Dear Lakehouse Investor,

Companies Held:	18
Cash Allocation:	22.1%
Top 5 Portfolio Holdings:	35.4%
Net Asset Value per Unit:	$1.0519
Fund Net Asset Value:	$77.3 million
Benchmark:	MSCI All Country World Index Net Total Returns (AUD)

May was a milestone month for the Lakehouse Global Growth Fund as it tipped above 75% invested for the first time. 77.9%, to be more precise. While still shy of the usual range in which we will operate -- the Fund will typically hold 20 to 40 positions and a cash allocation between 5% and 15% -- we're pleased to be predominantly invested and expect to be invested within the typical ranges in the coming months.

We're also pleased that the Fund is now also truly global. The majority of the Fund's portfolio companies are based in the US, which is to be expected as the US is far and away the world's largest economy and capital market, home to a disproportionate number of quality growth companies, and is my old stomping ground. But the Fund now also owns stakes in companies based in the UK, Canada, China, France, Switzerland, Australia, and Argentina.

The Fund made several purchases this month, and we'll speak to those shortly, but before we get any further we will discuss performance. The Fund returned 1.9% net of fees and expenses in May compared to -0.1% for its benchmark. Since inception at the start of December 2017, the Fund has returned 5.2% compared to 2.1% for its benchmark.

We're pleased that the Fund is out in front its benchmark, particularly given our outsized cash position. That said, we do not read much into early performance and neither should investors who embrace our long-term, high-conviction strategy.

The Fund's 5 largest positions in order of sizing at the end of May were in **Facebook, PayPal, Alphabet, Visa,** and **Monster Beverage.** Meanwhile, the Fund's position in cash, which is held mainly in US dollars, Euros and Aussie dollars, decreased from 37.6% to 22.1%.

We're also now at a point where we think breaking down sector allocation is worthwhile. The Fund's largest sector allocations as of the end of May were to information technology (45.9%), consumer discretionary (15.8%), and consumer staples (10.8%). We're larger than the benchmark in all three sectors and expect that will consistently be the case over time as we view these sectors, or at least subsets of them, as having attractive economics and long-term tailwinds.

And with all that said, let's turn to our new positions, each of which is based in a different country: **MercadoLibre**, **Nestlé**, **LVMH**, **iQiyi**, and **MarketAxess**. They're all on the smaller side in the context of the portfolio with none of them being within the 10 largest holdings. Consider the following notes introductions, and we expect to tell investors more about these positions over time.

MercadoLibre is one of the largest ecommerce players in Latin America. The Nasdaq-listed, Buenos Aires-based business owns and operates the MercadoLibre marketplace as well as MercadoPago, which is a PayPal-like service. The company's founders have shamelessly borrowed winning concepts from other platform leaders over the years, most recently pushing hard on free shipping to drive volumes (think **Amazon**) and, soon, a money market fund (think **Alibaba**-backed Ant Financial). The volatile but high-ceiling countries where MercadoLibre does most of its business -- Brazil, Argentina, and Mexico -- have long runways for growth ahead given only about ⅔ of the 640 million-plus Latin American population has internet today and that ecommerce as a percentage of retail sales is far below more developed markets. The shares are volatile and not conventionally cheap but we're comfortable with a small position given the significant potential and roughly 30% discount to their March highs.

Nestlé is a 150-year old business and the world's largest food company which owns over 2,000 global and local brands. Most readers will associate Nestlé with its eponymous Nescafé, but it also manufactures and markets Purina pet food, Maggi instant noodles and S.Pellegrino mineral water, along with scores of other products. We value Nestlé's breadth and depth of operations, but more so its growing focus on its key product segments of coffee, petcare and nutrition -- Nestlé is the global #1 player in coffee, #2 in petcare and #1 in infant nutrition across Asia, Africa and Latin America. These three categories represent roughly two-thirds of Nestlé's operating profit, and are growing volumes about 40% faster than the overall group. The business is the least flashy of the Fund's holdings, however, it acts as a nice counter to some of its higher-risk positions.

LVMH is a French luxury goods group, and possibly the largest luxury goods manufacturer globally. Its key businesses are what we like to call Fashion, Spirits and Sephora, though it is also a purveyor of perfumes, cosmetics, designer watches and jewelry. Louis Vuitton is the #1 luxury brand globally and contributes ~50% to LVMH's operating profit. LVMH also owns the top 2 champagne brands in the industry (Moët & Chandon, and Veuve Clicquot Ponsardin), dating back to the 1700s. LVMH sells cognac under the Hennessy brand, which has occupied the #1 position in the industry since 1890. The company is the owner of cosmetics retailer Sephora, which has fostered a global community of millions of beauty enthusiasts, Instagrammers and YouTubers. We also like the fact that LVMH is a founder-led business in spite of its size -- it was founded by current Chairman & CEO Bernard Arnault when he reorganised Christian Dior in the mid-1980s. The Arnault family, via individual and corporate stakes, own about 44% of the firm worth €65 billion.

iQiyi, which IPO'd onto the Nasdaq in March, is one of the leaders of the fast-growing online video market in China. The business model is a bit of a mashup of **Netflix** and YouTube as it offers viewers both ad-supported and premium subscription experiences. It's also wildly popular with

421 million monthly average unique mobile devices accessing the platform as of the fourth quarter and 58 million paying subscribers as of the first quarter. The business is growing quickly -- the latest year-on-year quarterly revenue growth was 57% -- thanks to natural tailwinds but also aggressive investment by the company into new content and customer acquisition. The position is among the higher risk in the portfolio, particularly given its market is still up for grabs and the business is currently running at a loss as it invests for growth, thus we've sized it as one of our smallest on cost. Still, it's a dynamic business that we look forward to discussing more in the future.

MarketAxess operates a leading electronic trading platform for fixed income investors and broker-dealers. The US-based business, which handles more than US$10 billion in average order flow per day, is bringing improved price discovery and greater liquidity to what has traditionally been an opaque market where much of the trading is still done over the phone or by email. The business has consistently gained market share over time but we think there's room to run as the most important reasons traders flock to an exchange, competitive pricing and improved cost efficiency, are self-reinforcing in nature. Unlike most disruptive businesses, MarketAxess is wildly profitable -- its pre-tax profit margin is floating around 50% -- thanks to the highly scalable, people-light nature of its model. Speaking of people, we like that the business is still led by its founder, Richard McVey, who owns more than US$200 million worth of stock. The shares aren't cheap enough today to justify a large position but this is a high-quality business that we could envision growing into a larger stake in time.

Looking Ahead

The past few months have been fun for our team as we've hustled to put the Fund's capital to work. It's still early days, and we're not to typical levels of cash or positions just yet, but we're now at a point where we can take a few breaths. Not for long, though, as earnings season begins all over again in July.

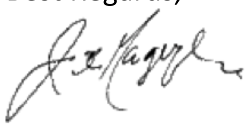
We look forward to updating you again next month on the Fund's progress. Unlike usual, though, we will not be issuing a monthly letter but rather an annual as the Fund is wrapping up its fiscal year. The annual letter will be a good deal meatier than the monthlies, so investors should expect the letter to arrive later in the month.

Speaking of the end of the fiscal year, there will likely be a short delay in the June end-of-month unit pricing as the final distribution for the 2018 financial year is confirmed and accounted for in the net asset value per unit. We do not anticipate it being more than a few days and thank investors for their understanding while this is completed.

Oh, and one last thing: We're looking to add another research analyst to our team. If you or someone you know might be interested, click here for details.

As ever, thanks for your time and trust.

Best Regards,



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