

JANUARY 2024

Net return for
January 2024

19.08%

After fees, pre-tax

Net return for FY2024
to date

37.13%

After fees, pre-tax, March y/e

Net return for FY2024
to date for the MSCI ACWI

16.43%

March y/e

If you'd invested \$10,000 five
years ago it'd be worth

\$25,261

At 0% PIR tax

Net Returns As At 31 January 2024	1 month	6 months	1 year	2 years (pa)	5 years (pa)	Inception (pa)
Lighthouse Global Equity Fund	19.1%	22.3%	47.8%	12.4%		
Lighthouse Funds' investment strategy	19.1%	22.3%	47.8%	12.4%	20.4%	17.8%
MSCI ACWI net in NZD	3.5%	5.2%	20.4%	6.1%	12.8%	11.7%

COMMENTARY FOR THIS MONTH

The Fund was up 19.1% in January. That took the Fund to new all-time highs, surpassing its peak in November 2021 and more than recouping all the losses incurred in 2022.

Financial markets are beginning to shrug off the gloom from 2022's steep falls. Nearly all economic indicators point to a consistent story of evaporating inflation sitting alongside strong economic activity. If you annualise the figures from the last 3 and 6 months then US inflation is back to the Federal Reserve's 2% pa target rate, but meanwhile economic growth is much stronger than expected and unemployment is at historical lows. It's pretty much a Goldilocks outcome. It seems that the hoped-for soft landing has happened and the plane is now on the runway.

Twelve months ago the prevailing narrative was that recession was inevitable in the US, in Europe and globally. Markets took that cue and, to us at least, seemed sluggish in unwinding that pessimism as positive data on inflation, growth and unemployment came in through 2023. In mid-2023 any positive news was interpreted as a reason for the Fed to raise interest rates even higher in order to slam the economic brakes on. But now it's clear that the Great Inflation of 2021 and 2022 is over and there will be no further interest rate hikes.

So perhaps it's just that the weight of that positive data has become too large to ignore, or perhaps it's just that a new

calendar year is an opportunity to take a fresh outlook, but for whatever reason markets have had a much more positive state of mind in 2024 (so far!).

A general rule of thumb is that at any given time a fund, or equally a whole equity market, can easily be up to 10% over or under what you might consider is its "fair value". Through 2023 our sense was that the Fund was trading beneath where we'd expect it to have, given the operational and financial performance of the underlying stocks. That would be consistent with a cautious and pessimistic market dragging its feet because it's worried about a recession. We suspect that January's gains may be, in part, an unwinding of that discount.

So far though much of this catch-up has been in technology stocks. If you look at the Top 10 holdings information on the next page you might think the Fund is only invested in tech. That's not the case, but the strong out-performance by tech stocks in January has seen those tech holdings grow in size faster than the others and take over those Top 10 weightings. It's likely other sectors will have their turn in the coming months.

It's also likely that after three strong months of gains there'll be a period of consolidation at some point soon, which may include some short-term falls. It's healthy for markets to pause and consolidate after a run-up.

KEY INFORMATION

FUND FEATURES

The Lighthouse Global Equity Fund is a portfolio of very large market capitalisation “blue chip” stocks, listed on the major United States exchanges, that have strong growth characteristics. The Fund intentionally seeks companies with high liquidity, very conservative levels of debt, and strong histories of revenue and profit growth. This is a high conviction portfolio of approximately 18 to 20 positions.

The Fund’s objective is to deliver long-run net returns that are at least 2% pa higher than those of the MSCI All Country World Index. That index has averaged 11% pa over the last 5 years, so the Fund targets long-run net returns of at least 13% pa.

FUND FACTS

Fund name	Lighthouse Global Equity Fund
Fund type	PIE unit trust
Benchmark	MSCI ACWI, net, in NZD
Management fee	1% pa + GST (approx. 1.05% pa)
Performance fee	30% of returns in excess of the MSCI ACWI + 2% pa (we expect this hurdle to average 13-14% pa over time), with a perpetual high tide mark
Buy/sell spread	0.10%/0.10%
Manager	FundRock NZ
Investment manager	Lighthouse Funds
Supervisor	Public Trust
Custodian	Adminis
Auditor	KPMG

TOP 10 HOLDINGS

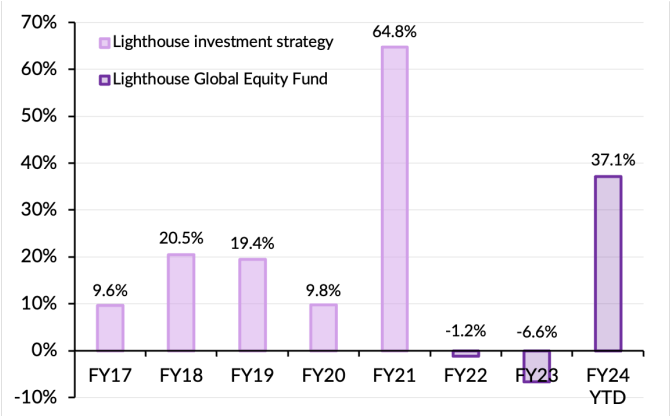
Holding	% of Fund NAV
Super Micro Computer	14.9%
Meta	9.8%
Arista Networks	9.7%
ZScaler	9.6%
Builders FirstSource	9.1%
Invesco QQQ Trust ETF	7.8%
NVidia	6.9%
AMD	6.5%
Palo Alto Networks	6.4%
ASML	6.2%

Important Notice

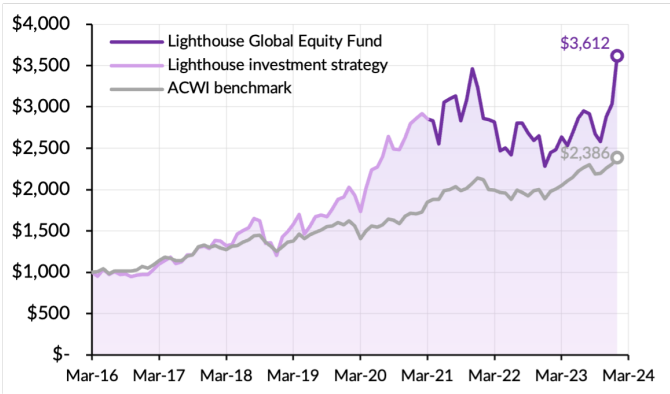
This factsheet is produced by Lighthouse Funds LP (Lighthouse) and provides key information about the Lighthouse Global Equity Fund. It tells you how the fund has performed and it will help you to compare it with other investments. It is based on information that we believe to be accurate and reliable but we can't guarantee that is the case. The returns information shows the net returns for this retail unit trust, since it began operations in March 2021, and also the net returns from the investment strategy Lighthouse Funds' uses in both this retail unit trust and in a wholesale fund that has been operating since March 2016. The returns for the wholesale fund have been provided by Lighthouse Funds from the audited financial statements for that fund. Past performance does not guarantee future returns. The information in this factsheet is not intended to be financial advice for the purposes of the Financial Market Conduct Act 2013, as amended by the Financial Services Legislation Amendment Act 2019. For more details please refer to the Product Disclosure Statement (PDS) and the latest quarterly fund update. You can find these documents at <https://lighthousefunds.nz/library> or contact us at enquiries@lighthousefunds.nz

PERFORMANCE

Returns by financial year (March year ends)



Cumulative returns



RISK

1	2	3	4	5	6	7
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The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the Fund’s assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.