

MARCH 2026

Net return for
March 2026

-0.06%

After fees, pre-tax

Net return for FY2026

2.17%

After fees, pre-tax, March y/e

Net return for FY2026
for the MSCI ACWI

19.15%

March y/e

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

\$16,918

At 0% PIR tax

Net Returns As At 31 March 2026	1 month	6 months	1 year	2 years (pa)	5 years (pa)	Inception (pa)
Lighthouse Global Equity Fund	-0.1%	-22.4%	2.2%	4.6%	11.1%	
Lighthouse Funds' investment strategy	-0.1%	-22.4%	2.2%	4.6%	11.1%	17.1%
MSCI ACWI net in NZD	-2.4%	1.8%	19.1%	16.1%	14.1%	13.5%

COMMENTARY FOR THIS MONTH

The Fund was flat in March, which is a slight win given the turbulent world events in March and their impact on markets.

The AI panic that's been weighing on growth stocks since late-October appeared to have bottomed in late-February. We had hopes this might mean March would see the start of a recovery, and the first part of March did deliver rises, but then President Trump decided to attack Iran.

Oil prices spiked, other commodities plunged (weirdly, gold, the traditional safe haven investment, fell nearly 25% through March), and interest rates surged. Consumer sentiment took a hit, which isn't surprising given it's largely driven by the items we purchase most frequently – like petrol.

So investors have been hanging on Trump's every word, looking for signs the conflict will wind down. The difficulty is that Trump is erratic. Our take is that no one – even Trump – knows where things are headed in the next couple of weeks. Because of that Trump's rhetoric that this will be a brief "excursion" isn't placating markets anymore.

In these situations we fall back on one pattern that has stood the test of time – stocks will go down a bit, but then they'll go up by a lot more.

The hard economic data remains generally positive, albeit it's cooling. Central banks are likely more worried about economic

growth and the labour market rather than inflation. Oil-driven inflation tends to self-correct. The best cure for high oil prices is high oil prices, and interest rate hikes do little to lower oil prices anyway. We suspect central banks will need to cut rates in the second half of 2026 in order to stimulate economic growth.

Meanwhile for investors it's important to distinguish between "front page risk" and "bottom line risk". Front page stories, such as the current conflict in Iran or concerns about AI disruption, generate short-term volatility. But in the long-term what matters to the markets is the bottom line earnings.

The good news is that the estimates of corporate earnings have held up and actually continue to rise. The overall S&P500 is forecast to show 13% earnings growth from Q1 2025 to Q1 2026, and the companies this Fund is invested in are growing faster than that (current forecasts are for about 55% earnings growth from the Fund's portfolio).

But for now the market remains oversold – at least those parts of the market this Fund invests in. There's likely to be limited upside until hostilities cease in Iran and there's a clear plan to re-open the Strait of Hormuz, but at that point we could see a good bounce. When Trump paused his tariffs in April 2025 this Fund gained 14% in a day and something like that could happen again once we have a path to peace.

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

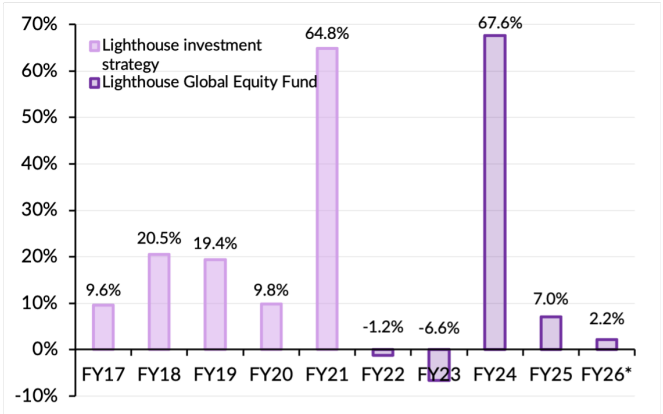
Holding	% of Fund NAV
Cash	22.7%
Celestica	11.9%
Comfort Systems	10.5%
Invesco QQQ Trust	9.8%
Carvana	8.4%
First Solar	8.2%
AppLovin	6.9%
Robinhood	6.2%
Echostar	5.8%
Nvidia	3.4%

IMPORTANT NOTICE

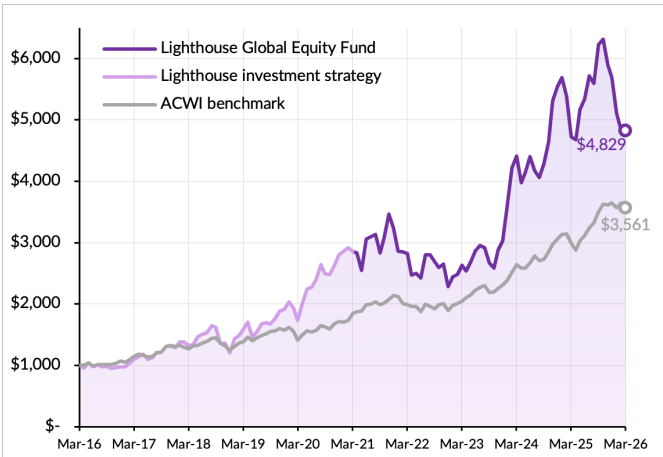
This factsheet is produced by Lighthouse Funds Limited (Lighthouse) and provides key information about the Lighthouse Global Equity Fund. It tells you how the fund has performed and it will help you to compare it with other investments. It is based on information that we believe to be accurate and reliable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

