

LIONTRUST VIEWS

2026

THE OUTLOOK FOR
INVESTMENT MARKETS
IN 2026



JOHN HUSSELBEE

HEAD OF LIONTRUST MULTI-ASSET

John Husselbee and James Klempster lead the Liontrust Multi-Asset team that has managed funds and portfolios through different economic and market cycles over the past four decades.

Liontrust and the Multi-Asset team provide regular investment updates and insights, reporting, market-leading literature and educational content. This includes regular videos and articles analysing the latest economic, political and market developments and what these mean for our Liontrust Multi-Asset funds.



JAMES KLEMPSTER CFA

DEPUTY HEAD OF LIONTRUST MULTI-ASSET



For more information on the Liontrust Multi-Asset team, please visit: liontrust.com/fund-managers/multi-asset



For the latest updates and insights, please visit: liontrust.com/insights



To sign up to receive these updates and insights via email, please go to: liontrust.com/my-preferences



You can also follow the Multi-Asset team and the other investment teams at Liontrust on LinkedIn: liontrustviews

WELCOME

LOOKING AT THE WORLD IN 3D

One of our strong beliefs is that investing is complex, but not complicated. It seems this is as true today as it has ever been.

How do investors navigate a world of unusual politics in which globalisation continues to fragment, the international world order of the past few decades is being challenged, we are experiencing a technological transformation, and passive vehicles are bringing increased momentum to equity markets that have unprecedented concentration risk?

In our view, we should all look at the world in 3D: how to diversify, how to differentiate, and how to remain disciplined against the current acute uncertainty.

Building on this, there are five things that we believe matter for investors in 2026:

- Asset allocation and how to gain the right balance between growth and defensive assets and diversifiers
- How to achieve true diversification
- How to seek to manage drawdowns and smooth returns rather than chase every upside opportunity available
- Why momentum can outpace fundamentals for longer than expected and the impact of this on portfolio construction
- Why process and discipline beats market forecasts

In this issue of *Liontrust Views*, we and our colleagues from other investment teams at Liontrust take a look back at another whirlwind year in 2025 and provide our

views on the outlook for 2026. Among the questions we address are concentration risk in the US and global markets, where are the valuation opportunities, and identifying catalysts for changes.

We also take a look at the themes that were trending on social media in 2025 and what this tells us about the sentiment of investors.

On pages 18 to 25, we provide the returns of different investment markets and information about our Liontrust Multi-Asset team and fund ranges. You can also find more information on the Liontrust website at: www.liontrust.com/fund-managers/multi-asset

We hope you find *Liontrust Views* both thought provoking and useful. We welcome any feedback you have and what you would like to read about in future issues. ■

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PORTFOLIO POSITIONING:

ADAPTING TO THE MARKET

Investment management is a complex (as opposed to complicated) amalgam of mathematics, economics, logic, social science and dis-logic.

Whether it be investment assets or an old book at a car boot sale, the price of something is what someone looking to sell and someone looking to buy can agree on. While the car boot sale may be sparsely attended and the transaction unreported, the mechanism for agreeing the clearing price is broadly the same for investable assets. The differences come in the form of the number of people that may want to join the trade, the scale of the monetary value involved and volume of information reporting on the transaction. If the price of a stock or bond was purely

based on objectively measurable factors, investing would be a pedestrian pursuit.

The reality of short-term market moves, of course, is that even if they have at their core the seed of data and measurable information, the interpretation of these data is highly subjective. The difficulty with subjectivity is that it takes the kernel of new information and often reacts to it with a magnitude that may look over the top once emotions subside.

GAME OF CATALYSTS

As a result, it is tempting for investors to try to read the runes to look for "catalysts"; events that will provide the boost to your investment thesis. This can be a very difficult game for a number of reasons.

First, you may get the catalyst you have been waiting for but the market may not respond in the way you were expecting. Second, your investment thesis may be catalysed but not by the event you were looking for. Few of us, for example, would have predicted that Donald Trump's apparent hawkishness regarding NATO at the start of 2025 would cause defence spending and a once-in-a-generational fiscal boost that catalysed the German stock market. Finally, markets will move without an obvious catalyst.

