LAKEHOUSE GLOBAL GROWTH FUND

MONTHLY LETTER

31 August 2026

To our Fellow Investors,

Fund Metrics	
Fund Net Asset Value	$252.8 million
Net Asset Value per Unit (mid)	$1.8867
Cash Allocation	8.1%
Top 10 Portfolio Holdings	75.9%
Companies Held	15
Benchmark	MSCI All Country World Index Net Total Returns (AUD)

August was another strong month for the Fund, returning 10.9% net of fees whilst its benchmark returned 0.6%. Pleasingly, the drivers were much the same as July's. Reporting season rolled on and our companies kept delivering, with strong results from MercadoLibre, Adyen and Workiva during the month. At the same time, the re-rating across our software holdings continued to build as the market moved further away from the view that AI will simply dismantle these businesses and closer to the view that the incumbents with the data, distribution and workflows are best placed to monetise it.

As we said last month, we are wary of reading too much into any single month, and that caution applies just as much to two good ones in a row. What matters is that the fundamentals across our holdings remain healthy, valuations are still reasonable, and the results this month gave us further evidence that our companies are executing. We continue to think the setup from here is compelling.

Since its inception at the start of December 2017, the Fund has returned 179.5% compared to 178.8% for its benchmark. In annualised terms, the Fund has returned 12.5% since inception compared to 12.4% for its benchmark.

	1 Month	1 Year	3 Year (p.a.)	5 Year (p.a.)	Inception (p.a.)
Lakehouse Global Growth Fund	10.9%	-20.0%	9.7%	1.5%	12.5%
Benchmark	0.6%	11.7%	16.5%	11.3%	12.4%
Excess Return	10.3%	-31.7%	-6.8%	-9.8%	0.1%

**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. The Fund held 15 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
Veeva	USA	Loyalty, IP
Microsoft	USA	Loyalty, Networks, IP
Workday	USA	Loyalty
SEA Group	Singapore	Networks, IP

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, Japan, the Netherlands and Singapore.

Portfolio Update

The biggest contributor to performance during the month was ServiceNow (+30.4%), which continued to re-rate following the strong quarterly result we covered in last month's letter. The market spent much of this year pricing ServiceNow as if AI would hollow out its business. The past two months have shown the opposite, with AI now emerging as a genuine growth driver rather than a threat.

The largest detractor was Alphabet (-7.8%), which gave back some of its exceptional run over the past year as the market digested a lift in full year capital expenditure guidance to $205 billion for 2026. Our view has not changed. We continue to view that spending as a source of long-term strength rather than a cause for concern. As the only hyperscaler with a fully integrated AI stack spanning chips, infrastructure, models, data and distribution, we believe Alphabet is exceptionally well placed to benefit from the ongoing adoption of AI and it remains a core holding in the portfolio.

MercadoLibre reported a record quarter, growing net revenue 50% year-on-year – the fastest pace in four years – and surpassing $10 billion in a single quarter for the first time in its history. Commerce and fintech both delivered, with FX-neutral GMV up 36% to $22 billion and total payment volume up 56% to $101 billion. Even more encouraging was what lay beneath the headline figures, with the engagement picture this quarter the strongest we have seen. Items per buyer rose 14%, led by Brazil at 19%, and the ratio of daily to monthly active users reached its highest level ever, clear evidence that last year's decision to lower the free-shipping threshold in Brazil has driven a lasting change in buying habits rather than a one-off bump.

The one concern, at least in the market's eyes, was profitability, with operating income down 17% year-on-year as margins absorbed pricing initiatives and higher user acquisition spend. This will sound familiar as we wrote in our annual letter that management is deliberately trading near-term margin for durable share gains and a wider moat, and nothing in this result changes that view. If anything, it strengthens it. The reinvestment is showing up exactly where it should, with record engagement, the fastest revenue growth in four years, and share gains against both online competitors and physical retail. Stepping back, Latin America is still early in its shift to online commerce and digital financial services, and MercadoLibre is the clear leader on both fronts. We remain happy shareholders and believe the best is still ahead for the business.

Workiva grew revenue 19% in the second quarter and is on track to deliver a little over a billion dollars for the full year. More impressive was the pace of margin expansion, with adjusted operating margins rising 13 percentage points to 17%, and management is guiding to 18% for the full year. That was a target originally set for 2027, putting the company a full year ahead of schedule.

Underlying business health remains steady, with a 97% gross retention rate and a 111% net retention rate. Growth was boosted by larger accounts as enterprise customers standardise reporting on the platform. Average deal sizes continue to rise as Workiva lands multi-solution and multi-category contracts across financial reporting, sustainability, and governance, risk and compliance (GRC). Shares currently trade at a modest 21x forward earnings, leaving us comfortable with our investment as the company pairs robust top-line momentum with accelerating operating leverage.

Adyen delivered another consistent set of results, growing net revenue by 21% year-on-year (in constant currency) and guiding to 21-23% growth for the full year. While there may sometimes be concerns around the company’s long term growth runway, management highlighted that there is still room for wallet share expansion with new and existing clients, noting that merchants typically expand their share of wallet from under 20% in earlier years to over 40% after year 12. Adyen recently won a deal to process payments for OpenAI and continues to expand enterprise accounts such as Toast into the US market.

Beyond core payments, Adyen’s next stage of growth focuses on expanding its footprint across the wider commerce journey. The recent acquisitions of Talon.One and Orb have been well received by enterprise clients, taking Adyen into work that sits before and after the payment rather than just the payment itself. We view the move beyond core payments as a clear positive, as it not only expands Adyen's addressable market but also makes the platform stickier with every product a merchant adopts.

Thank you

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

Nick, Erwin and Donny

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