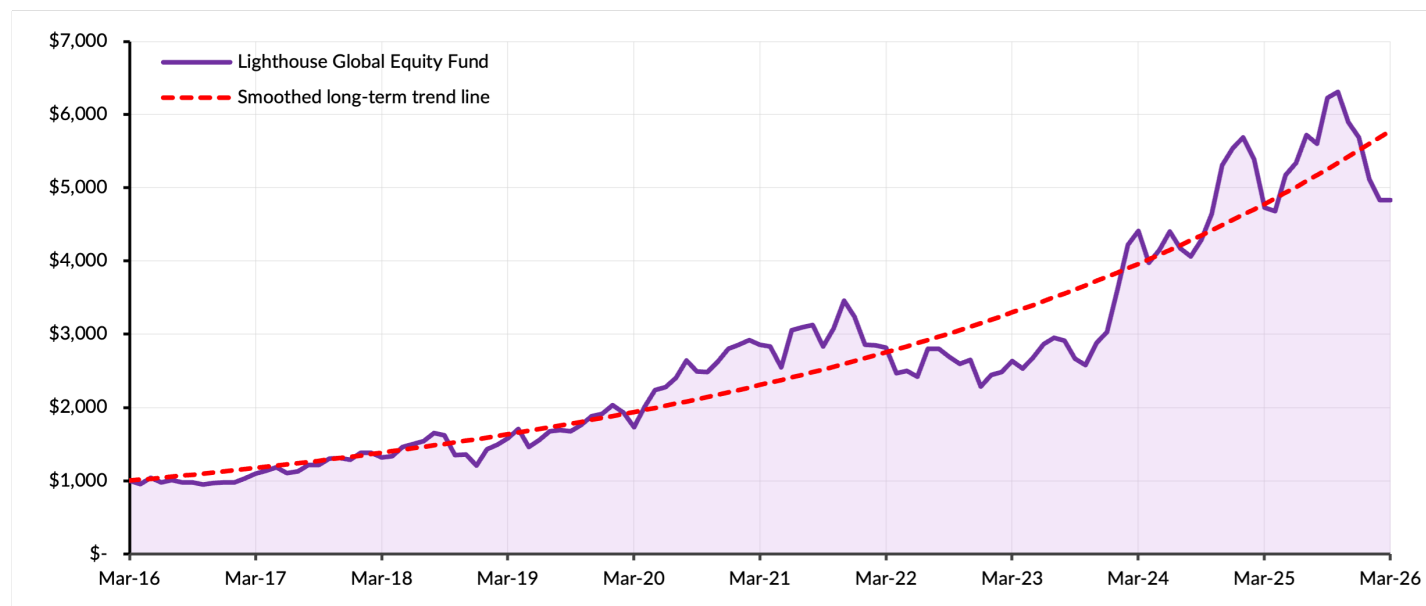


RISK

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.

LOOKING BACK OVER THE FY2026 FINANCIAL YEAR



In FY2026 equity markets only had two catalysts – Trump and AI anxiety. It's like the market spent the year only reading Trump's Truth Social posts and Anthropic's blog.

We came into the new financial year after falls in February and March 2025 sparked by Trump's tariff threats, which culminated in the "Liberation Day" announcement on the 2nd of April. The next day, the 3rd of April, was the Fund's worst day of the year, down 9.6%.

The carnage in financial markets was so severe that Trump blinked, announcing a pause to his tariffs. The bounce back on the 9th of April was the Fund's best day of the year, up 14.3%. We were introduced to the term "TACO" (Trump Always Chickens Out).

Fear of (largely paused) tariffs gave way to AI euphoria, which was followed in turn by AI panic. It's created a marked divergence between the market's narrative and its numbers, between the market's pricing and the companies' profitability. The current narrative is pessimistic, even dystopian. Meanwhile both the companies and the analysts have been raising their earnings forecasts. The stock market will do weird things in the short-term but over the long-term share prices do gravitate back into alignment with earnings. The question is are the narrative and the share prices wrong? Or are the earnings forecasts wrong? And note that it's possible both are wrong. It's likely it will take more than the next twelve months to get clarity on these questions. But in the meantime the market has aggressively sold the most profitable and fastest growing companies in the stock market ... just because.

Then we rounded out the financial year with another dose of Trump upending the global economy. So far the market reaction to events in the Persian Gulf has been rather subdued, all things considered.

Here's a chart that provides some interesting context to this just-completed financial year.

The purple line shows the Fund's cumulative net returns over the ten years to 31 March 2026. There's a nearly 5x money gain over those ten years, but also quite a bit of short-term volatility.