The performance of the UK stock market over the course of 2025 is surely a testament to this last point.

From the perspective of news flow, the UK economy has plodded along with a continuation of the long-established narrative of an unspectacular economy, inflation is a bit high, the government is focusing on short-term challenges rather than long-term structural reform, boring stocks are dominating the market, there is a lack of domestic investment culture and so on; and yet the market delivered last year. In fact, 2025 was the best calendar year return from the UK since 2009.

We think what has happened in the UK (and indeed in Asia ex-Japan and emerging markets) is that fundamentals – the underlying value of these companies – have been recognised and the ambivalent (or worse) sentiment that has been weighing on stock prices in these regions has diminished in significance in the minds of investors.

UNGLAMOROUS REGIONS

Lots of the reasons to overlook the UK, Asia and emerging markets remain but an implicit choice is being made. For many years, the US has been the beneficiary of this choice as the strong economy and exciting businesses have captured imaginations (and flow) despite trading at high prices. Over the course of 2025, investors

started to look for new homes for some of their global capital and alighted on hitherto unloved markets. This is probably a tacit recognition that despite the tarnish, businesses in these unglamorous regions have continued to deliver good profitability for shareholders (as distinct from share price moves).

A FORWARD LOOK



Stock markets began 2026 continuing the strong returns delivered in 2025 by shrugging off a series of tumultuous events around the world, from the US capture of the President of Venezuela, through the protests in Iran, to the announcement that the Justice Department is investigating Federal Reserve Chair Jerome Powell. It was when President Trump threatened tariffs on European countries, including the UK, over Greenland that equities dipped temporarily.

The strong market performance of 2025 laid the foundations for the unusual consensus among professional investors and commentators in the company presentations we have attended in recent weeks that gave a positive outlook for 2026.

Positive view

The prevailing expectations are that policymakers will continue cutting interest rates, support economies through tax reductions and increased public spending, and help sustain decent economic growth amid controlled inflation. If this is the consensus then it will be in the price so investors need to be aware of the potential for surprises, both to the up and downside. We by no means rely on company presentations to form our own market outlook. But they point to a constructive

backdrop for markets and align with the overall Tactical Asset Allocation (TAA) outlook of the Liontrust Multi-Asset team, which remains at a positive four out of five.

The team retains a positive view on equities. They performed strongly last year but this momentum could continue. More specifically, there is a positive outlook on equities in the UK, Japan (including small caps), emerging markets and Asia ex Japan. In the case of emerging markets and Asia, one area of broad consensus supporting them is a likely continuation of US dollar weakness, which eases dollar denominated debt burdens. Expectations are also building ahead of China's new five-year plan, due this year, which is widely expected to be pro growth and market supportive.

Valuations

After the strong returns in 2025, however, market valuations are higher than a year ago. While the US remains expensive, most other markets are no longer cheap but they are also not expensive and we believe are at levels that justify allocations which are greater than would be attained through investing in the index based on market capitalisations. There are two ways to mitigate such risks – avoid expensive assets and through diversification.

In fixed income, the team is broadly neutral but positive on high yield, global short dated corporate bonds and global government bonds. Fixed income continues to offer valuable diversification and income. With developed market inflation expected to remain more stable, central banks appear set to move gradually from restrictive policy towards a more neutral stance – a backdrop that generally supports high yield markets, combining easing financial conditions with resilient corporate revenues.

Another market consensus gleaned from professional investor presentations is that interest rates are now roughly where they should be. While this reduces the potential for bond prices to rise further, income remains attractive – especially relative to inflation.

Asset class outlook

When the Liontrust Multi-Asset team is positive about an asset class, they categorise it as 'overweight' and may look to increase the target allocation to it in portfolios. Conversely, when the team is negative about an asset class, it is classified as 'underweight' and may reduce the target allocation. Finally, 'neutral' means that the team is neither positive nor negative.



