

Global Equities

August 2025



Liontrust Global Alpha Fund



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- The Fund's consumer discretionary names led August's largest contributors, while Chinese holdings Alibaba and Full Truck Alliance also posted solid gains.
- Vestas Wind Systems added after recent US renewable energy legislation was more favourable than anticipated, allowing investors to focus on Vestas's strong fundamentals and operational improvements.
- With concentration risk, valuation and profit margins all sitting at record high levels, we continue to believe that stock selection outside of mega caps will become increasingly important.

The Liontrust Global Alpha Fund returned 0.6% in August, compared with the 0.4% return of the MSCI ACWI Index comparator benchmark and the 0.3% average return in the IA Global sector (also a comparator benchmark).

Portfolio review

The largest contributions in August came from some of the Fund's consumer discretionary holdings including **Alphabet** (+8.7% in sterling terms), **Shopify** (+13%), **Trip.com** (+17%) and **Expedia** (+17%). Alphabet remains one of our favourite under-appreciated Magnificent Seven names, which performed strongly after a federal judge ruled that Google would not be forced to sell Chrome, the source of a significant overhang for the stock.

Chinese holdings **Alibaba** (+9.6%) and **Full Truck Alliance** (+11%) also contributed strongly as China benefitted from a further 90-day pause to US tariff implementation.

On the negative side, **Coinbase** (-21%) gave back some of its strong gains from June and July following a lacklustre set of results. We trimmed the position but maintain it as our core crypto-related holding.

Portfolio Changes

A new position in **Vestas Wind Systems** was added to the portfolio in the month. Vestas is well-positioned to benefit from a significant policy-driven tailwind following a better-than-expected outcome from recent US renewable energy legislation. Updated guidance on tax credits under the Inflation Reduction Act proved far more favourable than anticipated, extending eligibility and easing compliance requirements, which has already renewed confidence in US order momentum. With a robust €67.3 billion backlog, including a high-margin service segment targeting 25% operating margin by 2026, and a growing US footprint to capture accelerating demand, Vestas combines strong fundamentals with operational improvements that support margin expansion. The removal of regulatory uncertainty in one of its largest markets transforms a key risk into a powerful growth catalyst, positioning Vestas for sustained profitability and long-term value creation.

Outlook

We believe the outlook for the rest of 2025 offers an exciting opportunity for active management and alternative equity strategies; with concentration risk, valuation and profit margins all sitting at record high levels over many years, it is clear that overall equity returns are going to be harder to achieve.

Our base case is that equity markets globally remain little changed in the second half of 2025 but that the polarisation of winners and losers will remain significant. For the first time in many years, stock selection outside the very biggest companies in the world will matter, as will geographical diversification. In this environment, the overall market returns matter less, but we worry that many will remain stranded in the trades that led the last ten years rather than those that will lead over the next ten.

Thematically, we remain positive on the potential for AI to drive significant benefits across all industries. We continue to believe it is best to focus on identifying winners in AI use cases, rather than invest in the infrastructure providers that run a risk of running into a capacity glut.

We have waited patiently for the crypto world to unfold and the IPO of Circle Internet could act as a Chat GPT moment for Stablecoins. This will benefit the entire blockchain/crypto supply chain and, together with fintech, remains a key theme for the rest of this year.

Discrete years' performance to previous quarter-end:

	Jun-25	Jun-24	Jun-23	Jun-22	Jun-21
Liontrust Global Alpha C Acc GBP	7.7%	19.2%	7.5%	-25.0%	33.0%
MSCI ACWI	7.2%	20.1%	11.3%	-4.2%	24.6%
IA Global	4.6%	14.9%	10.8%	-8.8%	25.9%
Quartile	1	2	4	4	1

Source: FE Analytics, as at 30.06.25, total return, net of fees and income reinvested

For a comprehensive list of common financial words and terms, see our glossary at:

<https://www.liontrust.co.uk/benefits-of-investing/guide-financial-words-terms>

Key Risks

Past performance does not predict future returns. The value of an investment and the income generated from it can fall as well as rise and is not guaranteed. You may get back less than you originally invested.

The issue of units/shares in Liontrust Funds may be subject to an initial charge, which will have an impact on the realisable value of the investment, particularly in the short term. Investments should always be considered as long term.

Investment in the Fund involves foreign currencies and may be subject to fluctuations in value due to movements in exchange rates. The Fund may invest in emerging markets/soft currencies or in financial derivative instruments, both of which may have the effect of increasing volatility.

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