

Dear Lakehouse Investor,

December was a relatively quiet month for the Fund in terms of fundamental news flow as most companies avoid making important announcements over the holidays. As such, this month's letter will be on the lighter side.

The Fund returned -6.0% net of fees and expenses for the month compared to -5.1% for its benchmark. Over the past 12 months, the Fund has returned -30.0% compared to -12.5% for its benchmark. Since its inception at the start of December 2017, the Fund has returned 63.5% compared to 46.8% for its benchmark. In annualised terms, the Fund has returned 10.1% since inception compared to 7.8% for its benchmark.

Fund Metrics	
Fund Net Asset Value	\$223.0 million
Net Asset Value per Unit (mid)	\$1.3293
Cash Allocation	4.3%
Top 10 Portfolio Holdings	63.3%
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	-6.0%	-1.9%	-30.0%	5.0%	10.9%	10.1%
Benchmark	-5.1%	4.1%	-12.5%	5.3%	8.3%	7.8%
Excess Return	-0.9%	-6.0%	-17.5%	-0.3%	2.6%	2.3%

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

The Fund's largest sector allocations as of the end of December were to information technology (33.0%), communication services (21.3%), and consumer discretionary (19.4%). 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
Visa	USA	Networks, IP, Loyalty
MercadoLibre	Argentina	Networks, Loyalty
ServiceNow	USA	Loyalty
Constellation Software	Canada	Loyalty, IP
Alphabet	USA	IP, Networks
LVMH	France	IP
Tencent	China	Networks, IP, Loyalty
Charles Schwab	USA	Loyalty, IP, Networks

## Portfolio News

The Fund has a good-sized U.S. presence as that market continues to offer access to the largest source of quality growth companies. The Fund isn't as US-heavy as it might look at first blush, though, with 57% of the revenue from the Fund's portfolio companies coming from outside the US and holdings headquartered in the Netherlands, Canada, Argentina, China, Japan, Singapore and Sweden.

Again, as far as company-specific news goes, there wasn't much emanating from our key holdings during the month. To that end, the biggest contributor to performance during the month was **Tencent** (+14.9%), which performed well as the Chinese authorities continued to ease restrictions and reopen the economy after extended Covid lockdowns. Meanwhile, the largest detractor was **Sansan** (-20.2%), which fell on no

material news. For additional context, SanSan has performed very well over the last six months and is still up 50%-plus from its June lows.

## Looking ahead

January will be a busier period for the Fund as businesses gear up after the holiday break. Many of our portfolio companies will report their quarterly results which we look forward to updating investors on in next month's letter.

As we move forward into 2023, we acknowledge that this past year has been difficult from a performance perspective as macroeconomic and geopolitical factors have taken centre stage. However, challenging conditions like these are a good reminder of the virtue of a long-term time horizon and we continue to be focused on, and pleased by, the collective fundamental performance of our businesses. Despite all the headlines of doom and gloom, the Fund's portfolio companies still managed to grow revenue at 25.6% year-on-year on a weighted-average basis through the latest reporting period. This highlights the fundamental strength and growth of the portfolio's holdings which, in our view, has not been reflected in valuations and price movements of late. In fact, after the significant valuation reset we have experienced in 2022 we view the current market as a very attractive set up for future investment returns for long-term, growth focused investors. Therefore, the doctrine of competing on patience with the market holds no less true today than ever before given the current environment and our level of conviction behind the quality businesses the Fund owns a stake in.

As always, thank you to our investors for your continued support and trust.

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.