UNITED STATES

STOCKS*	
BONDS	

The US lagged other equity regions in 2025, but it still made double-digit gains for the third consecutive year. Investor concerns around the US debt persist and Wall Street is rethinking the trajectory of the AI theme, but earnings and profitability continue to be delivered across the whole index.

US bonds, including Treasuries and corporates, delivered solid returns over 2025, helped by the declining Fed rates and a favourable economic and commercial backdrop.

*including small caps

EMERGING MARKETS

STOCKS	
BONDS	

Emerging market equities rallied sharply in 2025 after years of being overlooked and underperforming. They were boosted last year by the weakening dollar easing their debt burdens, their cheap valuations, stimulus measures in China and easing trade tensions with the US. The region's robust economic and demographic fundamentals make it attractive to investors.

Emerging market debt has also benefited from the weakening dollar. Our view remains, however, that the idiosyncrasies of the emerging markets environment are potentially better rewarded in equities.

UNITED KINGDOM

STOCKS	
BONDS	

UK equities' returns in 2025 were the best since 2009. They benefited from cheap valuations and growing confidence in the UK, despite economic challenges. This strength has reduced their premium. Domestic politics and poor economic growth could create headwinds, however.

Gilts delivered positive returns over 2025 despite sticky inflation and concerns over the UK's fiscal credibility, both of which persist. Gilts could offer the prospect of delivering inflation-beating returns over the medium term, but our sentiment towards them remains neutral.

KEY

Overweight

Underweight

Neutral

EUROPE

STOCKS*	
BONDS	

Europe ex-UK outperformed the other equity regions in sterling terms in 2025, largely due to the German government's plans to boost growth through defence and infrastructure spending. This continues to offset broader concerns, but this momentum could fade. Corporate earnings remain resilient.

European bonds delivered modest gains in 2025. The European Central Bank's moves towards looser monetary policy should provide further support.

*including small caps

ASIA PACIFIC

STOCKS	
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Asia Pacific ex-Japan equities delivered strong double-digit returns in sterling terms in 2025. Like global emerging markets, they benefited from supportive conditions, including the weaker US dollar. Unlike broader emerging markets, the region is more exposed to the fortunes of the AI sector.

The region has been overlooked for some time, so even modest inflows could have a meaningful impact. However, US-China trade tensions and geopolitical risks over Taiwan present challenges, and much will depend on how China supports its economy, including its weak property sector.

JAPAN

STOCKS	
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Japanese stocks ended 2025 at a record annual close having risen 24.7%, but these were diluted in sterling terms because of the weakening yen. The stock market recovered substantially from its April low after a trade deal was agreed with the US. But rising interest rates pose challenges.

On a short-term view, valuations appear stretched. However, Japan's inflationary environment should encourage consumption and, together with improving corporate governance and structural reforms, the outlook is positive. ■



SOCIAL

WHAT



7.3K

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MEDIA

IN 2025 TOLD US ABOUT INVESTOR SENTIMENT

Social media has become such a central source of news, information and debate for so many people that it has become a bellwether indicator of investor behaviour and sentiment. In this article, we highlight the investment topics that were trending in 2025 in the UK on social media.

The investment phrases that were most popular across the whole of 2025 were "stock market is crashing" and "stock market crashed". While the traditional media spent much time towards the end of the year focusing on whether global markets are in an AI bubble, social media has been discussing this topic since the first few months of 2025.

This sentiment continued into the start of 2026. "Stock market crashes" was the highest trending investment phrase among UK users of social media over the first two weeks of January. However, while many people were talking about crashes, non-US stock markets were remarkably resilient in 2025 and gave few or no signs of crashing.

In the first half of 2025, the phrase "crashing the stock market" peaked between March and May, with political actions and global uncertainties frequently cited. "Crashed the stock market" spiked in February, mainly due to debates over President Donald Trump's trade policies,

and peaked in April as the tariff-induced sell-off headed towards its nadir. The man himself and the Truth Social platform are central to this narrative, experiencing a surge of mentions in March and April; the debate often linked Trump's actions, such as on tariffs, to global market instability and fears of recession.

