

# Global Equities

Q4 2025



## Liontrust GF Global Alpha Long Short Fund



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### Key highlights

- Global equity markets ended 2025 on a positive but varied note. The MSCI World Index gained 3.2% in Q4 in US dollar terms, contributing to a strong 21% return for the year, while emerging markets significantly outperformed with their best annual result since 2017.
- US market returns were more subdued as investors rotated away from mega-cap growth, while Europe and developed international markets performed well on easing inflation and supportive monetary policy.
- Japan was a standout positive, driven by tech strength and supportive government policy.

### Performance

The Liontrust GF Global Alpha Long Short Fund returned -1.1%\* in US dollar terms over the quarter, compared with the 1.0% return of the Secured Overnight Financing Rate reference benchmark and the 1.7% return of the HFRX Equity Hedge (USD) Index, also a reference benchmark.

	1m	3m	6m	YTD	1yr	3yr	5yr	Since inception
Liontrust GF Global Alpha Long Short B8 Acc USD	-1.5%	-1.1%	1.4%	14.8%	14.8%	37.1%	24.1%	143.0%
FRB of New York Secured Overnight Financial Rate	0.3%	1.0%	2.1%	4.2%	4.2%	15.1%	17.0%	-
HFRX Equity Hedge	0.9%	1.6%	5.5%	10.1%	10.1%	26.7%	37.7%	56.1%

Source: FE Analytics, as at 31.12.25, total return, net of fees and income reinvested.

## Commentary

### Market backdrop

Global equity markets continued their upward trajectory, supported by strong corporate earnings and a more accommodative monetary policy stance from major central banks. Leadership shifted away from US mega-caps and toward European and broader international markets.

The MSCI World Index rose 3.2% in US dollar terms, while the MSCI World ex-US gained 5.3%, marking a significant broadening of global equity market participation.

Emerging markets outperformed developed peers over the quarter (+4.8%) and strongly for the year, supported by a weaker US dollar and a resilient global economy.

Japan performed strongly with the Nikkei 225 up 12%, driven by tech sector strength and supportive government policy. Asian markets overall performed strongly as China saw a rebound in technology stocks, aided by domestic stimulus and improving trade relations with the US, while South Korea extended its gains.

In the US, equity performance was more muted. Sector rotation favoured financials over defensives such as utilities and real estate. Macroeconomic data indicated moderating inflation and softer labour conditions, reinforcing expectations of a soft landing following the Fed's dovish pivot. The Federal Reserve delivered its second and third rate cuts of 2025, lowering the target range to 3.50–3.75%.

Europe performed well, supported by easing inflation and a Bank of England rate cut.

Commodities were mixed: oil prices remained weak, but gold advanced 13%, capping a year of exceptional performance driven by safe-haven demand.

Overall, the global investment backdrop reflected stabilizing inflation, ongoing monetary easing across major Western central banks, a weaker dollar, and improved breadth in global equity participation.

### Portfolio review

There was contrasting performance across individual positions and continued dispersion in both long and short books. Overall, alpha generation on the short side was offset by weakness across several long positions.

Within the short book, several positions benefitted from significant downside moves in structurally challenged or overvalued growth stories:

- **CoreWeave:** The largest individual contributor, driven by a sharp correction in private-market AI infrastructure valuations.
- **SoundHound AI:** Continued deteriorating fundamentals and cash burn concerns powered further downside.
- **Oracle:** Slower cloud momentum and concerns around the pipeline weighed heavily.

The long book's top contributors were led by high-quality names:

- **Alphabet:** Strong advertising trends and ongoing margin expansion supported the rerating.
- **Barrick Mining:** Benefitted from gold price strength and operational improvements.
- **Expedia:** Strong bookings and renewed cost discipline supported share performance.
- **Siemens Energy:** Progress on restructuring and improving order flow buoyed sentiment.
- **SK Hynix:** Benefited from surging demand for AI memory chips, particularly HBM3E and DDR5 for servers.

However, this strength was overshadowed by several meaningful detractors:

- **ETHZilla:** A sharp correction following heightened regulatory scrutiny.

- **Uber**: Profit-taking and concerns over mobility pricing weighed on performance.
- **Coinbase**: Themes tied to crypto beta experienced pullbacks.
- **BayCurrent Consulting**: Hit by profit taking early in the quarter

## Portfolio Changes

Adjustments included increased exposure to selected US quality compounders benefiting from broadening market participation as investors rotated from mega-cap concentration toward mid-cap and cyclical names. This aligns with our view that diversification beyond US large-cap growth will remain a key performance driver in 2026.

We modestly added to positions exhibiting improving fundamentals within healthcare, travel services, and European industrials.

We pared back some China exposures where regulatory and geopolitical overhangs appear likely to persist into early 2026, but maintained a net long.

In the digitalisation basket, we added to the shorts – taking advantage of what we feel is a rally in some lower quality names.

## Outlook

We enter 2026 with a constructive but balanced view. Global equities ended 2025 on strong footing, supported by easing inflation, clearer monetary policy direction and broadening market participation outside the US mega-cap complex. December data reinforced expectations of a soft landing, with moderating inflation and cooling labour conditions across major developed markets.

Key thematic drivers for the year ahead include:

- AI diffusion beyond mega-caps, favouring semiconductor supply chains, automation, and software platforms that enable operational productivity.
- European and Japanese cyclicals, which continue to benefit from supportive monetary and fiscal dynamics and improving economic visibility.
- Emerging market leadership, particularly as the MSCI World ex-US and EM indices outperformed in December and throughout 2025 on dollar weakness and stronger local growth momentum.
- Commodity and defence-related demand, supported by heightened geopolitical risk and shifting global industrial policy.

