

To our Fellow Investors,

Following a busy reporting season, it was a relatively quiet month for company-specific news. However, March has been a month defined by significant geopolitical tension as the escalation of conflict involving Iran has introduced a fresh wave of volatility into global markets.

While the headlines are undoubtedly concerning, 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 conservative balance sheets: a combination that should help weather potential periods of turbulence. Ultimately, while business fundamentals across our core holdings remain strong, market valuations have come down to levels that we believe offer an attractive setup for disciplined investors.

The Fund returned -6.3% (after fees and expenses) for the month compared to -11% for the benchmark. Since inception in mid-November 2016 the Fund has produced a net total return of 146.0% compared to 87.9% for the benchmark. On an annualised basis, the Fund has returned 10.1% per year (net of fees and expenses), compared to 7.0% per year for the benchmark.

Fund Metrics	
Companies Held	21
Cash Allocation	3.8%
Top 5 Portfolio Holdings	38.6%
Fund Net Asset Value (NAV)	\$198.5 million
NAV per Unit (mid)	\$1.5477
Benchmark	S&P/ASX Small Ordinaries Accumulation Index

	1 Month	1 Year	3 Year (p.a.)	5 Year (p.a.)	Inception (p.a.)
Lakehouse Small Companies Fund*	-6.3%	-8.1%	10.3%	-0.8%	10.1%
Benchmark**	-11.0%	13.7%	8.5%	4.0%	7.0%
Excess Return	4.7%	-21.8%	1.8%	-4.8%	3.1%

* 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 38.6% of the portfolio and are named in order of allocation: **Cogstate**, **Catapult**, **Fineos**, **SiteMinder** and **Pinnacle Investment Management**.

The Fund's most significant contributor to performance during the month was Magellan (+16.0%), following the merger announcement with Barrenjoey Capital Partners. We believe the transaction brings together two complementary businesses to create a more diversified financial services group, while providing shareholders a greater exposure to the high-growth Barrenjoey business.

SiteMinder (-20.6%) was the portfolio's heaviest detractor during the month, as the geopolitical conflict involving Iran weighed on short term travel sentiment. We maintain our conviction based on the company's proven history of resilience through disruptions, most notably demonstrated during the pandemic. Please see last month's letter [here](#) for more detailed commentary.

Turning to Fineos, which recently held an investor day that reaffirmed our conviction and outlook for the business. Management confirmed that their previously shared financial guidance remains firmly on track, with a solid pipeline of deals and an improving margin outlook. A key takeaway from the event was the need for insurance carriers to move off from fragmented legacy systems to leverage AI effectively, providing a nice demand tailwind for modern platforms like Fineos.

The company's growth trajectory is particularly attractive because it is increasingly tied to the volume of insurance premiums managed on the platform. As existing clients migrate their legacy books of business to the cloud, Fineos captures a natural and predictable path of revenue expansion without the need for large wins to meet targets. While the company continues to win new clients, its ability to hit and exceed growth targets is increasingly supported by deepening relationships with system integrators. These partnerships have matured significantly, allowing Fineos to scale its implementation capacity and reach smaller to mid-sized deals efficiently while maintaining a clear focus on long term unit economics.

Catapult provided a positive trading update ahead of its FY26 results in May, alongside an investor day that reinforced management's long-term ambitions, including a pathway to US\$1 billion in ACV. FY26 ACV is expected to grow 27–28% to US\$133–134 million on a constant currency basis, inclusive of the recently acquired IMPECT. Adjusting for acquisitions, underlying growth appears broadly consistent with prior periods, an encouraging sign that momentum in the core business remains intact. This strength is increasingly flowing through to profitability, with EBITDA expected to rise by ~50% year-on-year and the Rule of 40 improving sequentially from the 33% reported in the first half.

Having recently inflected to free cash flow positive, the second half appears softer from a cash flow perspective, driven primarily by weaker collections following the integration of recent acquisitions. At the same time, share-based compensation has stepped up due to equity issued to IMPECT's founders as retained employees, complicating the near-term path to accounting profitability. Stepping back, we view these dynamics as temporary, with underlying fundamentals remaining intact and the business in a strong

financial position, debt-free and with approximately US\$50 million in cash. We look forward to providing a more comprehensive update following the full year results in May.

Thank You

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

Best regards,

Donny, Erwin, Nick, and the Lakehouse Team

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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.

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