The red dashed line is the "smoothed" long-term trend line that balances out the "overs" and the "unders" from that more volatile actual return.

We use that red dashed line as a quick-and-dirty indicator of whether the Fund might be over- or under-valued at any given time. It's not a totally accurate measure, but it's a useful pointer. So, for example, you can see that from March 2020 to March 2022 it suggests the Covid stimulus may have over-egged the value of equities. Likewise, from March 2022 to November 2023 the resulting inflation hangover dampened the value of equities.

The trend line suggests that the Fund finished the previous financial year, the twelve months to 31 March 2025, basically level with the long-term trend.

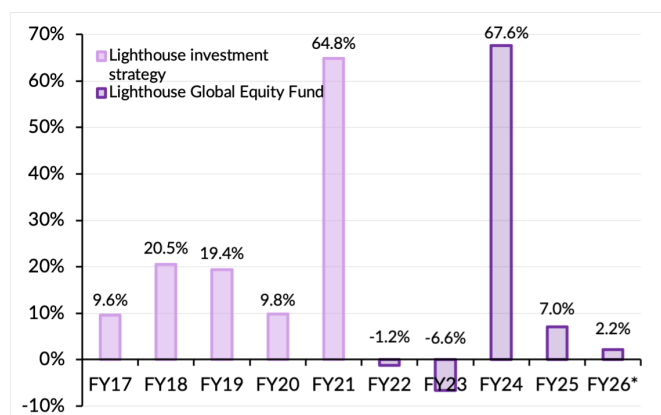
Then for FY2026, the twelve months to 31 March 2026, it suggests the first six months was a stronger-than-average start but then the last six months dragged the returns down to a level well below the long-term trend line.

When we talk about a fund's returns "reverting to the mean" this is the basic mechanism we're talking about. The returns will oscillate a little above and below the fund's trend line, which exerts a gravitational pull that drags them back. Note though that the "mean" that we're reverting to is the mean for that fund's investment strategy and portfolio structure – which isn't necessarily the mean return of the market index.

To get back to the trend-line from the Fund's current level would need a gain of about 20%. That squares with our rough estimate of how much the Fund's portfolio is currently over-sold.

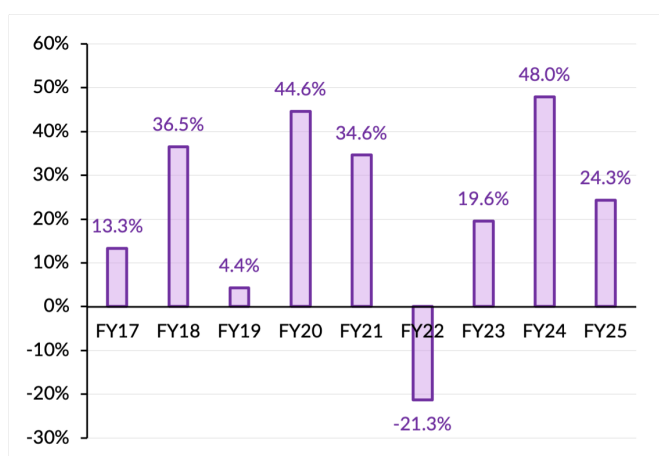
THE IDES OF MARCH?

In New Zealand the tax year ends on the 31st of March, so it's customary to use March year-end financial years – as this fund does. So we show investment returns on that March year-end basis, which looks like this:



It's fair to think a potential investor would look at that chart and think "There's a couple of extremely good years, but the other more recent years have been a bit poor".

But here's our same fund returns but now based on a June year end¹:



The net returns from June year-ends look more consistent, with more than half of the years giving a 20%-50% net return.

Why the difference? It just seems that bad things – well, bad things for our investment strategy – seem to happen in the first quarter of the calendar year.

At the end of January 2020 the Fund was up 28.7% for that FY2020 year. But then we had Covid and the Fund finished FY2020 with just a 9.8% return. Those losses reversed in the following months so effectively some of FY2020's returns slid into FY2021 – leaving that financial year with a bumper return.

FY2020 and FY2021 with June year-ends look more balanced because the quick Covid crash-and-recovery all happens in FY2020.

With June year-ends FY2022 incurs nearly all of the post-Covid inflation crash but then the recovery from that crash is spread across the following two years rather than being captured in just FY2024 as it is with March year-ends.

With March year-ends the returns for both FY2025 and FY2026 have been hit by events happening in the last month or two of the financial year. At the end of January 2025 the Fund was up 28.8% for that financial year, only for the tariff scare to drop the full year return to 7%. In FY2026 we suspect the return might have got to something like 10% but for the conflict with Iran.

The takeaway from this? Mainly it's just a curiosity. A quirk. We don't intend to move the Fund to a June financial year-end. But hopefully it does demonstrate that the Fund's investment returns are a bit more steady than the March year-end numbers might suggest.

¹ Based on the Fund's gross investment returns, then with our standard fee arrangement calculated on a June year-end basis.