LIGHTHOUSE GLOBAL EQUITY FUND

MAY 2026

Net return for May 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
16.89%	39.24%	10.39%	$26,371
After fees, pre-tax	After fees, pre-tax, March y/e	March y/e	At 0% PIR tax

Net Returns As At 31 May 2026	1 month	6 months	1 year	2 years (pa)	5 years (pa)	Inception (pa)
Lighthouse Global Equity Fund	16.9%	14.0%	30.0%	27.3%	21.4%	
Lighthouse Funds' investment strategy	16.9%	14.0%	30.0%	27.3%	21.4%	20.6%
MSCI ACWI net in NZD	3.4%	8.7%	29.9%	23.3%	15.9%	14.4%

COMMENTARY FOR THIS MONTH

The Fund gained 16.9% in May, as it continued to bounce back from the panic-driven falls we saw from November through February.

The frustrating part of those falls is that there doesn't seem to have been any actual events or developments that would justify that size of drop. A calmer mood has seen share prices regain the ground they lost, but it's been an unnecessary whipsaw.

Although many share prices are higher now than they were at their October 2025 peak, nonetheless stocks are cheaper. The companies this Fund is invested in have grown their profits at about 50% pa over the last twelve months. Their earnings now are about 25-30% higher than they were when the shares were at these same price levels back in October. So valuation metrics aren't quite as stretched as they were last year. That's healthy.

But while corporate profits are robust, and are forecast to continue their strong recent growth till at least the end of 2026, macro and geopolitical risks are mounting below the surface.

We do believe AI will be the fourth major wave of technology, after the PC, the Internet and mobile, but we also think AI is benefitting from helpful tailwinds that may not last. For one, there's been no attempt, so far at least, to regulate its development and use. AI promises both extraordinary opportunities and dangers, and it seems inevitable governments will eventually intervene to shape those. For another, AI hasn't yet met full economic reality. Will there be enough customers prepared to pay enough money to justify the huge capex and high opex? Or will much of the investment prove to have been mis-allocated? For a third, with so many competing AI providers will the industry be able to escape commoditisation? The three previous technology waves saw the majority of the economic surplus captured by Microsoft, Google and Apple respectively. But with multiple AI providers (OpenAI, Anthropic, Google, X, let alone their Chinese competitors) and low switching costs between them how will any of this group build a long-term moat that yields them monopoly profits? It's possible these companies are developing a product that is simultaneously expensive to produce and difficult to monetise with durable margins.

Meanwhile the world is producing more "tail risks". The United States is no longer a reliable partner in security or trade and so its global power is in decline. The full impacts of the Iran conflict are yet to be felt. The Ukraine war seems heading for a denouement. And so on.

Truthfully, we are optimistic about the future, but we're also more cautious than the recent run of good performance might suggest. What we do know though is that over long timeframes this investment strategy produces above-market returns, despite the short-term volatility. Right now the Fund's 5-year and 10-year returns are both over our soft target of 20% pa. We believe patient long-term investors do get rewarded.

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.

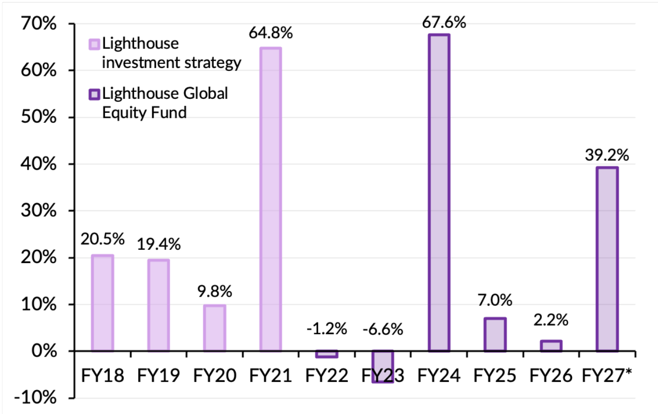
The Fund’s objective is to deliver long-run net returns that are at least 2% pa higher than those of the MSCI All Country World Index. That index has averaged 13% pa over the last 5 years, so the Fund targets long-run net returns of at least 15% pa.

FUND FACTS

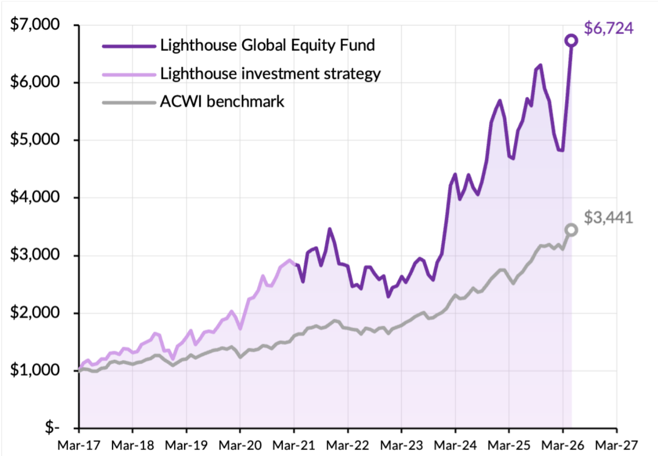
Fund name	Lighthouse Global Equity Fund
Fund type	PIE unit trust
Benchmark	MSCI ACWI, net, in NZD
Management fee	1% pa + GST (approx. 1.05% pa)
Performance fee	30% of returns in excess of the MSCI ACWI + 2% pa (we expect this hurdle to average 14-15% pa over time), with a perpetual high tide mark
Buy/sell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

PERFORMANCE

Returns by financial year (March year ends)



Cumulative returns



TOP 10 HOLDINGS

Holding	% of Fund NAV
Celestica	11.2%
Comfort Systems	9.6%
First Solar	8.8%
Invesco QQQ Trust	8.6%
AppLovin	7.3%
Carvana	6.7%
Fortinet	6.2%
KLA Corporation	6.1%
Nvidia	5.9%
Robinhood	5.8%

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