LAKEHOUSE GLOBAL GROWTH FUND

MONTHLY LETTER

31 August 2025

LAKEHOUSE CAPITAL

Dear Lakehouse Investor,

August was a busy month for the team as a number of our portfolio companies reported earnings. As per usual, we'll touch on results for the Funds largest holdings shortly but, big picture, earnings season was positive as we continue to see strong fundamental growth across the portfolio, even if this wasn't consistently reflected in market reactions.

Fund Metrics	
Fund Net Asset Value	$377.2 million
Net Asset Value per Unit (mid)	$2.4553
Cash Allocation	9.7%
Top 10 Portfolio Holdings	68.7%
Companies Held	18
Benchmark	MSCI All Country World Index Net Total Returns (AUD)

The Fund returned -1.1% net of fees and expenses for the month compared to 0.8% for its benchmark. Since its inception at the start of December 2017, the Fund has returned 249.1% compared to 149.5% for its benchmark. In annualised terms, the Fund has returned 17.5% since inception compared to 12.5% for its benchmark.

	1 Month	1 Year	3 Year (p.a.)	5 Year (p.a.)	Inception (p.a.)
Lakehouse Global Growth Fund	-1.1%	23.9%	27.1%	12.9%	17.5%
Benchmark	0.8%	20.0%	19.5%	14.8%	12.5%
Excess Return	-1.9%	3.9%	7.6%	-1.9%	5.0%

**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	Strategic Advantage
MercadoLibre	Argentina	Networks, Loyalty, IP
Pinterest	USA	Networks, Loyalty, IP

Sansan	Japan	Loyalty, Networks
Adyen	Netherlands	Loyalty, IP
Amazon	USA	Networks, Loyalty, IP
Wix.com	Israel	Loyalty, IP
Charles Schwab	USA	Loyalty, IP
SEA Group	Singapore	Networks, IP
Kinaxis	Canada	IP, Loyalty
Alphabet	USA	IP, Networks

The Fund has good global diversification with 59.0% of the revenue of 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 strongest contributor this month was Sea Limited (+17.1%), which reported robust growth and ongoing market share gains. Meanwhile, the largest detractor was Kinaxis (-8.7%), which pulled back after delivering what we viewed as a solid result. More on both below.

Latin American e-commerce leader, MercadoLibre, delivered another impressive result. Net revenue grew 34% year-on-year to US$6.8 billion while operating income grew 14% to US$825 million. Growth was broad based across all regions, with Gross Merchandise Volume (GMV) up 21% to US$15.3 billion. The platform's core metrics were particularly strong, with items sold increasing 31% while unique buyers increased 25% to an all-time high of 70.8 million – its fastest growth rate since Q1 2021. Another bright spot was the ongoing outperformance of the company's advertising business, which grew 38% year-on-year to US$352 million. As of today, the advertising business still only represents 2.3% of GMV, which is well below the level of more mature e-commerce peers globally (compared to Amazon at ~7%) and suggests there is still plenty of runway to grow the high-margin ads business.

Despite the strong fundamental results, the company's share price drifted lower after the report as investors reacted negatively to management's decision to reduce its minimum threshold for free shipping in Brazil. Whilst such a move will depress margins in the near term, we don’t view it as a negative. We believe it's the right decision from a long-term perspective as it further improves the platform’s value proposition and will help increase purchase frequency in the years ahead. Overall, business momentum is strong, and we continue to see significant opportunities ahead given the relatively low penetration of e-commerce in the region.

Sea Limited reported a robust result that once again came in ahead of analyst expectations. Revenue grew 38% to US$5.3 billion while normalised EBITDA jumped 85% to US$829 million. The e-commerce segment was the standout, with higher GMV and improved take rates driving revenue up 34% year-on-year to US$3.8 billion and normalised EBITDA to US$228 million. Building on this strong first-half momentum, management upgraded full year guidance for the segment, which was received positively by investors.

Pleasingly, monetisation from both sellers and buyers improved on the e-commerce platform, reinforcing the company's market leadership and demonstrating the range of levers it can draw on to sustain growth across its regions. Seller engagement improved as ad adoption rose by 20%, while existing advertisers increased their average spend by 40%. For buyers, a new VIP membership tier is showing promising results, generating higher order values and increased purchase frequency – with plans to expand this program across other regions.