This trend continued in the second half of 2025 with "stock market crash" being the dominant topic. There was a move in emotion from immediate crash panic in the first half of the year to anxious speculation in the second half; from "the market is crashing" to "will there be a crash?" in acknowledgement of the fact that a market crash had not only not materialised but conversely markets had actually risen.

Late in the year, there was a clear spike in the phrase "increase in income". There was also a growth

in the use of "income tax", reflecting the speculation around the UK's Budget and the announcement of the further freezing of bands. Encouragingly, "long term" experienced a rise in use towards the end of the year, challenging the dominant focus on "short term", such as "losses trading", earlier in 2025.

Social media may be noisy but it is also a valuable early warning system for investor sentiment. It can inform us all about the stories that investors are reading online and help to guide us to stay focused on long-term goals.

SEE 2025 THEMATIC KEYWORD MAPS OVERLEAF

2025

crashed the stock market Donald Trump
Social Media
crashing the stock market real estate long term
stock market

WHAT SOCIAL MEDIA IN 2025 TOLD US ABOUT INVESTOR SENTIMENT

LEADING INVESTMENT PHRASES ON SOCIAL MEDIA IN THE UK IN 2025





OUR MULTI-ASSET VIEW ON STOCK MARKETS FOR

2026



It was another year of whirlwind activity in 2025, from AI through tariffs to the changing tectonic plates of geopolitics. Through this, it has been a fascinating and highly rewarding year for multi-asset investors.

AI and concentration risk

What about the outlook for 2026? The US stock market is unusually concentrated and expensive. AI remains a compelling and genuinely exciting proposition for humanity and the global economy, and we are only just scratching the surface of what is possible. Much as we could not hope to envisage the Internet's ubiquitousness in 2000, likewise we cannot hope to fathom what AI and quantum computing will look like for us come 2050.

As a result, it is perfectly reasonable to be positive on AI's prospects without adhering to the perceived wisdom that the companies leading the charge today have sustainable valuations. The Magnificent 7 are priced very richly on once in a generation levels of profitability; a heady mix that, through the lens of history, we see typically does not end well for investors.

The power of diversification

How long it takes for this to happen remains to be seen but the good news for

investors is that there are plenty of enticing long-term opportunities available outside the AI zeitgeist. While markets other than the US have moved from "cheap" levels – including the UK, Europe, Asia ex-Japan and emerging markets – they are not expensive. These markets delivered the best returns in 2025 – particularly for non-US dollar investors – despite scant good news. It is a useful reminder that the performance of markets is not directly linked to a prevailing narrative: they can do well in times of dour news and do poorly even when the news is rosy.

The trend in 2025 of many unloved and unglamorous markets leading the way could continue if the marginal investor tires of US exceptionalism, AI, the Treasury or the US dollar. We also believe these offer excellent opportunities for active managers. Relentless index flows are price indifferent and provide indisputable momentum to the "haves" at the top of an in-favour bourse. This has led to market distortions that we have rarely seen.

While the value style has made up some of its lost ground against growth over the course of the year, quality stocks and smaller companies remain overlooked. We believe these areas offer excellent opportunities for active managers to add value in 2026 and beyond.

We favour a diversified approach to investing in recognition of its usefulness in managing risk over the long term. For example, our current allocation to the US is significantly lower than a naïve market capitalisation weighted approach. This is not for the sake of being contrarian but because other markets offer better long-term returns and risk prospects. We recognise this still sets us apart from the broad consensus; should the status quo continue, there will be plenty of jolly investors out there seeing returns compound on already great results in the US. Our simple question is not that we think we are right, but what if we're right?

