

# LAKEHOUSE GLOBAL GROWTH FUND

## MONTHLY LETTER

31 March 2024



Dear Lakehouse Investor,

Global equity markets continued their climb higher in March to close out what was a strong first quarter for 2024. Notably, the S&P 500 posted its best quarterly performance since 2019. In terms of company-specific news, it was a relatively quiet month. Nonetheless, we continue to seek new opportunities, and to that end, recently initiated a new position. We will hold off disclosing it for now as we will likely still grow it in the near term, pending results and ongoing volatility, but look forward to detailing it in future letters.

The Fund returned 1.4% net of fees and expenses for the month compared to 2.9% for its benchmark. Since its inception at the start of

December 2017, the Fund has returned 164.1% compared to 101.6% for its benchmark. In annualised terms, the Fund has returned 16.6% since inception compared to 11.7% for its benchmark.

| Fund Metrics                   |  |
|--------------------------------|--|
| Fund Net Asset Value           | \$322.8 million                                      |
| Net Asset Value per Unit (mid) | \$2.1454   |
| Cash Allocation                | 11.3%  |
| Top 10 Portfolio Holdings      | 61.2%  |
| Companies Held                 | 21   |
| Benchmark                      | MSCI All Country World Index Net Total Returns (AUD) |

|                              | 1 Month | 1 Year | 3 Year (p.a.) | 5 Year (p.a.) | Inception (p.a.) |
|------------------------------|---------|--------|---------------|---------------|------------------|
| Lakehouse Global Growth Fund | 1.4%    | 34.6%  | 7.3%          | 16.5%         | 16.6%            |
| Benchmark                    | 2.9%    | 26.4%  | 12.6%         | 12.8%         | 11.7%            |
| Excess Return                | -1.5%   | 8.2%   | -5.3%         | 3.7%          | 4.9%             |

*\*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 March were to communication services (25.0%), information technology (20.9%) and consumer discretionary (18.3%). 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 21 positions as of the end of the month, the ten largest of which are listed below:

| Company                | Headquarters | <a href="#">Lakehouse Investing Fascination</a> |
|------------------------|--------------|---|
| Amazon                 | USA          | Loyalty, Networks, IP                           |
| Sansan                 | Japan        | Loyalty, Networks                               |
| MercadoLibre           | Argentina    | Networks, Loyalty                               |
| ServiceNow             | USA          | Loyalty   |
| Alphabet               | USA          | IP, Networks                                    |
| Hemnet                 | Sweden       | Networks, IP                                    |
| Charles Schwab         | USA          | Loyalty, IP, Networks                           |
| Adyen                  | Netherlands  | Loyalty, IP                                     |
| Visa                   | USA          | Networks, IP, Loyalty                           |
| Constellation Software | Canada       | Loyalty, IP                                     |

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 59% of the revenue from the Fund's portfolio companies coming from outside the U.S. and holdings headquartered in the Netherlands, Canada, Argentina, China, Japan, Singapore and Sweden.

## Portfolio News

At the portfolio level, the biggest contributor to performance during the month was [Alphabet](#) (+8.7%), which performed well after it was reported that Apple is looking to license Alphabet's generative AI model, Gemini, to support new software coming to iPhones this year. Meanwhile, the largest detractor was [MercadoLibre](#) (-5.4%), which pulled back despite no meaningful news flow.

## Looking Forward

April will be a busier period for the Fund as many of our portfolio companies report their quarterly results. As always, thanks to all our investors for your time and trust. We're pleased with our progress towards our goal of long-term outperformance and are excited for the years ahead.

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.

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