

To our Fellow Investors,

May offered a welcome reprieve after a difficult stretch for the Fund, with markets beginning to take a more considered view of how artificial intelligence is likely to reshape – rather than simply dismantle – some of the software businesses we own. While we are conscious of reading too much into a single month's performance, it was encouraging to see several of our holdings re-rate as fears of wholesale AI disruption gave way to a more nuanced appreciation of where durable value is likely to accrue.

As always, our focus remains on what we can control: owning a concentrated portfolio of high-quality, competitively advantaged businesses that we believe are well placed to compound over the long term.

The Fund returned 6.8% net of fees and expenses for the month compared to 5.1% for its benchmark. Since its inception at the start of December 2017, the Fund has returned 134.9% compared to 172.5% for its benchmark. In annualised terms, the Fund has returned 10.6% since inception compared to 12.5% for its benchmark.

Fund Metrics	
Fund Net Asset Value	\$220.2 million
Net Asset Value per Unit (mid)	\$1.6520
Cash Allocation	5.0%
Top 10 Portfolio Holdings	76.6%
Companies Held	16
Benchmark	MSCI All Country World Index Net Total Returns (AUD)

	1 Month	1 Year	3 Year (p.a.)	5 Year (p.a.)	Inception (p.a.)
Lakehouse Global Growth Fund	6.8%	-33.0%	3.8%	1.1%	10.6%
Benchmark	5.1%	16.5%	18.1%	13.1%	12.5%
Excess Return	1.7%	-49.5%	-14.3%	-12.0%	-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
Sansan	Japan	Loyalty, Networks
ServiceNow	USA	Loyalty
Adyen	Netherlands	Loyalty, IP
Kinaxis	Canada	IP, Loyalty
Microsoft	USA	Loyalty, Networks, IP
Alphabet	USA	IP, Networks
Workiva	USA	Loyalty, IP
Workday	USA	Loyalty
Amazon	USA	Networks, Loyalty, IP

The Fund has good global diversification with 60.3% of the revenue of portfolio companies coming from outside the U.S. and holdings headquartered in Argentina, Canada, Japan, the Netherlands and Singapore.

## Portfolio Update

At the portfolio level, the biggest contributor to performance during the month was **ServiceNow** (+40.7%), which performed well as the market began to adopt a more realistic view of the company's ability to benefit from AI agents rather than be disrupted by them. We have discussed ServiceNow extensively in recent letters, including their most recent quarterly result [last month](#) where we said: *we continue to believe ServiceNow is one of the highest-quality software businesses globally, and that the current valuation of 15x 2026 free cash flow materially undervalues the long-term earnings power of the business.*

Meanwhile, the largest detractor was **MercadoLibre** (-5.5%), which delivered a strong result but remained under pressure due to ongoing reinvestment.

MercadoLibre delivered an exceptional result, with revenue growth accelerating to 49% year-on-year, marking its fastest pace of growth in almost four years. Growth was broad-based across both segments and all major regions, with gross merchandise volume up 42% to \$19.0 billion, led by Brazil where items sold surged 56% following the company's decision to lower its free-shipping threshold. The market's focus, however, fell on profitability: income from operations declined to \$611 million, representing a 6.9% margin compared to 8.3% a year ago. As discussed in February's letter (see [here](#)), these growth investments – primarily lowering the free shipping threshold in Brazil – are a proven playbook for the company. We support the decision to sacrifice some near-term margin for durable share gains and a wider competitive moat and note that the underlying engagement metrics (including the fastest unique buyer growth in Brazil in five years) comfortably justify the spend.

Bigger picture, we remain firm supporters of the business and view the recent share-price weakness as overdone. With e-commerce penetration across Latin America still relatively low and a large underbanked population yet to be served, we believe MercadoLibre is investing from a position of strength into a long and highly profitable runway.

**Kinaxis** delivered a strong quarterly result, highlighted by accelerating revenue growth and exceptional margin expansion. SaaS revenues increased by 21% year-over-year, which represents an acceleration of 2.5 percentage points quarter-over-quarter. At the same time, Adjusted EBITDA margins landed at a pleasing 32.4%, marking a 7.4 percentage point increase compared to the same period last year.

Operationally, the company continues to execute well. Kinaxis reported a record volume of new business wins for any first quarter, doubling the total new business signed in 1Q25 and beating any previous Q1 in company history by 60% when measured by average annual contract value. This momentum was further supported by early-stage commercial adoption of its new generative and agentic AI offering, Maestro Agents, which successfully added its first cohort of paying customers. Looking ahead, contract renewals later this year will begin incorporating the company's new pricing model, which we believe will strongly support their long-term growth ambitions. Backed by this outperformance, the company is tracking exceptionally well against its reiterated full-year 2026 guidance.

## Thank you

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

Nick, Erwin and Donny

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