A REASONABLE OUTLOOK

We do not profess to be able to forecast with any accuracy what 2026 will bring; as the saying goes, forecasts are extremely difficult, especially about the future. What we can say with some certainty is that the global economy is in reasonable shape. Expectations for growth globally are still in the low-to-mid single digits, which, while unspectacular, is also not unhelpful. Inflation seems to have a lid on it, although there remain uncertainties as to whether tariffs in the US will eventually lead to an inflationary impulse in the US.

As we start another year of the good, the bad and the unexpected, we still believe the key is to focus on a disciplined investment process along with diversification and differentiation.



2026

FUND MANAGERS' OUTLOOKS FOR 2026



Some of Liontrust's investment teams give their views of what the year ahead might bring for investors.

UK EQUITIES



Natalie Bell: Fund Manager, Economic Advantage team

Now the Budget is behind us, we should be moving into a more stable political backdrop from a UK policy perspective. Given the current economic backdrop, it is likely that UK rate cuts will be forthcoming, which should provide a tailwind for stocks with quality characteristics. Despite the relative underperformance of the quality factor in recent years, in aggregate, we are observing healthy earnings growth and cash flow, which should further support a long-term upside as

that cash is productively re-invested at high returns on capital.

UK valuations remain significantly depressed versus long-run averages and comparable markets. We believe there is a broad-based valuation reversion opportunity for UK equities, particularly small and micro caps, albeit the timing and magnitude is difficult to predict.

► CONTINUES

FUND MANAGERS' OUTLOOKS FOR 2026



EUROPEAN EQUITIES



Samantha Gleave:
Co-Head, Cashflow
Solution team

Global equity markets extended their recovery from the tariff-related volatility earlier in 2025 and the European market remains in a constructive technical trend. While this rally has been strong – and has outpaced US equity performance – European valuations remain reasonable, particularly among companies generating attractive and sustainable cash flows.

Our investment process ranks the European equity universe using proprietary cash-flow metrics, enabling

us to identify businesses with the strongest cash-flow dynamics. These companies form our Cashflow Champions watchlist, from which we select portfolio holdings. Despite recent market gains, we believe this watchlist has rarely been more attractively valued. A further positive signal is the continued cash flow discipline being shown by corporate management teams. Against this backdrop, and given the evolving macro environment, we continued to favour a balanced style positioning across portfolios as we entered 2026.

GLOBAL EQUITIES



Mark Hawtin:
Head of the Global
Equities team

We see great opportunities for global equity markets in 2026 as growth remains robust and interest rates fall around the world, led by a dovish Federal Reserve. However, diversification must be the key mantra and is the price of staying fully invested.

We believe there are two primary drivers for the equity return outcome: macroeconomic uncertainty around economic growth, inflation and the path of interest rates, and uncertainty around the path of AI investment and returns.

We think that the US dollar will continue to come under pressure, the AI narrative will be volatile and unpredictable, and diversification away from the very

biggest names in the market will offer the best risk/reward profile.

Emerging markets look well-set to extend 2025's outperformance, as domestic liquidity improves, driving a return of the earnings growth premium to developed markets. Cheap and under-owned after a near 15-year underperformance cycle, emerging markets are set for a recovery, with the Fed's impending easing opening the door to a near-universal reduction in interest rates across markets, whilst the end of dollar dominance removes a key headwind. India and Latin America offer two of the most compelling opportunities, albeit with very different drivers and characteristics.

FIXED INCOME



Donald Phillips:
Head of Credit,
Multi-Asset team

Credit spreads, which is the difference in yield (the return an investor receives on an investment in a bond) between riskier bonds such as corporates and lower-risk bonds like those issued by governments, are an indicator of market sentiment about the economy and corporates. At the moment, the spreads remain tight, which means income – rather than credit spread tightening – is expected to be the dominant driver of returns going forward.

In a 6.5% to 7% range, the overall yield on the high yield asset class remains attractive. A modest increase in default rates – particularly among lower-rated issuers – is not unexpected. However, large-scale systemic defaults are not anticipated under our base case scenario. In a world of potentially slower growth, credits with stronger fundamentals, sound capital structures and defensive characteristics are likely to outperform.