The fintech division delivered accelerated growth with revenue up 70% to US$883 million, underpinned by strong user growth which increased its loan book by 90% while maintaining a low non-performing loan rate of just 1.0%. Finally, in gaming, revenue grew 28% to US$559 million across a portfolio of titles, prompting management to upgrade their bookings guidance. Looking at the bigger picture, we remain enthused about all three segments of the business and still believe it's still early days in the company’s growth.

Adyen delivered a strong set of results, with net revenue and EBITDA up 20% and 28%, respectively, despite headwinds for e-commerce clients in APAC from US tariffs. The company continues to add new clients and deepen relationships with existing ones, with management highlighting that the 2025 customer cohort is larger and scaling faster than in prior years. This reflects the payoff from sustained investment in both product innovation and sales capacity, which are helping Adyen capture greater share of wallet across verticals and regions.

The business also saw robust regional and product momentum. Latin America continues to perform well, supported by increased adoption of local payment methods, while the issuing product has scaled past €2 billion in payment volumes with a broader and more diversified customer base. Unified Commerce and Platforms grew net revenues by 31% and 55%, respectively, underscoring the benefits of a more balanced client mix across industries and geographies. While near-term growth will be tempered by pressures on certain customers, management reaffirmed confidence in the medium-term outlook.

Moving to Kinaxis, as shares pulled back despite what we view as a strong set of results. SaaS revenue grew 17% and ARR rose 15%, while adjusted EBITDA increased 54% to US$33.7m, representing a 25% margin. This marks the fourth consecutive quarter that Kinaxis has achieved Rule of 40 status, a key benchmark of an elite software company that signals a healthy balance of growth and profitability. Management reported its best-ever second quarter for new business, citing higher competitive win rates and a growing pipeline of deals.

Looking ahead, management raised SaaS revenue growth guidance for the financial year, with scope for further upside. Growth was well balanced between new customer additions and expansions within the existing base, with expansion revenue carrying structurally higher margins. Product innovation is also a key driver, with AI-enabled modules gaining traction and further differentiating the platform. We see a good opportunity for the business to continue with its momentum and execute on its growth objectives.

Lastly, we'll provide a brief introduction to the most recent addition to the Fund, Pinterest. Pinterest is a visual search and discovery platform where users explore interests, seek inspiration, and browse items they may want to buy. The platform has 578 million monthly active users (MAUs), of which 67% are female and over 40% are Gen-Z. Compared to other social media platforms, Pinterest is unique as its geared towards discovery, organisation and direct shopping. Roughly half of its US users visit the platform to "find or shop for products", which is greater than two times any other social media platform. Hence, it's more akin to a utility that translates into less frequent usage but has much more commercial intent. This commercial intent is valuable as it provides strong signals to advertisers.

Historically, Pinterest has struggled to fully monetise this commercial intent, however we believe this is changing. In 2022 Bill Ready – formerly President of Commerce, Payments & Next Billion Users at Google – took over as CEO with a mandate of improving the "shopability" and monetisation of the platform. Since then, the company has made significant progress with the development of more sophisticated ad tools and an overall push towards performance-based ad formats (i.e. direct response ad formats that optimise for an advertiser's objectives, as opposed to brand awareness advertising). These initiatives are key to improving return on ad spend (ROAS), which in turn, unlocks a greater share of ad budgets. Importantly, an advertisers' budget for performance ads is typically much larger and more consistent than experimental (brand awareness) ads.

Over the last few quarters, management has noted some of the largest, most sophisticated advertisers on the platform are spending 5% to 10% of their advertising budgets on Pinterest as they lean into their lower-funnel tools. This is a very encouraging sign, especially in the context of Pinterest only currently capturing 1% share of the overall digital advertising market. Their new Performance+ product suite, released in October 2024, has also been well received. Performance+ is a suite of AI-powered tools which help automate and streamline budgeting, bidding and targeting functionalities. It has cut campaign creation time in half and meaningfully lowered cost per action. Management noted that the adoption cycle for Performance+ is likely to be a multi-year event and that they will continue to innovate and improve the product overtime. Zooming out, we view Pinterest as a differentiated, scaled platform with significant commercial intent that is well placed to capture incremental share of advertising budgets in the years ahead. Coupled with a relatively undemanding valuation of 18x earnings and over 10% of its market capitalisation in cash, we think the risk/reward is attractive.

Thank You

As always, we thank our investors for their continued support and trust.

Nick, Erwin, Donny, 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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