

# LAKEHOUSE GLOBAL GROWTH FUND

MONTHLY LETTER

30 SEPTEMBER 2020



Dear Lakehouse Investor,

September was a quiet month for the Fund in terms of fundamental news flow, however there was no shortage of volatility for global markets as investors continued to weigh the ongoing implications of the pandemic and the upcoming US presidential election. For our part, it was much the same. We continue to take a fairly balanced view of the current economic backdrop and remain focused on finding and backing businesses that we think have the potential to thrive no matter when a vaccine is distributed or who ends up occupying the White House.

The Fund returned -0.8% net of fees and expenses for the month compared to -0.1% for its benchmark. Over the past 12 months the Fund has returned 39.4% compared to 3.9% for its benchmark. Since inception at the start of December 2017, the Fund has returned a total of 89.0% compared to 25.1% for its benchmark. In annualised terms, the Fund has returned 25.2% since inception compared to 8.2% for its benchmark.

	<b>1 Month</b>	<b>3 Month</b>	<b>1 Year</b>	<b>2 Year (p.a.)</b>	<b>Inception (p.a.)</b>
Lakehouse Global Growth Fund	-0.8%	6.0%	39.4%	27.8%	25.2%
Benchmark	-0.1%	3.9%	3.9%	6.3%	8.2%
Excess Return	-0.7%	2.1%	35.5%	21.5%	17.0%

The Fund's largest sector allocations at month end were to information technology (36.8%), communication services (22.7%) and consumer discretionary (14.6%). The Fund's position is larger than the benchmark in all three sectors and we expect that will consistently be the case over time as we view these sectors, or at least subsets of them, as having superior economics and long-term prospects.

The Fund held 20 positions as of the end of September, the ten largest of which are listed below:

Company	Headquarters	<a href="#">Lakehouse Investing Fascination</a>
Paypal	USA	Networks, Loyalty, IP
Adyen	Netherlands	Loyalty, IP
Facebook	USA	Networks, IP
Amazon	USA	Loyalty, Networks, IP
Charles Schwab	USA	Loyalty, IP, Networks
Monster Beverage	USA	IP
MercadoLibre	Argentina	Networks, Loyalty
Alphabet	USA	IP, Networks
Tencent	China	Networks, IP, Loyalty
Adevinta	Norway	Networks, Loyalty

The Fund has a good-sized US presence as the country continues to offer access to the largest source of quality growth companies and comprises around 58% of our benchmark, but the Fund also has stakes in companies headquartered in the Netherlands, Canada, Argentina, France, China, Japan, Australia, and Norway. It's also worth noting that our U.S.-based companies tend to be very global themselves and 52% of portfolio company revenue flows from outside the US.

Fund Metrics	
Companies Held	20
Cash Allocation	8.9%
Top 10 Portfolio Holdings	62.9%
Net Asset Value per Unit (mid)	\$1.7952
Fund Net Asset Value	\$217.2 million
Benchmark	MSCI All Country World Index Net Total Returns (AUD)

Zooming back in to the portfolio level and as noted earlier, it was a relatively quiet month in terms of fundamental news flow for our portfolio companies. That being the case, we will limit our commentary to the portfolio's most impactful positions and continue to look forward to another quarterly reporting season that will begin later in October. The biggest contributor to performance during the month was **Adyen** (+12.6%), which performed well on the back of continued strength in e-commerce. Meanwhile, the largest detractor to performance was **Facebook** (-7.8%), which gave back last month's gains, affected by the market-wide selloff in big tech names.

## Thank You

Thanks again to all our investors for your time and trust. We appreciate it a great deal during these challenging times.

Best Regards,  
Lakehouse Capital

**P.S.** We're very pleased to announce our inaugural 'Return to Work' internship designed for those seeking to transition back into the workforce. We understand people sometimes have to put their careers on hold to focus time elsewhere. The Lakehouse 'Return to Work' internship is a competitively remunerated, 4-month program to refresh investing skills, add to existing valuable experience, and build confidence to re-enter the workforce. More information is available [here](#).

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