We remain mindful of risks heading into early 2026, including policy divergence across central banks, geopolitical uncertainties, and potential volatility as investors recalibrate expectations for rate-cut velocity and corporate earnings growth. Nonetheless, with broadening equity leadership and improved global macro stability, we believe the environment remains highly conducive to active, globally diversified stock selection.

## Key Features of the Liontrust GF Global Alpha Long Short Fund

Investment objective & policy <sup>1</sup>	<p>The Fund seeks to deliver capital appreciation over the long term by taking long, synthetic long and synthetic short positions, primarily in global equities and equity related derivatives. The Fund is considered to be actively managed in reference to the benchmark(s) in the performance table by virtue of the fact that it uses the benchmark(s) for performance comparison purposes. The benchmark(s) are not used to define the portfolio composition of the Fund and the Fund may be wholly invested in securities which are not constituents of the benchmark. The Fund may invest anywhere in the world but will primarily invest in global companies either directly or via derivatives. There is no policy to restrict investment to particular economic sectors. The Fund may use financial derivative instruments for investment purposes and for efficient portfolio management (including hedging). The Fund will take both long and short positions in derivatives meaning the gross exposure of the Fund will typically be greater than 100% of the net asset value of the Fund. The Investment Adviser will alter the ratio of long and short exposures in the Fund depending on the Investment Adviser's confidence in the investment process' ability to generate returns from the long and short positions. The net market exposure from a combination of the Fund's long and short positions will vary depending on market conditions and the Fund can potentially go either net long or net short. Where investments are held in a currency other than the base currency, the exposure to currency risk may be minimised by hedging. Income from the Fund's investments is reinvested.</p>
Recommended investment horizon	5 years or more
Risk profile (SRI) <sup>2</sup>	5
Active/passive investment style	Active
Benchmark	<p>The Fund is considered to be actively managed in reference to the following benchmarks by virtue of the fact that it uses them for performance comparison purposes:</p> <ul style="list-style-type: none"> <li>the Secured Overnight Financing Rate (SOFR) (for Hedged Share Classes, the currency equivalent that corresponds with the relevant Share Class currency is used); and</li> <li>the HFRX Equity Hedge (USD) Index.</li> </ul> <p>Neither benchmark is used to define the portfolio composition of the Fund or as a performance target. The Fund may be wholly invested in securities which are not constituents of the benchmarks.</p> <p>The HFRX Equity Hedge (USD) Index is designed to be</p>

	representative of the overall composition of the equity hedge segment of the hedge fund universe and is denominated in US dollars.
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Notes: 1. As specified in the PRIIP KID of the fund; 2. SRI = Summary Risk Indicator. Please refer to the PRIIP KID for further detail on how this is calculated.

For a comprehensive list of common financial words and terms, see our glossary at: <https://www.liontrust.com/glossary>.

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

	Dec-25	Dec-24	Dec-23	Dec-22	Dec-21
Liontrust GF Global Alpha Long Short B8 Acc USD	14.8%	7.0%	11.6%	-18.7%	11.3%
FRB of New York Secured Overnight Financial Rate	4.2%	5.2%	5.0%	1.6%	0.0%
HFRX Equity Hedge	10.1%	7.8%	6.9%	-3.2%	12.1%

Source: FE Analytics, as at 31.12.25, total return, net of fees and income reinvested. \*The Fund was launched on 24 January 2025 to receive the assets of GAM Star Alpha Technology, which was a sub-fund of GAM Star plc ("the merging fund"), which was very similar to the Fund. Because of the similarities between the merging fund and the Fund, the past performance of GAM Star Alpha Technology C Acc - EUR share class has been used for periods prior to the Fund's launch date.

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## 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

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. The Fund can invest in derivatives. Derivatives are used to protect against currency, credit or interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The Fund uses derivative instruments that may result in higher cash levels. Outside of normal conditions, the Fund may choose to hold higher levels of cash. Cash may be deposited with several credit counterparties (e.g. international banks) or in short dated bonds. A credit risk arises should one or more of these counterparties be unable to return the deposited cash. The Fund's volatility limits are calculated using the Value at Risk (VaR) methodology. In high interest rate environments the Fund's implied volatility limits may rise resulting in a higher risk indicator score. The higher score does not necessarily mean the Fund is more risky and is potentially a result of overall market conditions. The Fund may invest in emerging markets which carries a higher risk than investment in more developed countries. This may result in higher volatility and larger drops in the value of the fund over the short term. Certain countries, including China, have a higher risk of the imposition of financial and economic sanctions on them which may have a significant economic impact on any company operating, or based, in these countries and their ability to trade as normal. Any such sanctions may cause the value of the investments in the fund to fall significantly and may result in liquidity issues which could prevent the fund from meeting redemptions. The Fund may invest in smaller companies and may invest a small proportion (less than 10%) of the Fund in unlisted securities. There may be liquidity constraints in these securities from time to time, i.e. in certain circumstances, the fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause the fund to defer or suspend redemptions of its shares. 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. There is no guarantee that an absolute return will be generated over any time period. The Fund may have both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign exchange contracts to protect returns in the base currency of the Fund. ESG Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG. Investors in share classes with a performance fee will pay a variable performance fee amount that is based on the performance of the underlying share class, which is likely to result in different total fees being charged each year and, during periods of outperformance, higher total fees than that of a share class with no performance fee. A performance fee may be payable in case the share class has outperformed its benchmark but had a negative performance. 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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