

MAY 2025

Net return for
May 2025

10.47%

After fees, pre-tax

Net return for FY2026
to date

9.39%

After fees, pre-tax, March y/e

Net return for FY2026
to date for the MSCI ACWI

1.25%

March y/e

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

\$23,072

At 0% PIR tax

Net Returns As At 31 May 2025	1 month	6 months	1 year	2 years (pa)	5 years (pa)	Inception (pa)
Lighthouse Global Equity Fund	10.5%	-2.6%	24.6%	38.8%		
Lighthouse Funds' investment strategy	10.5%	-2.6%	24.6%	38.8%	18.2%	19.6%
MSCI ACWI net in NZD	5.1%	1.9%	17.0%	18.7%	14.2%	12.8%

COMMENTARY FOR THIS MONTH

The Fund was up 10.5% in May as markets began to recover from the correction that started in February and that may have bottomed in late-April.

It's a bit of a barbell market at the moment. At one end of the barbell corporate profitability remains strong, with the recent reporting season delivering good results from the Jan-Mar quarter. At the other end of the barbell we have both political and geopolitical volatility, particularly in the United States, which mixes unpredictability and chaos with ropey economics.

Normally we would say that share market returns are only loosely connected to politics – creativity, innovation and consumer demand happen regardless of who is running the country. Typically what happens is that big external events, such as Covid or the GFC or a big natural disaster shape both markets and politics, rather than politics shaping markets.

So to have so much focus on the words of one individual is unusual – yet here we are. This correction and bounce-back is because Trump started a trade war, lost it, and then announced a 90-day “pause” that he framed as a victory. It is a bit like setting your kitchen on fire and then asking for applause because you found the extinguisher, but for now let's just be grateful that the flames have died down.

Meanwhile in May the real action was in bond markets. In the US it was the reaction of the bond market that forced Trump to

stay his hand on tariffs. The bond market isn't panicking, but it is starting to renegotiate interest rates upwards. Yes stock prices climbed, but it was the bond market's reaction that forced that change in direction.

There was important action in Japan too, where interest rates are now climbing strongly despite the Bank of Japan's efforts. As in the US bond investors are demanding higher interest rates to compensate for increased risk and uncertainty. In recent years low interest rates in Japan have driven a “carry trade”, where people borrow money in Japan and then invest in higher returning assets like US bonds and stocks. That flow is slowing and may even reverse, which would affect everything from mortgage rates here through to stock prices around the world.

At one level, this correction is following the typical course – about 2-3 months of falls, then quickly recover about half the lost ground (you are here), then grind back to the previous high over a further 2-3 months. That's pretty typical.

But on another level the increased political uncertainty and the damage from these recent policy swings may prolong that recovery. There's a growing sense of “wait and see”, which is sensible because just right now we all need to focus on what policy is implemented, rather than what is threatened or is just pugnacious lies. We remain optimistic and expect global economic growth may slow for a period, but not reverse. But let's watch the hard economic data.

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

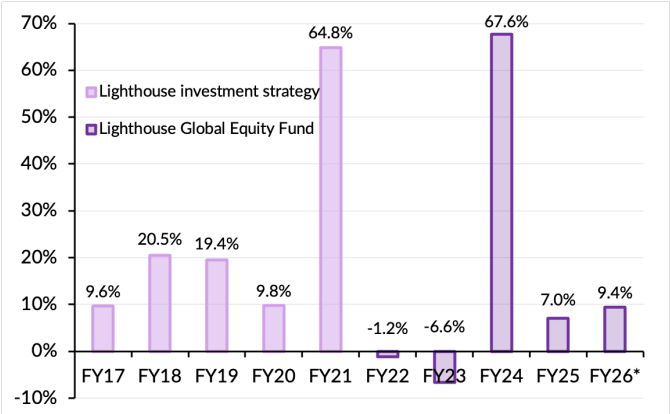
Holding	% of Fund NAV
Nvidia	13.9%
Netflix	12.6%
AppLovin	10.8%
NRG Energy	8.7%
Invesco QQQ Trust	7.8%
Teva Pharmaceuticals	7.6%
Mercado Libre	7.2%
Sea	6.9%
Shopify	6.3%
KLA Corporation	6.3%

IMPORTANT NOTICE

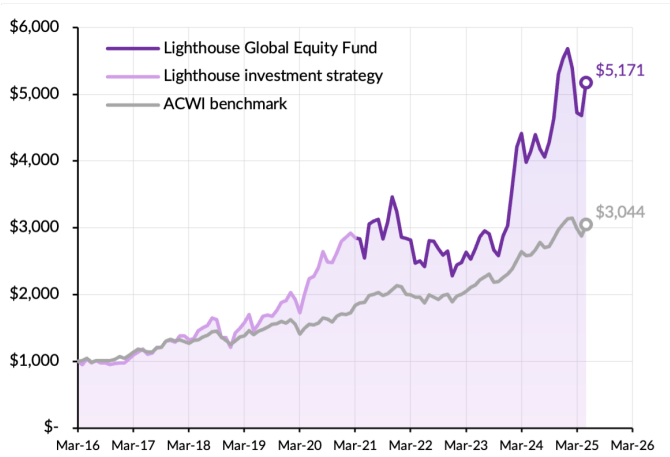
This factsheet is produced by Lighthouse Funds LP (Lighthouse) and provides key information about the Lighthouse Global Equity Fund. It tells you how the fund has performed and it will help you to compare it with other investments. It is based on information that we believe to be accurate and reliable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