

Global Fundamental

Q3 2025

Liontrust UK Equity Fund



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Fund Manager

The Liontrust UK Equity Fund returned -0.5% over the quarter, versus the 6.9% return from its comparator benchmark, the FTSE All Share Index, and the 3.1% average return from the Investment Association UK All Companies sector, also a comparator benchmark.*

The Liontrust UK Focus Fund was merged into the Liontrust UK Equity Fund on 19 September 2025.

The UK market performed well in the quarter. Market strength was led by the commodities and industrials sectors, with Anglo American, Rolls-Royce, and BAE Systems among the standout performers. However, lingering concerns about the UK's fiscal outlook and persistently sticky inflation weighed on more domestically focused areas, particularly consumer discretionary and real estate stocks.

From a sector perspective, overweight exposures to industrials and healthcare contributed the most positively to relative performance. Overweight exposures to technology and real estate had the most significant negative impacts on relative performance.

Positive stock attribution

The most significant positive contributor to relative performance was an overweight position in **Thermo Fisher Scientific**, the US life sciences and clinical research company. Thermo reported strong Q2 results and raised its outlook, while the broader healthcare sector advanced following favourable US policy comments on drug pricing.

An overweight position in **Anglo American**, the multinational mining company, was the second leading contributor to the Fund's relative returns. The announcement of its merger with Teck Resources was well received as the deal will create a world-class copper portfolio with meaningful synergies.

Negative stock attribution

The most significant detractor from relative performance was an overweight position in **Haleon**, the consumer health company. Haleon's share price was weak over concerns around a challenging US consumer backdrop amid rising competition in some of their product areas.

An underweight position in **HSBC**, the international bank, was the second most significant detractor from relative performance. The company continued to execute on its strategic plans to simplify the business while announcing solid Q2 results, which drove its share price higher.

Trading activity

During the quarter we initiated a new position in **lbstock**.

lbstock is the UK market leader in brick manufacturing. Brick market volumes are down around 30% from their peak and profits down around 50%. We believe there is significant earnings recovery potential here given the operating leverage in the business. With its recent capex cycle ending, lbstock should become increasingly cash generative, and recent share price weakness due to concerns on market volumes in the short-term provided an attractive entry point.

We trimmed positions in **Shell** and **Whitbread** due to lowered relative conviction.

Outlook

The global economic outlook remains complex and challenging. Enthusiasm around AI and its potential benefits for productivity and corporate profitability has driven significant moves in technology and related sectors. However, underlying economic activity remains subdued, particularly in Europe and China, while trade tensions and geopolitical risks add to uncertainty.

From a UK consumer perspective where we are well exposed in the portfolio (**Greggs**, **Dunelm** and **Whitbread** predominantly) the outlook is mixed – consumer confidence is weak, despite relatively strong real wage growth. Companies continue to report a mixed picture: UK banks see stable credit conditions and value-focused retailers such as Greggs, Pets at Home and B&M have issued cautious updates. The consumer balance sheet seems strong, which should provide support to spending when confidence eventually picks up, but on aggregate consumers remain hesitant to convert this to spending.

Our focus remains on constructing a well-balanced and diversified portfolio of advantaged businesses. Our confidence in the medium-term outlook for the portfolio comes from the excellent strategic, operational, and financial progress that the vast majority of the companies in the portfolio have made (and continue to make) over the last couple of years. Shorter-term risks remain high across markets.

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

	Sep-25	Sep-24	Sep-23	Sep-22	Sep-21
Liontrust UK Equity X Acc GBP	3.8%	15.1%	20.2%	-15.8%	30.0%
FTSE All Share	16.2%	13.4%	13.8%	-4.0%	27.9%
IA UK All Companies	9.6%	14.2%	12.8%	-15.3%	32.4%
Quartile	4	2	1	3	2

*Source: FE Analytics, as at 30.09.25, primary share class, 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. You may get back less than you originally invested.

We recommend this fund is held long term (minimum period of 5 years). We recommend that you hold this fund as part of a diversified portfolio of investments.

The Funds managed by the Global Fundamental Team:

- May hold overseas investments that 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 a 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.
- May have a concentrated portfolio, i.e. hold a limited number of investments (35 or fewer) or have significant sector or factor exposures. If one of these investments or sectors / factors fall in value this can have a greater impact on the Fund's value than if it held a larger number of investments across a more diversified portfolio.
- May invest in companies predominantly in a single country which may be subject to greater political, social and economic risks which could result in greater volatility than investments in more broadly diversified funds.
- Do not guarantee a level of income.

The risks detailed above are reflective of the full range of Funds managed by the Global Fundamental Team and not all the risks listed are applicable to each individual Fund. For the risks associated with an individual Fund, please refer to its Key Investor Information Document (KIID)/PRIIP KID.

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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