LAKEHOUSE GLOBAL GROWTH FUND

MONTHLY LETTER

28 February 2026

LAKEHOUSE CAPITAL

To our Fellow Investors,

February was another challenging month for the Fund as the "AI disruption" narrative continued to run wild. The Fund returned -14.6% net of fees and expenses for the month compared to -0.4% for its benchmark.

Fund Metrics	
Fund Net Asset Value	$217.7 million
Net Asset Value per Unit (mid)	$1.5723
Cash Allocation	12.4%
Top 10 Portfolio Holdings	71.3%
Companies Held	16
Benchmark	MSCI All Country World Index Net Total Returns (AUD)

As we discussed in our January letter (see here), our quality-growth style of investing – and particularly our exposure to enterprise software – has been under pressure as investors have been concerned that AI will render traditional software obsolete. We believe this narrative and the subsequent broad, indiscriminate selling of software is fundamentally misplaced.

In our view, not all software businesses are created equal, and we see software companies that offer deeply entrenched, mission-critical platforms to enterprises as well placed to leverage their advantages (proprietary data, domain expertise, customer trust and distribution etc.) to succeed in an AI first world.

Hence, rather than moving away from these businesses at a time where valuations have compressed significantly, we view the current divergence between price and fundamentals as a rare opportunity and are acting accordingly. We increased our holdings in businesses we think are more resilient than the market appreciates (ServiceNow, Workiva, and Adyen) and decreased or exited others (namely Pinterest and Wix) that we think have greater potential disruption risk should AI models keep advancing at an exponential rate.

Despite the decline in the market value of our portfolio, the fundamental growth of our underlying businesses remains incredibly healthy. As of the most recent quarter, on a weighted average basis the portfolio grew revenue and earnings at 20% and 32%, respectively. This fundamental growth combined with declining share prices has led to significant multiple compression with several of our portfolio companies now trading at all-time-low valuations**. We believe there is significant mispricing in the current market.** As we look forward, we remain confident in the portfolio of businesses we own and believe the current setup is compelling.

	1 Month	1 Year	3 Year (p.a.)	5 Year (p.a.)	Inception (p.a.)
Lakehouse Global Growth Fund	-14.6%	-36.2%	6.8%	1.2%	10.2%
Benchmark	-0.4%	8.4%	18.5%	13.6%	12.1%
Excess Return	-14.2%	-44.6%	-11.7%	-12.4%	-1.9%

**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.*

Turning to the portfolio now and the Fund held 16 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
ServiceNow	USA	Loyalty
Workiva	USA	Loyalty, IP
Adyen	Netherlands	Loyalty, IP
Sansan	Japan	Loyalty, Networks
Kinaxis	Canada	IP, Loyalty
Amazon	USA	Networks, Loyalty, IP
SEA Group	Singapore	Networks, IP
Microsoft	USA	Loyalty, Networks, IP
Workday	USA	Loyalty

The Fund has good global diversification with 59.3% of the revenue of portfolio companies coming from outside the U.S. and holdings headquartered in Argentina, Canada, Israel, Japan, the Netherlands and Singapore.

Portfolio Update

This month, we are going to do things a little differently. While we don't normally do thesis recaps for our holdings in a monthly letter, given the significant recent drawdown, we thought it would be helpful to briefly review our top five holdings – bringing together fundamentals, valuation and considerations on AI. Below we have our top five positions listed according to size, which in aggregate, represent around 40% of the portfolio value.

Mercadolibre is the leading e-commerce and fintech platform in Latin America. Often described as the Amazon and PayPal of LATAM, it benefits from powerful self-reinforcing network dynamics and an unmatched, highly efficient logistics network. The business has been consistently gaining share of the rapidly growing Latin American e-commerce market and despite the scale of their success to date (revenues have grown 7-fold over the last five years to US$28 billion), we believe there is still a long runway for future growth. Latin America offers one of the biggest ecommerce growth opportunities in the world. Penetration is roughly half the level seen in the US, UK and China, and we see no structural reason why the region should not reach similar levels.

Results released last month were very impressive, with revenue growth accelerating to 45% (vs 39% last quarter). While there was some slight compression in operating margins due to growth investments – primarily lowering the free shipping threshold in Brazil – this is a proven playbook for the company. We support the decision to sacrifice some near-term margin for long-term value creation and take comfort in the fact they are seeing immediate results. The strategy has driven new buyer acquisition, higher purchase frequency, and record conversion/retention rates, leading to significant market share gains. The market commonly punishes temporary reinvestment stories, and this case has been no different.

MercadoLibre is now trading at its cheapest valuation since the GFC – 2.5x forward sales and 30x forward earnings – despite growing revenue at roughly 40%. The company is also an AI beneficiary and is already deeply integrating it across the business. For instance, AI is powering advertising algorithms and significantly improving customer support with the newly developed Mercado Pago AI assistant solving 87% of interactions without human intervention. Furthermore, they are developing their own agentic experience within MercadoLibre, leveraging first-party data for personalised search and recommendations.

ServiceNow is a category leading US software business that automates complex corporate workflows across IT, HR, and customer service. It acts as a deeply embedded digital utility for the world's largest enterprises, with 80% of the G2000 as customers and industry leading renewal rates around 98% – underscoring the mission critical nature of their platform. Recently, ServiceNow has experienced a significant drawdown due to the "death of software" and AI “seat contraction" narrative.

However, its quarterly results released at the end of January came in ahead of both its own guidance and analyst expectations. Revenues grew 19.5% in constant currency terms to US$3.6 billion and operating profit grew 31% to US$1.1 billion. Crucially, the company directly countered the AI "seat contraction" / AI “loser” narrative by disclosing monthly active users on the platform grew 25% year-on-year and that their new AI solutions hit US$600 million in annual contract value (ACV). This exceeded their US$500 million target set for 2025 and management also noted they are on track to exceed their US$1 billion ACV target for 2026.

