

**APRIL 2023**

Net return for  
April 2023

**-3.82%**

After fees, pre-tax

Net return for FY2024  
to date

**-3.82%**

After fees, pre-tax, March y/e

Net return for FY2024  
to date for the MSCI ACWI

**2.75%**

March y/e

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

**\$18,945**

At 0% PIR tax

| Net Returns As At 30 April 2023 | 1 month | 6 months | 1 year | 2 years (pa) | 5 years (pa) | Inception (pa) |
|---------------------------------|---------|----------|--------|--------------|--------------|----------------|
| Lighthouse Global Equity Fund   | -3.8%   | -2.3%    | 2.6%   | -5.4%        | 13.6%        | 14.0%          |
| MSCI ACWI net in NZD            | 2.8%    | 6.0%     | 7.3%   | 5.9%         | 9.9%         | 11.1%          |

## COMMENTARY FOR THIS MONTH

April saw the fund slip back 3.8%. It was an unusual month, with markets and nearly all the Fund's holdings trading sideways through the month. Ultimately the loss in April was due to just three of the Fund's positions.

Firstly, Enphase, the leading technology supplier for solar energy, saw their share price fall 25% after their earnings announcement. Enphase beat the market's expectations and continues to grow at 25-30% pa. But it sounded a cautionary note about a new change to California's solar energy incentives – not good, not bad, just “we don't yet know what this will mean”. We see Enphase as one of our highest-conviction long-term investments, and view April's drop as an over-reaction and we wish we were in a position to buy more at this price. But it harmed the Fund's returns in April.

Secondly, the Fund's investments in two Chinese stocks fell by nearly 20% through the month. These Chinese stocks are a bit vexing. Good profitable businesses, strong growth with a long runway ahead, and at attractive valuations. But their share prices also sit in the shadow of internal Chinese politics and global geopolitics. The internal Chinese political and financial environments have improved dramatically in the last year, which was a large factor in continuing to hold them. But the US mood towards China has become increasingly tense and aggressive in the last few months, which drove their share prices down by 15-20% in April. We think the Chinese and

American/Western economies are too inter-dependent for the situation to evolve into more than just harsh talk. We'll wait for these companies' quarterly results in late-May and then re-assess.

Looking more broadly, April was a month of consolidation and pause after a strong opening to 2023. The Fund was up more than 15% in the first quarter, and when we look back through its history we see that sort of strong quarterly gain is nearly always followed by a month or two of consolidation.

We remain positive about the rest of 2023. The year or so from late-2021 to the end of 2022 was as hard, or harder, for markets and this Fund as the GFC. It will come to be seen as a major market crash alongside 1987, 2001, and 2008.

But now inflation is in decline, global economic growth remains healthy, labour markets and consumer spending remain strong, and the companies the Fund is invested in appear to have healthy prospects. Our base case assumption is that global growth will slow in the first half of 2023, but remain positive, and then accelerate towards the end of the year as central banks loosen the reins. But the early stages of “slowing growth into a soft landing” will be hard to distinguish from “slowing growth into a recession”, so we expect markets to be a bit volatile and pessimistic until it's clear just which of those two end-points we're going to get.

# 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

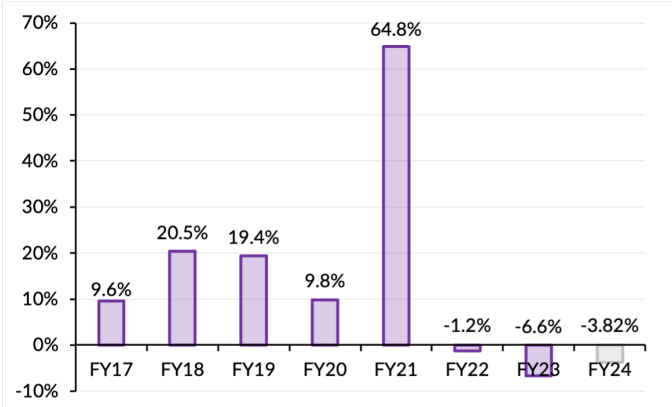
|                    |                                                                                                                                           |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| 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            | Implemented Investment Solutions                                                                                                          |
| Investment manager | Lighthouse Funds                                                                                                                          |
| Supervisor         | Public Trust                                                                                                                              |
| Custodian          | Adminis                                                                                                                                   |
| Auditor            | KPMG                                                                                                                                      |

## TOP 10 HOLDINGS

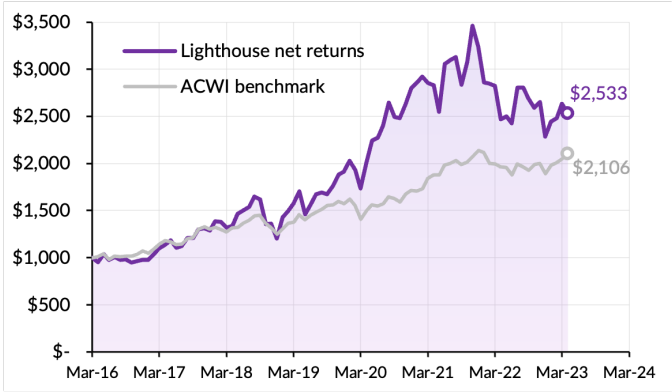
| Holding                | % of Fund |
|------------------------|-----------|
| Ulta Beauty            | 11.0%     |
| Vertex Pharmaceuticals | 10.8%     |
| United Rentals         | 9.2%      |
| Invesco QQQ Trust      | 8.9%      |
| Fortinet               | 7.4%      |
| Lam Research           | 7.1%      |
| The Trade Desk         | 6.8%      |
| Moderna                | 6.7%      |
| Apple                  | 6.3%      |
| AMD                    | 6.3%      |

## PERFORMANCE

Returns by financial year (March year ends)



Cumulative returns



## RISK

|   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

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.

## Important Notice

This factsheet 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 net returns information uses a blend of this fund, across its full history, and returns from a wholesale fund Lighthouse Funds manages that uses the same strategy and 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. 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](mailto:enquiries@lighthousefunds.nz)