

JUNE 2024

Net return for
June 2024

6.05%

After fees, pre-tax

Net return for FY2025
to date

-0.34%

After fees, pre-tax, March y/e

Net return for FY2025
to date for the MSCI ACWI

0.98%

March y/e

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

\$28,266

At 0% PIR tax

Net Returns As At 30 June 2024	1 month	6 months	1 year	2 years (pa)	5 years (pa)	Inception (pa)
Lighthouse Global Equity Fund	6.0%	45.1%	53.5%	34.8%		
Lighthouse Funds' investment strategy	6.0%	45.1%	53.5%	34.8%	23.1%	19.7%
MSCI ACWI net in NZD	3.1%	15.6%	20.0%	19.1%	12.9%	12.6%

COMMENTARY FOR THIS MONTH

June was another solid month, with a gain of just over 6%.

That brought the quarter ending in June to basically a flat result. We're not surprised to see a flat quarter – after the strong gains in the first quarter of 2024 it's typical to see a period of consolidation where the market tracks sideways while it digests, or grows into, the recent gains.

What was interesting across the quarter was to see the dispersion of returns.

This quarter about two-thirds of the Fund's positions were tech companies – many connected with semiconductor manufacturing in one way or another. It's not that we set out to over-weight to that sector, or to any sector for that matter. It's just that recently these are the companies that have shown the mix of characteristics we look for. All but one posted good gains in the last three months, and we'll forgive the one that didn't (SMCI) because it's still up nearly 200% since the start of the year.

The other third of the Fund's positions were drawn from the building and construction sector, and the consumer discretionary sector (food, beverage, retail etc). One of those investments was flat across the quarter but all the others were deeply down. It's tempting to think of these "real world" companies as being somehow safer, less volatile and less risky but, as this last quarter shows, that isn't necessarily the case.

Looking at the broader economic situation, there don't seem to be any cracks in the economic fundamentals that would move us away from the "soft landing" scenario and into a more dire scenario. June's economic data all appeared to come in as forecast, with no surprises. Some of that economic data is softer than it was at the start of the year, but that's consistent with the idea that the global economy is gently slowing but not going into reverse. A soft landing from 2022's inflation peaks will require having some softening numbers, and it will be (is) easy for the permanently bearish to interpret those as meaning a recession or crash is imminent. But the underlying reality seems robust.

Every year equity markets have at least one meaningful pullback or correction – it's the price equities make you pay for their superior long-run returns. But at the moment corporate profits are growing, a programme of interest rate cuts is expected to begin soon, and there's still a record amount of cash sitting on the sidelines. All of that should be bullish for stocks over the next six to twelve months.

At the same time there's a very consequential US election just five months away, with big implications for the US and global economies. So far we haven't seen signs that markets are beginning to factor the election in but it must eventually have an impact. You'll see it first in the bond market and then in the currency market. Historically the equity markets have been the last ones to move.

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 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

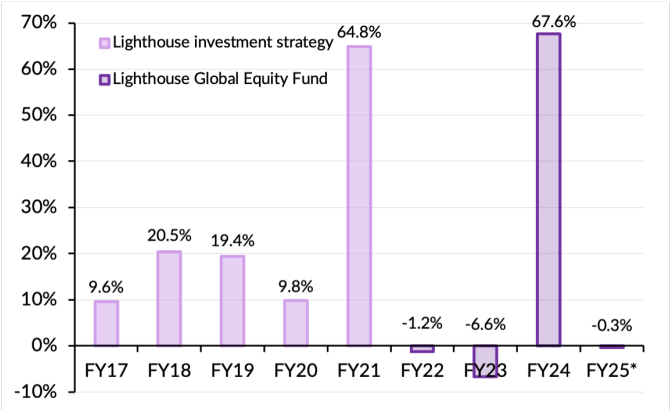
Holding	% of Fund NAV
Cash	44.6%
Nvidia	12.5%
Arista Networks	10.2%
Super Micro Computer	9.1%
Invesco QQQ Trust	7.0%
KLA Corporation	6.0%
ASML	5.6%
Crox	5.0%

IMPORTANT NOTICE

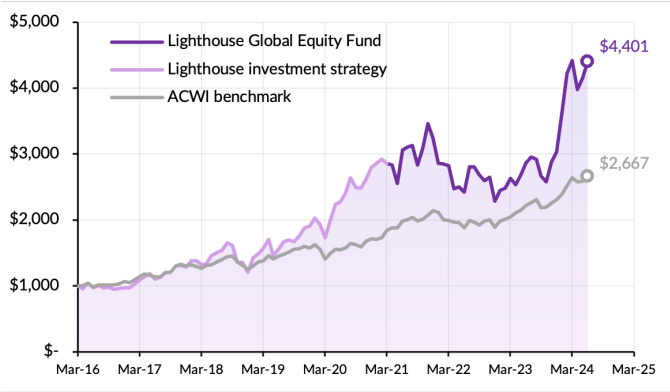
This factsheet is produced by Lighthouse Funds LP (Lighthouse) and provides key information about the Lighthouse Global Equity Fund. It tells you how the fund has performed and it will help you to compare it with other investments. It is based on information that we believe to be accurate and reliable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