Dear Lakehouse Investor,

Companies Held:	13
Cash Allocation:	37.6%
Top 5 Portfolio Holdings:	32.5%
Net Asset Value per Unit:	$1.0327
Fund Net Asset Value:	$74.9 million
Benchmark:	MSCI All Country World Index Net Total Returns (AUD)

April was an eventful month at Lakehouse and within global markets. Markets had a busy time digesting news of US tariffs on China, promptly followed by Chinese tariffs on US imports, renewed tension in the Middle East, and finally, the likely end of conflict in Korea. Over at Lakehouse, we were busy putting more capital to work in our existing holdings, opening a starter stake in **Constellation Software** and analysing company results. Whew!

For an action-packed month, the Lakehouse Global Growth Fund and its benchmark fared well -- the Fund returned 3.0% net of fees and expenses in April compared to 2.6% for its benchmark. Since inception at the start of December, the Fund has returned 3.3% compared to 2.2% for its benchmark. We're pleased to have a modest lead on the Fund's benchmark, particularly given the Fund's significant cash position, but it is still early days.

The Fund's 5 largest positions in order of sizing at the end of April were in **Facebook, Alphabet, PayPal, Visa,** and **Monster Beverage.** Meanwhile, the Fund's position in cash, which is held mainly in US dollars, Euros and Aussie dollars, decreased from 52.8% to 37.6%. We're pleased to have deployed the majority of the Fund's capital and we continue our efforts towards putting at least 75% of the Fund's capital to work by the end of May.

Our newest addition to the Fund last month was Canada-based Constellation Software. Constellation acquires, manages and has built numerous software businesses that operate in niche verticals. For example, there's Orion Wine Software, which helps more than 300 wineries around the world manage their operations. There's also Caliber Justice, which helps large law enforcement agencies manage and track offenders from initial booking through release. It's nice to know that, while prisoners might be forgotten about by their families and society, there's a Constellation Software product making sure they won't face total existential deletion.

Constellation typically acquires the first or second-ranked business in a software vertical, expands market share, and drives out undercapitalised and inefficient competitors. This strategy has paid rich dividends -- Constellation has grown revenue at a compound annual growth rate of 28% over

2003-2017, while growing operating profit 31% during that time. Moreover, its operating margin has improved from 13.1% to 19.2%.

What we like even more about Constellation is that its software businesses operate within growing market niches, serve over 125,000 customers globally, and are an integral part of their public and private sector clients' operations. As a result, the barriers to entry for its competitors are high as larger firms usually do not find Constellation's verticals to be economically attractive. Constellation is led by Mark Leonard, a former venture capitalist who founded the company back in 1995, and runs it to this day. The company has not had a major equity issuance since 2003, and has a net cash position on its books.

Over to our results round-up for the month. Most of our portfolio holdings reported results for the January-March quarter (1Q) in April, which our team enthusiastically poured over to get a sense of how they are pacing against our long-term investment thesis. We won't bore you with all the details, though, particularly as a quarter is not a very long time held up against our long-term approach, and will restrict our commentary to substantive news on our key positions.

Facebook's first quarter results were thesis affirming in essentially every way. The business showed no signs of slowing down despite all the bad press as revenue increased 49% year on year. The company beat expectations on the top- and bottom-line for the 12th consecutive quarter and the Facebook platform itself added 67 million monthly active users, roughly akin to adding the internet-enabled Australia population to the user base each month.

We're also pleased to see the company patiently but methodically push forward with monetisation of its Instagram, Whatsapp, and Facebook Messenger platforms, each of which is at different stages but has long, growing, and highly engaged user bases that have significant optionality. For a sense of scope, the company said that nearly 100 billion messages flow through the combined Whatsapp and Messenger platforms every day.

The full masterplan for how and when the company's messaging platforms begin to contribute to the bottom line is yet to be revealed. We're confident, though, given Facebook's history of successfully monetising both the Facebook and Instagram platforms, that the company can figure out ways to monetise the ultra-engaged users of its messenger platforms. Even better, we think the market applies little value to these call options, and we remain enthused about the long-term prospects of the overarching business.

Alphabet was no slouch either with revenue increasing by 23% year on year in constant currency terms thanks mostly to strong results from the company's mobile search advertising business.

The company also called out YouTube as a significant contributor to growth and, with Dua Lipa's video for "New Rules" becoming the 100th video on the platform to reach 1 billion views, it's fair to say the platform has staying power. Lastly, Google Cloud also reached a milestone of $1 billion in quarterly revenue and the business is now signing on significantly larger, and more strategic deals. We look forward to watching each of these business lines continue to grow.

PayPal had a 'beat-and-raise' quarter where the company topped consensus forecasts on both revenue and profit while also raising expectations for its full year financial performance. Pleasingly, the best measures of PayPal's network health continue to shine with active accounts and transactions per active account up 15% and 8%, respectively, on the prior year. The 15% active account growth is an acceleration from 10% year-on-year growth in the year-ago period, which bodes well and helps explain why PayPal raised guidance. PayPal's Venmo platform is also starting to move the needle for PayPal as Pay with Venmo is now deployed with more than 2 million merchants across the US. We're pleased with how things are pacing.

Visa's results were much in the same vein, where the company surpassed analyst profit forecasts, as a result of accelerating payments volume growth which was in the double-digits once again. The company won business from new and existing clients across the globe, ranging from IKEA in the US to Mashreq Bank in the UAE, while also building momentum in its digital payments initiatives. In its 10 years as a listed company, Visa's payments volume and revenue have both tripled, underscoring the power of its network. Overall, the company is tracking well against our thesis of robust credit & debit payment volumes, solid execution, and benefiting from the integration of Visa Europe.

Looking Ahead

It's been a fun stretch for our team as we've hustled to deploy the majority of the Fund's capital. The journey never ends, though, and we continue to search for and find new opportunities to back. We look forward to updating you again next month on our progress.

As ever, thanks for your time and trust.

Best Regards,

Joe Magyer, CFA
Chief Investment Officer

P.S: A reminder that existing investors are able to make additional payments to top-up their investment in the Fund at any time.

To add to your investment simply BPAY the payment and Registry will confirm additional units in the Fund. No further action is required.

Further BPAY instructions are located here. Please read the **Product Disclosure Statement** prior to adding to your investment.