

LAKEHOUSE SMALL COMPANIES FUND

MONTHLY LETTER

30 April 2025



Dear Lakehouse Investor,

April saw markets fluctuate as evolving tariff policies added a layer of complexity to the global economic outlook. The Trump Administration's rigid stance on tariffs at the start of the month sent markets sharply lower, which then largely reversed by month end as the stance softened.

While these developments add noise and short-term volatility for investors, our focus remains on identifying and investing in businesses poised for long-term success. We believe our portfolio offers a collection of businesses with strategic advantages, robust market positions, strong underlying economics and growth potential, and conservative balance sheets, which combined should serve long-term investors well.

Fund Metrics	
Companies Held	18
Cash Allocation	8.1%
Top 5 Portfolio Holdings	40.6%
Fund Net Asset Value (NAV)	\$248.4 million
NAV per Unit (mid)	\$1.8984
Benchmark	S&P/ASX Small Ordinaries Accumulation Index

The Fund returned 3.5% net of fees and expenses for the month compared to 1.8% for the benchmark. Since inception in mid-November 2016, the Fund has produced a net total return of 177.3% compared to 68.3% for the benchmark, or in annualised term, the Fund has returned 12.8% per year (net of fees and expenses) compared to 6.4% per year for the benchmark.

	1 Month	1 Year	3 Year (p.a.)	5 Year (p.a.)	Inception (p.a.)
Lakehouse Small Companies Fund*	3.5%	17.5%	13.8%	8.2%	12.8%
Benchmark**	1.8%	3.7%	0.3%	7.7%	6.4%
Excess Return	1.7%	13.8%	13.5%	0.5%	6.4%

* Performance calculations are based on exit price with distributions reinvested, after fees and expenses, since inception in mid-November 2016. Returns greater than one year are annualised. Past performance is not indicative of future returns.

**Benchmark: S&P/ASX Small Ordinaries Accumulation Index.

Company News

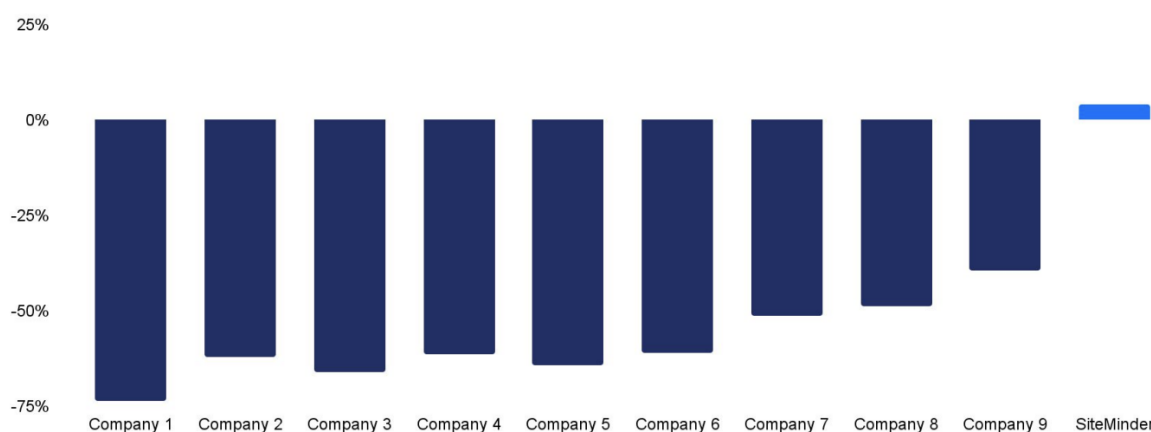
At the portfolio level, the Fund's five largest holdings at month end accounted for 40.6% of the portfolio and are named in order of allocation: **Catapult**, **SiteMinder**, **Nanosonics**, **Pinnacle** and **Objective Corporation**.

The Fund's most significant contributor to performance during the month was Catapult (+18.2%) on no news. Though, we note the business held an investor day last month – showcasing new products and management's long-term growth ambitions -- which we discussed in the [March letter](#).

The biggest detractor in April was SiteMinder (-5.5%) due to concerns of a weakening travel market. While we acknowledge the stark drop in travel to the United States -- and associated earnings downgrades by numerous companies across the global travel sector -- we view SiteMinder's position in the ecosystem as more resilient due to its subscription software foundation, and continuing growth from the increasing penetration of transaction-based products.

The below chart highlights this by showing SiteMinder's revenue during COVID (FY21) versus before-COVID (FY19), and compares it against other companies operating in global travel. Due to its mission-critical subscription software, and continued growth, SiteMinder's revenues were flat compared to falls in the order of 50% (or more) for many other companies across the travel industry.

Outperforming travel companies under tough macro conditions: FY21 vs FY19 revenue



*Companies in alphabetical order: Amadeus, Despegar, Booking.com, Expedia, MakeMyTrip, Sabre Corp, Tripadvisor, Trip.com, Trivago. Adjusted to SiteMinder's June financial year end.

Source: SiteMinder presentation – 27th Macquarie Conference

In a trading update in early May – 10 months into fiscal 2025 -- management reiterated its expectation for annualised recurring revenue (ARR) growth at 30 June 2025 to accelerate from the 22% achieved in the first half. This growth is underpinned by the rollout of new products developed over recent years, including its Channels Plus offering, which has seen user numbers grow 50% in the four months since 31 December.

In terms of profitability, despite recent heavy investment in new products and ongoing spend to acquire customers, the business is tracking to be underlying free cash flow positive across the 2025 financial year.

The company is continuing to spend to acquire new customers, which we strongly support given underlying unit economics show a very healthy payback of six-times the value of what is being spent -- even before the full rollout of new products. Although the travel sector's climate is uncertain, SiteMinder's current trajectory and strategic execution remain promising.

Thank You

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

Best regards,

Donny, Erwin, Nick, and the Lakehouse Team.

For more information call us on +61 2 8294 9800, email investorsupport@lakehousecapital.com.au or visit www.lakehousecapital.com.au

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Lakehouse Small Companies Fund's Target Market Determination is available here - <https://www.lakehousecapital.com.au/lscf/>. 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.

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.