including Amazon, Google, Meta, Microsoft and Oracle. The company also sells a suite of accompanying software. Its largest and most profitable segment is Data Centre, which provides GPUs to cloud providers and enterprises for AI training and inference. Its second major revenue stream is its original Gaming division, followed by smaller but significant sales in Professional Visualisation for creators and the Automotive sector for in-car computing.



## Tesla (NASDAQ:TSLA)

Tesla is an American multinational automotive and clean energy company headquartered in Austin, Texas, that designs, manufactures, sells, and leases electric vehicles (EVs) and energy generation and storage systems. The company operates primarily in two segments: Automotive, which produces models like the Model 3, Y, and Cybertruck, and provides Supercharging and service; and Energy Generation and Storage, which includes the Solar Roof, Powerwall, and large-scale battery storage solutions. Tesla's mission is to accelerate the world's transition to sustainable energy by offering end-to-end clean energy products.

# MAGNIFICENT 7 PERFORMANCE CHART



The Magnificent 7 has continuously outperformed the benchmark, growing earnings through technological advancements and product innovation which has allowed them to dominate their respective markets.

# MAGNIFICENT 7 VERSUS TOP ASX COMPANIES

Company name	1-year return	5-year return	10-year return	Avg. daily turnover (USD)
Alphabet (NASDAQ:GOOG)	55%	209%	670%	\$5.18b
Amazon (NASDAQ:AMZN)	36%	48%	798%	\$9.87b
Apple (NASDAQ:AAPL)	9%	118%	850%	\$12.91b
Meta Platforms (NASDAQ:META)	51%	179%	745%	\$10.46b
Microsoft (NASDAQ:MSFT)	24%	155%	1,194%	\$10.95b
Nvidia (NASDAQ:NVDA)	62%	1,306%	30,196%	\$41.05b
Tesla (NASDAQ:TSLA)	66%	219%	2,021%	\$33.46b
Commonwealth Bank (ASX:CBA)	21%	196%	254%	\$273m
BHP Group (ASX:BHP)	16%	77%	259%	\$246m
Rio Tinto (ASX:RIO)	15%	69%	351%	\$106m
National Australia Bank (ASX:NAB)	16%	206%	160%	\$116m
Wesfarmers (ASX:WES)	36%	143%	413%	\$88m
Macquarie Group (ASX:MQG)	2%	106%	350%	\$82m

Source: Refinitiv, as at 5/09/2025

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<b>Simple account opening</b>	Clients only need an active domestic account to begin investing.
<b>Comprehensive reporting</b>	Consolidated reports including holdings, transactions, and dividends, with cost and current market value of your holdings in both purchased currency and AUD.
<b>Flexible settlement options</b>	Transactions and settlements in local currency (base) or AUD. We can also settle to platforms or wraps.
<b>Competitive rates</b>	We offer competitive fees and brokerage for our clients - see the Bell Potter Financial Services Guide for more information.
<b>Support</b>	We have a dedicated international equities team available for client support.
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Our service incorporates tailored investment advice, online reporting, research, flexible settlement options and broker sponsorship – all you need is an active domestic account to begin investing.

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