SUSTAINABLE INVESTMENTS



Simon Clements:
Fund Manager,
Sustainable
Investment team

We expect economic growth to be more balanced as the delayed effect of interest rate cuts begins to help areas of the global economy that have been under pressure in the last few years, including housing and industrial end markets. We also expect key sustainability trends to provide growth opportunities, including increasingly scarce access to water and the decarbonisation of our energy systems. These sustainability trends span over multiple decades.

From a sector perspective, healthcare is in a strong position after three years of below trend growth and disappointing performance. As demand normalises,

and predictable growth returns, the political pressures have also abated. This provides a compelling starting point for a sector which already turned a corner over the last quarter of 2025.

We also have to consider where the "surprise" areas of the market come from; over 2025, these were utilities and banks, with both sectors enjoying significant tailwinds. Could industrials do the same over 2026? This is a sector which has remained cyclically challenged for the past few years but perhaps 2026 could be the year of the global industrial.



FACTS & FIGURES

QUARTERLY DATA



European (but not UK) stocks	UK stocks	Emerging market stocks	UK corporate bonds	US stocks	Japanese stocks
6.50% FTSE All World Developed Europe excluding UK Index	6.38% FTSE All-Share Index	4.88% MSCI Emerging Market Index	3.09% Bloomberg Barclays Sterling Aggregate Bond Index	2.75% S&P 500 Composite Index	2.46% TOPIX Index
Emerging market bonds	Global high yield bonds	US corporate bonds	European corporate bonds	Asian (but not Japanese) stocks	Global government bonds
2.30% Bloomberg Emerging Markets Hard Currency Aggregate Index	1.25% ICE Bank of America ML Global High Yield Bond Index	0.93% Bloomberg Barclays US Corporate Bond Index	0.31% Bloomberg Barclays European Corporate Bond Index	0.06% MSCI Pacific ex-Japan Index	-0.18% FTSE G7 Index

Past performance does not predict future returns. Cumulative returns, rebased in sterling where appropriate, i.e. all index returns are recalculated based on exchange rates to give returns for a sterling investor. Source: Morningstar Direct, 1 October 2025 to 31 December 2025.

To highlight the unpredictability of markets, the table below details the performance of global equity and fixed income indices over the past five years (in sterling terms).

This table demonstrates how volatile markets can be, and shows the benefits of diversifying your investment, or in other words, not putting all your eggs in one basket.

Index percentage growth (%)	1 Jan 2025 to 31 Dec 2025	1 Jan 2024 to 31 Dec 2024	1 Jan 2023 to 31 Dec 2023	1 Jan 2022 to 31 Dec 2022	1 Jan 2021 to 31 Dec 2021
US stocks	9.76	27.26	19.17	-7.79	29.89
European (but not UK) stocks	27.95	2.82	15.85	-7.49	17.57
UK stocks	24.02	9.47	7.92	0.34	18.32
Japanese stocks	14.28	7.46	10.47	-6.69	-0.11
Asian (but not Japanese) stocks	12.39	6.55	0.53	6.00	5.75
Emerging market stocks	25.10	9.98	4.05	-9.62	-1.32
Global government bonds	-0.76	-1.66	-1.39	-7.63	-5.56
Global high yield bonds	3.16	9.40	7.01	-2.30	2.30
US corporate bonds	0.35	3.95	2.40	-5.15	-0.13
European corporate bonds	8.81	-0.07	5.66	-8.75	-7.11
Emerging market bonds	4.44	7.69	3.45	-6.10	-1.67
UK corporate bonds	5.50	-2.46	4.96	-23.15	-4.68

Past performance does not predict future returns. Cumulative returns, rebased in sterling where appropriate, i.e. all index returns are recalculated based on exchange rates to give returns for a sterling investor. Source: Morningstar Direct, 31 December 2025.

THE LIONTRUST MULTI-ASSET TEAM

The eight-strong investment team has extensive experience of Multi-Asset, equity and fixed income investing, with an average of more than 21 years in the industry.

