

Global Equities

August 2025 review



Liontrust India Fund



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- Strong market rotation sees domestically oriented consumer stocks outperform while financials and real estate lag.
- Top contributors included TVS Motors, Avenue Supermarts, and new logistics name Zinka.
- The portfolio was repositioned towards consumer-facing names like Nykaa and ixigo, aligned with structural growth trends.

The Liontrust India Fund returned -4.5% during August, compared with the MSCI India Index return of -5.1% and the -3.7% average return in the IA India sector (both of which are comparator benchmarks).

The market largely shrugged off concerns around tariffs; foreigners were net sellers but domestic flows remained supportive. Government initiatives, particularly tax reductions on goods and sales, are expected to provide support to the domestic consumer leading to a strong rotational shift in market leadership, with investors favouring domestically oriented, consumer-facing companies over financials and export-driven sectors.

During the month, the consumer discretionary sector gained 4.3% and consumer staples advanced 1.9%, while financials (-4.2%) and real estate (-3.8%) lagged significantly, reflecting the scale of this market rotation.

Fund review

Positive performance was primarily driven by holdings in the consumer discretionary and consumer staples sectors. Key contributors included **TVS Motors** (+14% in sterling terms), **Eicher Motors** (+9.6%), and **Avenue Supermarts** (+13%), which benefited from resilient consumer demand and the positive sector rotation. Our newly initiated position in the logistics operator **Zinka** (+12%) also proved rewarding, contributing strongly in its first month of inclusion.

On the negative side, financial holdings **ICICI Bank** (-7.7%) and **HDFC** (-17%) were meaningful drags as the market rotation away from financials weighed on performance. Export-oriented holdings underperformed as well, reflecting continued headwinds from US tariff policies under the Trump administration. This uncertainty around global trade remains unresolved, and until there is greater visibility on earnings impact, we expect exporters and related industrial holdings to face ongoing challenges.

Portfolio changes

We were active in repositioning the portfolio to take account of strong sectoral rotations and shifting market sentiment. We reduced our exposure to financials and real estate, where valuations remain attractive and long-term growth prospects are intact, but where short-term catalysts appear limited for the rest of the year.

Proceeds were redeployed into consumer-facing companies, with an emphasis on those targeting the mid-market segment. Notably, we increased positions in **Nykaa** (FSN E-Commerce), the leading online beauty retailer, and **ixigo** (Le Travenues Technology), a fast-growing online travel portal. These adjustments align the portfolio more closely with areas of the market where momentum and structural growth drivers remain robust.

Outlook

Looking ahead, we remain constructive on the Indian market over the medium term. Domestic consumption trends are expected to stay resilient, supported by continued government policy initiatives, healthy household balance sheets, and robust employment dynamics. While global uncertainties – particularly around tariffs and external demand – are likely to weigh on exporters, the predominance of domestic drivers gives India relative insulation compared with other emerging markets.

In the near term, we anticipate further sectoral divergences, with consumer-facing industries, logistics, and services likely to sustain momentum, while financials and real estate may remain under pressure until confidence in credit growth and liquidity conditions improves. Volatility from global policy shifts will persist, but the underlying structural growth story of India – driven by urbanisation, digitisation, and reform – remains firmly intact.

Discrete years' performance (%) to previous quarter-end:

	Jun-25	Jun-24	Jun-23	Jun-22	Jun-21
Liontrust India C Acc GBP	-13.0%	37.7%	12.2%	7.5%	55.8%
MSCI India	-7.0%	35.1%	9.0%	8.3%	39.8%
IA India/Indian Subcontinent	-5.7%	31.8%	11.6%	4.3%	40.2%
Quartile	4	1	2	1	1

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

Key Risks

Past performance does not predict future returns. You may get back less than you originally invested. We recommend any fund is held long term (minimum period of 5 years). We recommend that you hold funds as part of a diversified portfolio of investments.

Overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.

This Fund may have a concentrated portfolio, i.e. hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.

The Fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.

Investments in emerging markets may involve a higher element of risk due to less well-regulated markets and political and economic instability. This may result in higher volatility and larger drops in the value of the fund over the short term.

Outside of normal conditions, the Fund may hold higher levels of cash which may be deposited with several credit counterparties (e.g. international banks). A credit risk arises should one or more of these counterparties be unable to return the deposited cash.

Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.

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.

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