

Global Fundamental

Fourth Quarter 2025

Liontrust UK Equity Fund



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Fund Manager

The Liontrust UK Equity Fund (the 'Fund') returned 1.7% over the quarter, versus the 6.4% return from its comparator benchmark, the FTSE All Share Index, and the 3.9% average return from the Investment Association UK All Companies sector, also a comparator benchmark.*

UK equities rose strongly during the fourth quarter, led by large-cap stocks, particularly within the commodities and healthcare sectors. Companies such as AstraZeneca, GSK, and Rio Tinto were among the strongest performers. In contrast, industrials and technology lagged as investors reassessed how advances in artificial intelligence could disrupt existing business models. Consumer discretionary stocks were also weak, reflecting ongoing pressure on household spending.

From a sector perspective, an overweight exposure to healthcare and an underweight in energy contributed the most positively to relative performance. Overweight exposures to technology and industrials had the most significant negative impacts on relative performance.

Positive stock attribution

The most significant positive contributor to relative performance was not holding **BAE Systems**, the multinational aerospace and defence manufacturer. Shares were weak amid speculation around a potential de-escalation of the conflict in Ukraine.

An overweight position in **Rentokil Initial**, the international pest-control company, was the second leading contributor to the Fund's relative returns. Rentokil's third quarter results were better than expected due to improvement in the North America business.

Negative stock attribution

The second most significant detractor from relative performance was an overweight in **Rightmove**, the leading UK property portal. The company reduced its medium-term profit growth guidance as it increased investment in AI, which is expected to weigh on margins.

An overweight position in **Auto Trader**, the UK market-leading online car marketplace, was the second most significant detractor from relative performance. Although results were in line with expectations, investor concerns around the potential impact of AI on the company's business model weighed on the share price.

Trading activity

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

Softcat, is a value-added reseller of technology with exposure to more than 200 technology vendors. The company has an exceptional long-term track record and is well positioned to benefit from continued growth in technology spending, particularly in areas such as AI, cybersecurity, and cloud services. Softcat generates high returns on invested capital, is strongly cash generative, and consistently returns excess capital to shareholders. We believe the current valuation offers an attractive opportunity to initiate a position in this high-quality business.

We lowered our positions in **Thermo Fisher** and **Tesco** following strong share price performance.

Outlook

The global economic outlook for 2026 remains mixed, complex and challenging. Trade tensions and geopolitical risks continue to add uncertainty. Despite these headwinds, there are pockets of strength that could provide resilience and opportunities for investors.

The UK presents a mixed picture. Corporate and consumer debt have trended lower, improving balance sheet health. However, employment levels have been persistently weak for over a year, reflecting structural challenges beyond post-Covid normalization.

Short-term risks remain elevated across markets. In this environment, we believe it is crucial to focus on advantaged businesses that are well-positioned to deliver durable returns. These include high-quality companies with above-average returns on equity, strong growth prospects and prudent leverage structures. Building portfolios that are both economically and thematically diversified will enhance resilience against market uncertainties.

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

	Dec-25	Dec-24	Dec-23	Dec-22	Dec-21
Liontrust UK Equity X Acc GBP	6.1%	11.7%	11.3%	-9.7%	18.1%
FTSE All Share	24.0%	9.5%	7.9%	0.3%	18.3%
IA UK All Companies	15.4%	7.9%	7.4%	-9.1%	17.2%
Quartile	4	1	1	3	2

*Source: FE Analytics, as at 31.12.25, 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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