

AUGUST 2025

Net return for
August 2025

-2.17%

After fees, pre-tax

Net return for FY2026
to date

18.44%

After fees, pre-tax, March y/e

Net return for FY2026
to date for the MSCI ACWI

11.18%

March y/e

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

\$21,172

At 0% PIR tax

Net Returns As At 31 August 2025	1 month	6 months	1 year	2 years (pa)	5 years (pa)	Inception (pa)
Lighthouse Global Equity Fund	-2.2%	3.9%	37.8%	38.6%		
Lighthouse Funds' investment strategy	-2.2%	3.9%	37.8%	38.6%	16.2%	20.1%
MSCI ACWI net in NZD	2.5%	5.7%	22.8%	20.1%	15.1%	13.6%

COMMENTARY FOR THIS MONTH

The Fund was down 2.2% in August. That was disappointing given the major indexes were slightly up for the month, but we don't see cause to panic. The Fund typically has three or four losing months every year and August and September do tend to be the weaker months of the year for our investment strategy.

For equity markets it seemed that in August nothing mattered except rate cuts. Much of the month was spent swinging up and down based on whether markets thought the Federal Reserve will cut rates in September or not. The rate cut decision is a three-sided competition between the Fed, the White House and the bond market. But the bond market took August off to go on holiday so we lost its more rational common sense and were left with just the politics.

The nervousness and apprehension will almost certainly carry through until at least the Federal Reserve's mid-September meeting. It's a redux of mid-2024, when markets then were waiting to see if/when the Federal Reserve would begin to cut rates. Now markets are waiting to see if the Fed has ended its programme of cuts, or whether there's a few more yet to come.

For our part, we're not sure that the Fed cutting interest rates because they think the economy is slowing is quite the flex equity markets are hoping for.

The nervousness and apprehension drove a rotation from growth stocks towards value stocks such as utilities and

property. So defensive stocks rose and growth-oriented stocks fell, which is basically the story you see in this Fund's returns. That style rotation happens periodically but ultimately share prices are driven by earnings and the defensive sectors don't have the strong earnings growth that will drive long-term share price gains. Rather they tend to run in a cycle from under-valued to fair-valued then back to under-valued etc. One current example is the European share markets. The STOXX600 index (Europe's equivalent of the S&P500) is up nearly 12% so far in 2025. But it's only had positive revenue growth in 2 of the last 9 quarters. Yes it's gone up recently, but we struggle to see an enduring long-run story there.

Looking forward, we expect the big question that will shape equity markets through to the end of the year is to what extent higher trade-related costs will fall on overseas suppliers, on American companies, or on American consumers. Trump believes they will be borne by the overseas suppliers. Nearly all economists think they will (eventually) be borne by consumers. Time will tell.

Where that's important is that history tells us bear markets are normally triggered by the real economy. It's not lofty share valuation metrics per se that lead to market corrections, it's negative economic data. For now the US economy remains resilient and we remain cautiously bullish, but we remain alert for signs of tremors in the global economy.

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

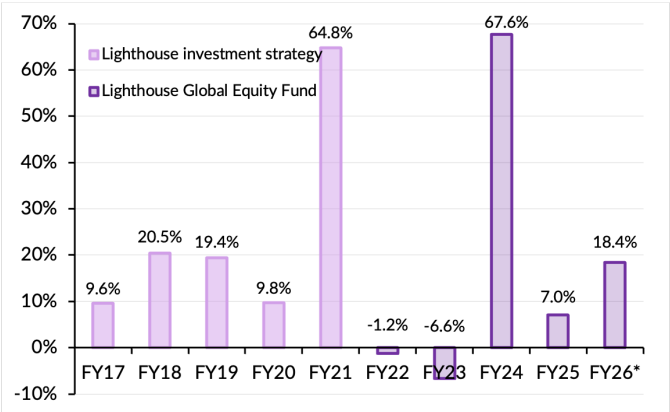
Holding	% of Fund NAV
NRG Energy	9.8%
AppLovin	9.5%
Invesco QQQ Trust	7.7%
Carvana	7.4%
Robinhood	7.4%
Nvidia	6.6%
Netflix	6.3%
Coinbase	6.1%
Sea	5.8%
MercadoLibre	5.6%

IMPORTANT NOTICE

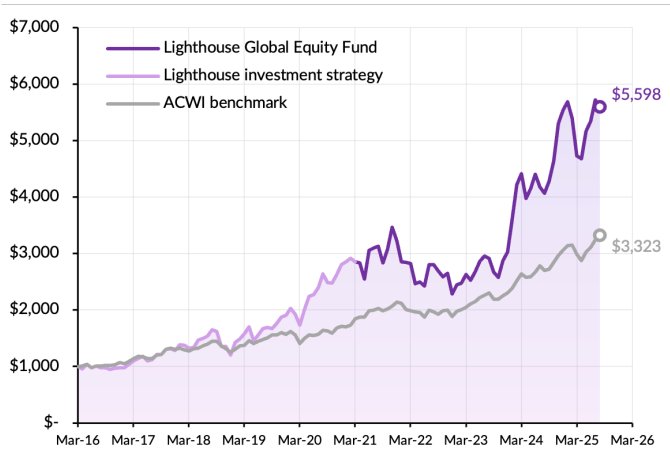
This factsheet is produced by Lighthouse Funds Limited (Lighthouse) and provides key information about the Lighthouse Global Equity Fund. It tells you how the fund has performed and it will help you to compare it with other investments. It is based on information that we believe to be accurate and reliable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