LIGHTHOUSE GLOBAL EQUITY FUND

AUGUST 2026

Net return for August 2026	Net return for FY2027 to date	Net return for FY2027 to date for the MSCI ACWI	If you'd invested $10,000 five years ago it'd now be worth
1.11%	16.30%	13.88%	$17,945
After fees, pre-tax	After fees, pre-tax, March y/e	March y/e	At 0% PIR tax

Net Returns As At 31 August 2026	1 month	6 months	1 year	2 years (pa)	5 years (pa)	Inception (pa)
Lighthouse Global Equity Fund	1.1%	16.2%	0.3%	17.6%	12.4%	
Lighthouse Funds' investment strategy	1.1%	16.2%	0.3%	17.6%	12.4%	18.0%
MSCI ACWI net in NZD	2.0%	11.2%	22.0%	22.4%	14.8%	14.4%

COMMENTARY FOR THIS MONTH

In the end the Fund was up 1.1% in August, but the month had promised more. By the middle of August it was up 10% from July's close but then renewed fears of tariffs (with Canada), Iran, oil prices, inflation and interest rates drove another mini-collapse in the last two weeks of the month.

Equity markets continue to behave strangely, with downright dull moves in the indexes even as individual stocks swing like crazy. That unusual single-stock volatility has two main drivers.

Firstly, large US-based hedge funds are driving a lot of volatility, as they try to profit from the rises and falls. "Buy low, sell high" is easier if you have the wherewithal to push the price low in the first place. In particular Citadel, the largest market maker in the US, has been offloading the US$150 billion of tech shares it bought at fire-sale prices in the collapse of the Situational Awareness fund. That's an amount twice the size of the SpaceX IPO. There's a great phrase in markets about "stuffing the goat down the python". This is a very fat goat and the python will need time to digest it.

Secondly, is the market's schizophrenia about AI. Earnings announcements reinforce the view that AI-adjacent stocks are growing rapidly, that value is being created, and that capex plans are being accelerated as the players worry more about the scale of the rising demand they face rather than over-building infrastructure.

But outside these announcements there is a recurring fear that AI will lead to a dot-com type crash. Many investors are trying to "front-run" that fear by selling these stocks, despite their good financial performance. And so the share price of these AI-related stocks have these regular convulsions, like we saw in July, without any obvious economic driver.

That sees the Fund with a portfolio where earnings are rising quickly, share prices are going nowhere, and so there's a lot of valuation multiple compression. The Fund's portfolio has grown earnings by over 100% in the last 12 months, and they're forecast to grow by a further 90% in the next 12 months. Meanwhile the Fund is flat from this time last year.

But when you compress a spring it wants to bounce back, and we expect something similar to happen with share prices in the coming months. The fundamental numbers support higher prices, and the current sentiment is likely to shake out. Either this is a buying opportunity, or the market knows something about the future of technology that management at companies like Google, Microsoft and Nvidia do not.

That said, we don't expect that bounce back to start in September. Markets tend to slip backwards in the couple of months before a US mid-term election, before tending to have a strong rise once the election has happened. So the next six weeks or so are likely be soft, but markets have a good setup for the final run to the end of the year.

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 about 25 positions.

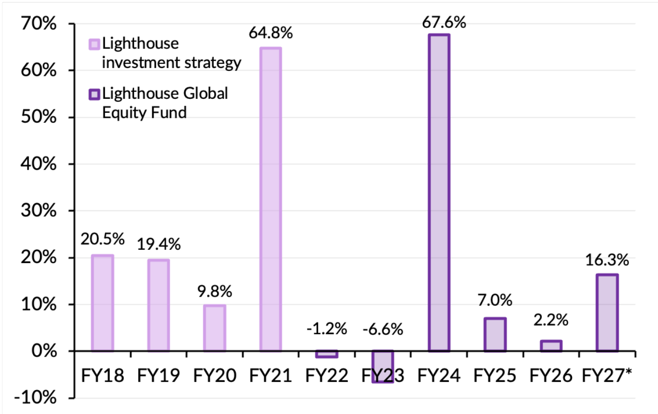
The Fund's objective is to deliver long-run net returns that are at least 2% pa higher than those of the MSCI All Country World Index. That index has averaged 13% pa over the last 5 years, so the Fund targets long-run net returns of at least 15% pa.

FUND FACTS

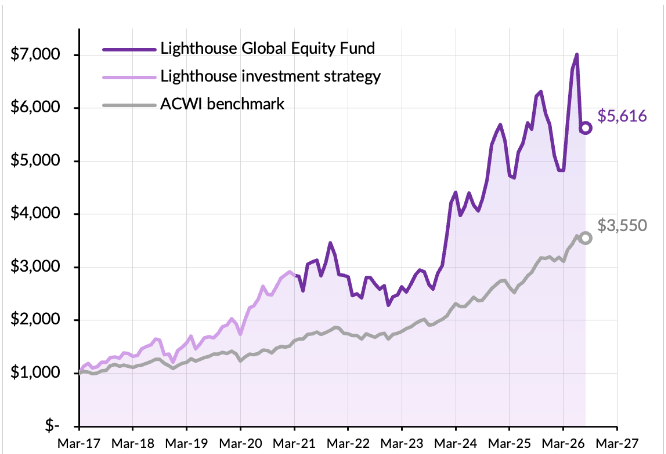
Fund name	Lighthouse Global Equity Fund
Fund type	PIE unit trust
Benchmark	MSCI ACWI, net, in NZD
Management fee	1% pa + GST (approx. 1.05% pa)
Performance fee	30% of returns in excess of the MSCI ACWI + 2% pa (we expect this hurdle to average 14-15% pa over time), with a perpetual high tide mark
Buy/sell spread	0.10%/0.10%
Manager	FundRock NZ
Investment manager	Lighthouse Funds
Supervisor	Public Trust
Custodian	Adminis
Auditor	KPMG

PERFORMANCE

Returns by financial year (March year ends)



Cumulative returns



TOP 10 HOLDINGS

Holding	% of Fund NAV
Guardant Health	11.0%
Invesco Optimum Yield Diversified Commodity	9.6%
Nvidia	8.1%
Micron	7.2%
Comfort Systems	6.4%
Flex	5.4%
FTAI Aviation	5.3%
KLA Corporation	5.3%
Lumentum	4.4%
Fortinet	4.0%

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