Collectively, they have managed funds and portfolios for many decades through different economic and market cycles, and each member contributes to every stage of the

investment process. The team benefits from being able to tap into the knowledge, insights and experience of the other investment teams at Liontrust, who invest in equities and fixed income.

The team is headed by John Husselbee, who joined Liontrust in 2013 and was previously a co-founder and CIO of North

Investment Partners, Director of Multi-Manager Investments at Henderson Global Investors, and NM Rothschild & Sons.

James Klempter is Deputy Head of the team. He has more than 20 years' investment management experience, of which the past 18 have been focused on managing multi-asset, multi-manager funds and portfolios.



John Husselbee
HEAD OF LIONTRUST MULTI-ASSET
41 years' experience



James Klempter
DEPUTY HEAD OF LIONTRUST
MULTI-ASSET AND HEAD OF EQUITIES
22 years' experience



Phil Milburn
HEAD OF RATES
29 years' experience



Donald Phillips
HEAD OF CREDIT
21 years' experience



Anthony Chemla
INVESTMENT MANAGER
20 years' experience



Sharmin Rahman
INVESTMENT MANAGER
18 years' experience



David Salisbury
FUND ANALYST
8 years' experience



Adrian Holmes
HEAD OF MULTI-ASSET
INVESTMENT SUPPORT
30 years' experience

ACTIVELY DIFFERENT

The Multi-Asset process is designed to target the outcome expected by investors in terms of their level of risk, as measured by volatility, and maximise the return for each fund within the appropriate risk band.

There are five stages to the Liontrust Multi-Asset investment process:

- Bespoke Strategic Asset Allocation (SAA)
- Tactical Asset Allocation (TAA)
- Strategy selection

• Portfolio construction
• Monitoring, review and risk management

Every stage of this process is actively managed. For example, while the majority of the underlying vehicles within the Dynamic Passive funds are passive, the decision as to which ones to include and in what proportions are still active decisions.

Active enhancements are made where we believe this will benefit the management of

the funds. We enhanced the SAA in 2023 to ensure we could meet the challenges and opportunities posed by our belief that investing over the next few years will be different from the last 15 years. We are facing an unprecedented political environment, including fragmentation of globalisation, which will impact economics and markets.

The Liontrust Multi-Asset team actively engages with the managers of the underlying holdings within their funds.

LIONTRUST MULTI-ASSET FUNDS

There are many ways to access the Liontrust Multi-Asset funds, depending on risk profile, return objectives, preference for active and passive investments, growth or income.

Target risk Multi-Asset Funds

Fund range	Liontrust Risk Profile Range	Risk Mapping
Liontrust Multi-Asset Dynamic Passive Funds	1 - 7	
Liontrust Multi-Asset Blended Funds	2 - 6	

Outcome targeted Funds

Fund range	Fund range
Liontrust Multi-Asset Explorer funds	Risk profiled IA Mixed Investment sectors
MA Monthly High Income Fund	Risk profiled IA Mixed Investment 0-35% Shares



BLENDED FUND RANGE

The Liontrust Multi-Asset Blended range comprises five funds that are designed to target the outcome expected by investors in terms of their level of risk, as measured by volatility, and maximise the return for each

fund within the appropriate risk band. The higher the risk of the fund within the range, the greater the potential for volatility, positive returns on the upside and losses in down markets. They use passive funds where it is

appropriate to do so and they are available and invest in actively managed funds where we believe the opportunity to deliver higher returns is greatest or where passive funds are not an option.