Rather than being disrupted by AI, ServiceNow is successfully monetising this shift through a two-pronged strategy: first, by driving customers toward premium tiers – which command price increases of 30% to 60% – and second, by introducing a consumption-based model via "Assist Packs." By charging for "assists" (AI-driven outcomes like resolved tickets or generated code), they can place themselves to capture a direct slice of the enterprise labour budget that AI may eventually displace. Big picture, we continue to believe that ServiceNow is one the highest quality software businesses globally and that Gen-AI could be a meaningful revenue driver for the company's next phase of growth. Trading at 25x forward earnings, we believe the range of outcomes is highly attractive from current prices.

Workiva provides the leading cloud-based reporting and compliance platform that has become the global standard for complex corporate reporting. It is deeply embedded in 95% of the Fortune 100, shifting enterprises from siloed, manual spreadsheets to a connected, trusted data platform. Over 40% of the company's revenue is derived from its SEC filing service, which simplifies SEC filings and other disclosures for public companies. The platform is mission-critical, with "compliance-driven" demand leading to a very sticky customer base; 97% gross- and 113% net- revenue retention.

Recent results were thesis affirming. Revenue grew 20% to $885 million, with subscription revenue outstripping the headline at 22%. The most pleasing element was the rapid margin expansion: non-GAAP operating margins more than doubled from 4.3% in 2024 to 9.9% in 2025, with a robust 19.1% margin in the final quarter. This performance was underpinned by good progress moving up-market, with customers over $300k in ACV growing 42%, and those over $500k increasing 37%. These "large land" wins are important as they indicate that Workiva is no longer just a "point solution" for SEC filings but a foundational platform for the entire office of the CFO.

In an AI-driven world, the outputs of any AI agent are only as good as the underlying data. Workiva provides the trusted, auditable, and secure data architecture that is an absolute prerequisite for reliable enterprise AI. The company has already embedded "context-aware" AI directly into the workflows of CFOs and Financial Controllers, with the product suite divided into three intelligent "tiers" – Workiva AI Companion, Agentic Workflows and Workiva Carbon AI. Initial traction has been pleasing with management reporting that nearly 30% of their 6,600+ customers have already enabled AI features, indicating Workiva is becoming more relevant in an AI-first world.

Adyen is a dominant enterprise payments platform that provides a single, unified platform to accept e-commerce, mobile, and point-of-sale payments globally using various payment schemes and methodologies. Unlike legacy incumbents – who rely on a patchwork of disparate systems – Adyen's unified platform provides the greatest functionality for merchants and ultimately outcomes, with superior authorisation rates and insights. This structural advantage has enabled the business to continually gobble up share of the global digital payments market, which in turn is gaining share of the total payments pie. They also possess exceptional unit economics and a sticky enterprise customer base that typically yields negative revenue churn.

The company recently delivered a solid set of half yearly results, with net revenue and operating profit up 21% and 28%, respectively. Normalised processed volumes grew 19% and take rates improved to 17.1 bps from 16.2bps, signalling a successful shift toward higher-value integrated services like Unified Commerce and Embedded Platforms. Management also highlighted that the 2025 customer cohort is larger and scaling faster than in prior years, reflecting the payoff from sustained investment in product innovation and sales capacity.

Adyen is naturally well-placed for AI as payments is ultimately a data business. Unlike legacy competitors that operate on patchwork systems, Adyen's single code base provides a clean, un-siloed data stream. One recent initiative was the launch of Dynamic Identification – an AI-driven intelligence layer – that is already yielding tangible results, with pilot programs showing up to a 6% increase in conversion and a 3% reduction in transaction costs for merchants. With an all-time low valuation of 25x forward earnings and a huge long-tail growth opportunity ahead, we believe the risk/reward is very compelling at current levels.

Sansan provides the leading cloud-based business contact management solution in Japan. They essentially enable the digitisation of business cards for Toyota, Panasonic, and roughly 9,000 other corporate customers and are by far and away the dominant player with 83% market share. In addition to the contact management system, they also offer several other integrated services, such as customer relationship management, event management software, and central data hub. This core platform has also provided a strong foundation to cross-sell highly successful new solutions like its invoice management product, Bill One, and contract management solution, Contract One.

Sansan's recent results were impressive as the company delivered material operating leverage. Revenue grew 25% and adjusted operating profit surged 294%, reaching a record quarterly margin of 19% – up from 6% a year ago. Subscriber growth for their core platform accelerated to 12.1%, while their Bill One segment maintained a high rate of expansion at 38.9%. With market share increasing by roughly two percentage points over the past year and retention rates holding steady between 93% and 95%, the current trajectory suggests that the company is not only retaining but growing its client base.

Rather than facing disruption from artificial intelligence, Sansan is actively integrating AI to automate analog data digitisation, which has already driven meaningful improvements to its own gross profit margins and operational efficiency. The company has also launched new AI initiatives designed to leverage its proprietary data and drive higher contract values with customers. Ultimately, because AI utility is highly dependent on the quality of its inputs, Sansan's established role as a verified, secure source of truth for Japanese corporate data ensures the platform maintains its critical relevance. In similar fashion to Adyen, strong operating momentum combined with an all-time low valuation – 2.0x forward revenue and 20x forward earnings – once again has us excited for the potential outcomes ahead.

Thank You

Thanks again to all our investors for your time and trust. We can't promise exactly when the broader market narrative will turn, however, we can promise that we will continue to hustle and stay true to our long-term, high-conviction approach.

Nick, Erwin and Donny.

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