

LAKEHOUSE GLOBAL GROWTH FUND  
MONTHLY LETTER  
28 February 2025



Dear Lakehouse Investor,

February was a volatile month for global equity markets as investors contended with a barrage of Trump headlines. In typical Trump style, things are moving fast, and uncertainty is high, particularly as it relates to on and off again tariffs. For our part, we did our best to turn down the noise and our primary focus was on the Fund's portfolio companies that reported earnings. As per usual, we'll speak more about results from key holdings shortly, but big picture, updates were positive as our portfolio's companies continue to press their advantages and execute on their growth opportunities.

Fund Metrics	
Fund Net Asset Value	\$387.2 million
Net Asset Value per Unit (mid)	\$2.7347
Cash Allocation	10.4%
Top 10 Portfolio Holdings	67.7%
Companies Held	18
Benchmark	MSCI All Country World Index Net Total Returns (AUD)

The Fund returned -1.0% net of fees and expenses for the month compared to -0.3% for its benchmark. Since its inception at the start of December 2017, the Fund has returned 250.6% compared to 136.1% for its benchmark. In annualised terms, the Fund has returned 18.9% since inception compared to 12.6% for its benchmark.

	1 Month	1 Year	3 Year (p.a.)	5 Year (p.a.)	Inception (p.a.)
Lakehouse Global Growth Fund	-1.0%	34.6%	21.9%	18.9%	18.9%
Benchmark	-0.3%	20.5%	14.9%	13.6%	12.6%
Excess Return	-0.7%	14.1%	7.0%	5.3%	6.3%

*\*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 held 18 positions as of the end of the month, the ten largest of which are listed below:

Company	Headquarters	Economic Model
MercadoLibre	Argentina	Networks, Loyalty, IP
Amazon	USA	Networks, Loyalty, IP
Sansan	Japan	Loyalty, Networks
Hemnet	Sweden	Networks, IP
Alphabet	USA	IP, Networks
SEA Group	Singapore	Networks, IP
Adyen	Netherlands	Loyalty, IP
Visa	USA	Networks, IP, Loyalty
Charles Schwab	USA	Loyalty, IP
Wix.com	Israel	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 63.1% of the revenue from the Fund's portfolio companies coming from outside the U.S. and holdings headquartered in Argentina, Canada, Japan, Israel, the Netherlands, Singapore and Sweden.

## Portfolio News

At the portfolio level, the biggest contributor to performance during the month was [MercadoLibre](#) (+10.7%), which reported yet another strong set of results – more on that below. Meanwhile, the largest detractor to performance this month was [Sansan](#) (-13.5%). Sansan's shares pulled back on no material news. It happens.

The Funds largest position, e-commerce leader [MercadoLibre](#), delivered another impressive quarterly result, combining robust growth with improving profitability. Net revenue grew 37% year-on-year in U.S. dollar terms to \$6.1 billion while operating margins climbed to 13.5%, which was particularly pleasing given the company remains firmly in reinvestment mode. Key operational metrics for its marketplace underscored this strength, with items sold increasing 27%, unique buyers climbing 24% to a new high of 67

million and items per buyer increasing to 7.8. Importantly, the company continues to gain incremental market share in its primary regions, namely that of Brazil and Mexico.

The outperformance of the company's advertising business also continues to be bright spot, growing 40%-plus year-on-year in USD terms. As of today, the advertising business still only represents 2.1% of GMV, which is well below the level of more mature e-commerce peers globally and suggests there is still plenty of runway to grow the ads business. This not only provides another attractive growth vector but also a meaningful lever to improve profitability over time given the higher-margin nature of advertising revenue.

**Amazon** posted a solid quarterly result with ongoing cost discipline driving significant operating leverage across the business. Net sales grew 10% year-over-year (11% in constant currency terms) to \$187.8 billion whilst operating income grew 61% to \$21.2 billion, well ahead of guidance and analysts' expectations. Growth within the core e-commerce business remained healthy as the company delivered a record-breaking Black Friday and Cyber Monday holiday shopping event. For the past two years now, management has been laser focused on driving efficiencies across the retail operations and these efforts are continuing to pay off. Notably, retail margins for their international segment have now been positive for four straight quarters and currently sit at 3.0%, which is pretty remarkable considering that just over two years ago they sat at -8.9%.

The company's second largest segment, Amazon Web Services (AWS), also performed well with growth steady at 19% year-on-year. AI demand remains strong with management noting that AI related revenue is still growing triple digits. Big picture, AWS remains the leading cloud provider (in what is an increasingly two-horse race with Microsoft's Azure) and with 85% of global IT spend still on-premises there is still plenty of runway for future growth. At current levels, Amazon's valuation is attractive at 13x EBITDA, and we remain confident that patient shareholders will be treated well as the company is set to deliver many years of solid revenue growth and margin expansion.

## Upcoming: Lakehouse Capital webinar

On [Tuesday 18 March at 11am AEDT](#) (Sydney time) the Lakehouse team will host a webinar and live Q&A with portfolio managers, Donny Buchanan, Nick Thomson and Erwin Tan. During the session we'll provide an overview of performance, and commentary on some key holdings in each Lakehouse fund, followed by live Q&A. You can [register here](#), and follow the instructions to submit questions in advance.

## Upcoming: Global Growth Fund ASX ETF launch

We are excited to announce that on **Monday 7 April**, Lakehouse is schedule to launch an Exchange Traded Fund (ETF) on the ASX. Please note, **this is not a new fund** but will simply provide a 'new door' to access the existing Lakehouse Global Growth Fund.

The addition of an ETF offers greater convenience, and a lower minimum investment amount, to investors. All investors require is a brokerage account, and they can then access the Lakehouse Global Growth Fund in the same manner as buying shares.

In early April, we will host a webinar dedicated specifically to the ETF, followed by live Q&A. Keep an eye out for more details and a registration link in the coming weeks.

If you have any questions in the interim, you can always reach us on email at [investorsupport@lakehousecapital.com.au](mailto:investorsupport@lakehousecapital.com.au)

## Thank You

As always, thanks to all our investors for your time, trust, and support.

Best regards,

Nick, Erwin & Donny

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For more information call us on +61 2 8294 9800, email [investorsupport@lakehousecapital.com.au](mailto:investorsupport@lakehousecapital.com.au) or visit [www.lakehousecapital.com.au](http://www.lakehousecapital.com.au)

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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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