

OCTOBER 2024

Net return for
October 2024

8.36%

After fees, pre-tax

Net return for FY2025
to date

5.16%

After fees, pre-tax, March y/e

Net return for FY2025
to date for the MSCI ACWI

7.75%

March y/e

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

\$26,376

At 0% PIR tax

Net Returns As At 31 October 2024	1 month	6 months	1 year	2 years (pa)	5 years (pa)	Inception (pa)
Lighthouse Global Equity Fund	8.4%	16.7%	79.8%	33.8%		
Lighthouse Funds' investment strategy	8.4%	16.7%	79.8%	33.8%	21.4%	19.6%
MSCI ACWI net in NZD	4.5%	10.2%	29.8%	19.7%	12.8%	13.0%

COMMENTARY FOR THIS MONTH

October delivered a healthy return of 8.4%. That was in large part due to the United States dollar strengthening 6.4% through the month, with the rest of the gains coming from share prices rising.

That's capped this Fund's best ever 12 month period, with a pre-tax net return of 79.8%. That said, we don't place a lot of weight on 12 month returns as they tend to bounce around a lot. Internally we focus on the 5 year return, which is currently in line with the circa 20% pa level we expect it to average over the long run.

But it could have been better yet. US equity markets and this Fund both dropped quite a bit in the last two days of the month. In last month's factsheet we outlined that equity markets tend to be late to react to Presidential elections and we'd suggest that this year that reaction started just three or four trading days before the election. There were very few buyers in the market and so prices sagged.

As we write this the election is still a few days away and Wall Street is moving to the sidelines until the election result is known. The US economy is in a purple patch at the moment, with strong GDP growth and retail spending, high corporate profits, historically low unemployment, inflation back at 2% pa and interest rates falling. Financial markets will want that to stay unchanged and so their sweet spot is President Harris constrained by a Republican House. The worst-case scenario

for markets is a Republican clean sweep, enabling a President Trump to introduce tariffs, trigger trade wars and worsen the US fiscal deficit.

This election does present a stark "A or B" choice between the two candidates' economic and fiscal policies, with little overlap between the two options. So markets are likely to remain unsettled and volatile until we reach the other side of the election uncertainty. The risk is that a close-run or contested election could leave things uncertain for many weeks, with a market struggling to land on a clear direction.

Meanwhile we continue to get results announcements for the September quarter. Each quarter we expect one of the Fund's positions will come out with a bad result, but this time we've had two. Both Enphase and Super Micro have delivered good gains for this Fund at different times in the past but this hasn't been a good quarter for either. Thankfully both are small positions so the overall damage is limited.

All eyes though are on Nvidia's results, which won't be announced until the 20th of November. Nvidia, more than any other company, is in a position to affirm or to change the market's direction.

Finally, in other news, Lighthouse Funds has introduced an updated website, at <http://lighthousefunds.nz> so please feel free to give that a visit.

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 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 15 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 13% pa over the last 5 years, so the Fund targets long-run net returns of at least 15% 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 14-15% 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

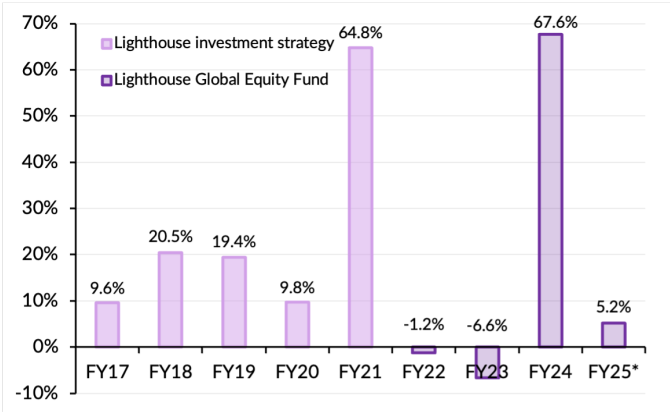
Holding	% of Fund NAV
Royal Caribbean Cruises	13.7%
AppLovin	12.7%
Nvidia	11.8%
Arista Networks	11.3%
Deckers Outdoor	10.5%
Sea	7.5%
Invesco QQQ Trust	6.7%
Netflix	6.2%
Alnylam Pharmaceuticals	5.9%
Monolithic Power Systems	5.1%

IMPORTANT NOTICE

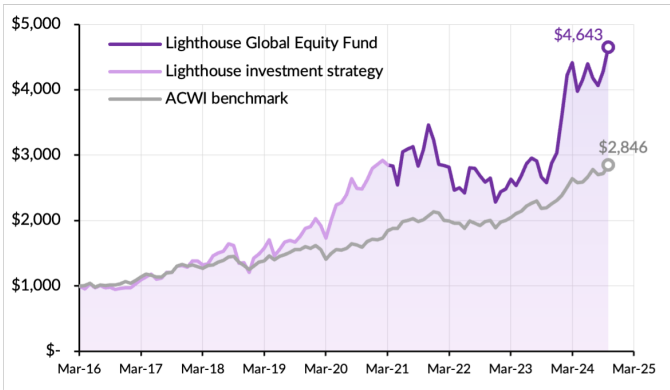
This factsheet is produced by Lighthouse Funds LP (Lighthouse) and provides key information about the Lighthouse Global Equity Fund. It tells you how the fund has performed and it will help you to compare it with other investments. It is based on information that we believe to be accurate and reliable 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.