

Dear Lakehouse Investor,

Following on from what was a relatively busy October earnings season, November was a quieter month for the Fund in terms of fundamental news flow. That said, markets do not rest simply for a lack of fundamental news flow, and volatility remained elevated as macroeconomic concerns continued to whipsaw investor sentiment.

The Fund returned 1.0% net of fees and expenses for the month compared to 2.9% for its benchmark. Over the past 12 months, the Fund has returned -26.1% compared to -6.4% for its benchmark. Since its inception at the start of December 2017, the Fund has returned 74.0% compared to 54.7% for its benchmark. In annualised terms, the Fund has returned 11.7% since inception compared to 9.1% for its benchmark.

Fund Metrics	
Fund Net Asset Value	\$239.4 million
Net Asset Value per Unit (mid)	\$1.4146
Cash Allocation	5.0%
Top 10 Portfolio Holdings	63.8%
Companies Held	20
Benchmark	MSCI All Country World Index Net Total Returns (AUD)

	1 Month	3 Month	1 Year	3 Year (p.a.)	5 Year (p.a.)	Inception (p.a.)
Lakehouse Global Growth Fund	1.0%	2.3%	-26.1%	6.3%	11.7%	11.7%
Benchmark	2.9%	5.8%	-6.4%	7.0%	9.1%	9.1%
Excess Return	-1.9%	-3.5%	-19.7%	-0.7%	2.6%	2.6%

*\*Performance calculations are based on exit price with distributions reinvested, after fees and expenses, since inception on 30 November 2017. Returns greater than one-year are annualised. Benchmark: MSCI All Country World Index net total returns (AUD). Past performance is not indicative of future returns.*

The Fund's largest sector allocations as of the end of November were to information technology (33.7%), communication services (20.3%), and consumer discretionary (20.2%). We expect to have material allocations to these sectors over time as the sectors, or at least subsets of them, are overweight business models that lend themselves to strong long-term performance, namely intellectual property, network effects, and loyalty.

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

Company	Headquarters	<a href="#">Lakehouse Investing Fascination</a>
CoStar Group	USA	IP, Loyalty, Networks
Amazon	USA	Loyalty, Networks, IP
MercadoLibre	Argentina	Networks, Loyalty
Visa	USA	Networks, IP, Loyalty
Alphabet	USA	IP, Networks
ServiceNow	USA	Loyalty, Networks
Sansan	Japan	Loyalty, Networks
Constellation Software	Canada	Loyalty, IP
LVMH	France	IP
Charles Schwab	USA	Loyalty, IP, Networks

## Portfolio News

Overall, we have been pleased with the results of the Fund's portfolio companies over the most recent quarter as they have continued to affirm our long-term theses. The biggest contributor to performance during the month was **Tencent** (+34.1%), which rallied on the back of news that Chinese authorities are preparing to ease restrictions and reopen the economy after extended Covid lockdowns.

Meanwhile, the largest detractor was **Amazon** (-10.0%), which remained under pressure due to concerns around near-term profitability. We continue to believe that Amazon's cost pressures will prove to be short-term in nature and that the company remains on track to deliver significant profit improvements over the next twelve months. For more commentary on their most recent earnings report please see last month's letter [here](#).

A noteworthy result in November was Buenos Aires based e-commerce leader [MercadoLibre](#), which posted another impressive quarterly result despite ongoing macro concerns. The company delivered net revenue growth of 45% year-on-year in U.S. dollar terms along with a steady increase in operating profitability, with operating margins increasing 240 basis points to 11%. Its marketplace business experienced strong growth across all key markets - namely Brazil, Argentina and Mexico - and generated \$8.6 billion in gross merchandise value, up 32% year-on-year. It was also pleasing to see unique buyers increase 10% to 42.5 million and items purchased per buyer remain broadly stable, indicating stickiness among recently acquired users and market share gains in some of its largest markets, particularly Brazil.

Momentum was equally strong for the company's fintech business where total payment volume (TPV) increased 54% year-on-year to US\$32.2 billion. Active fintech users grew 32% year-on-year to 41.6 million and the payments business outside of its core marketplace continues to grow at accelerated rates and is now roughly 2.5x the size of the in-platform payments business. This, as we have noted previously, is encouraging to see as it improves the potential success of their other financial products in the future. Overall, we remain supportive and impressed with the company's execution to date. Despite the scale of their success, we still believe it's early days as the combination of relatively nascent penetration of e-commerce and a large underbanked population in Latin America provide an excellent foundation that will enable MercadoLibre to leverage its market leading position and grow for many years to come.

## Thank You

Thank you to everyone that was able to join us for our recent webinar. Our team enjoys the opportunity to engage with you all and hope that those who weren't able to attend enjoy the recording.

The Lakehouse Global Growth Fund celebrated its fifth birthday at the end of November. We've come a long way over the last five years, with the Lakehouse team growing from 3 to 11 and the Fund delivering a net 11.7% annualised total return during that period.

As always, thank you to all our investors for your time, trust, and support over that time. We appreciate it a great deal and hope you and your loved ones have an enjoyable and relaxing break over the holiday period.

Best Regards,

[Lakehouse Capital](#)

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Lakehouse Global Growth Fund's Target Market Determination is available here – [www.lakehousecapital.com.au/lggf/](http://www.lakehousecapital.com.au/lggf/). It describes who this financial product is likely to be appropriate for (i.e., the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

**Disclosure:** Lakehouse, its directors, employees and affiliates, may, and likely do, hold units in the Fund and securities in entities that are the subject of this report.