CUMULATIVE RETURN

Fund and share class	3 MONTHS		1 YEAR		3 YEARS		5 YEARS	
	30 Sep 25 to 31 Dec 25	31 Dec 24 to 31 Dec 25	31 Dec 24 to 31 Dec 25	31 Dec 22 to 31 Dec 25	31 Dec 20 to 31 Dec 25			
Liontrust MA Blended Reserve Fund S Acc	2.48	9.95	24.91	6.18				
Liontrust MA Blended Moderate Fund S Acc	2.57	10.50	27.91	15.20				
Liontrust MA Blended Intermediate Fund S Acc	2.91	11.59	32.46	25.46				
Liontrust MA Blended Progressive Fund S Acc	3.03	12.60	36.37	34.52				
Liontrust MA Blended Growth Fund S Acc	3.21	13.24	41.55	46.85				

DISCRETE YEARLY PERFORMANCE

Fund and share class	31 Dec 24 to 31 Dec 25				
	31 Dec 23 to 31 Dec 24	31 Dec 22 to 31 Dec 23	31 Dec 21 to 31 Dec 22	31 Dec 20 to 31 Dec 21	31 Dec 20 to 31 Dec 21
Liontrust MA Blended Reserve Fund S Acc	9.95	5.91	7.27	-16.42	1.70
Liontrust MA Blended Moderate Fund S Acc	10.50	6.45	8.74	-14.79	5.69
Liontrust MA Blended Intermediate Fund S Acc	11.59	8.12	9.79	-12.88	8.71
Liontrust MA Blended Progressive Fund S Acc	12.60	9.28	10.82	-11.35	11.27
Liontrust MA Blended Growth Fund S Acc	13.24	11.58	12.03	-9.19	14.25

Source: FE Analytics, as at 31 December 2025. Total return figures are calculated on a single pricing basis. Performance figures are shown in sterling unless otherwise specified. The fund performance figures are net of all fees.

DYNAMIC PASSIVE FUND RANGE

The Liontrust Multi-Asset Dynamic Passive range comprises seven funds that are designed to target the outcome expected by investors in terms of their level of risk, as measured by volatility, and maximise the return for each fund within the appropriate risk band. The higher the risk of the fund

within the range, the greater the potential for volatility, positive returns on the upside and losses in down markets. While the underlying holdings are predominantly passive securities and vehicles, we actively manage the Liontrust Multi-Asset Dynamic Passive range. This includes through the

CUMULATIVE RETURN

Fund and share class	3 MONTHS		1 YEAR		3 YEARS		5 YEARS	
	30 Sep 25 to 31 Dec 25	31 Dec 24 to 31 Dec 25	31 Dec 24 to 31 Dec 25	31 Dec 22 to 31 Dec 25	31 Dec 20 to 31 Dec 25			
Liontrust MA Dynamic Passive Prudent S Acc					2.16		8.19	
Liontrust MA Dynamic Passive Reserve Fund S Acc					2.63		9.93	
Liontrust MA Dynamic Passive Moderate Fund S Acc					2.94		11.54	
Liontrust MA Dynamic Passive Intermediate Fund S Acc					3.31		12.94	
Liontrust MA Dynamic Passive Progressive Fund S Acc					3.57		14.31	
Liontrust MA Dynamic Passive Growth Fund S Acc					3.82		15.49	
Liontrust MA Dynamic Passive Adventurous Fund S Acc					4.04		16.58	

DISCRETE YEARLY PERFORMANCE

Fund and share class	31 Dec 24 to 31 Dec 25				
	31 Dec 23 to 31 Dec 24	31 Dec 22 to 31 Dec 23	31 Dec 21 to 31 Dec 22	31 Dec 20 to 31 Dec 21	31 Dec 20 to 31 Dec 21
Liontrust MA Dynamic Passive Prudent S Acc			8.19	4.94	7.06
Liontrust MA Dynamic Passive Reserve Fund S Acc			9.93	5.49	7.12
Liontrust MA Dynamic Passive Moderate Fund S Acc			11.54	6.63	8.53
Liontrust MA Dynamic Passive Intermediate Fund S Acc			12.94	8.58	9.62
Liontrust MA Dynamic Passive Progressive Fund S Acc			14.31	10.23	10.38
Liontrust MA Dynamic Passive Growth Fund S Acc			15.49	13.04	11.76
Liontrust MA Dynamic Passive Adventurous Fund S Acc			16.58	14.69	11.62

Source: FE Analytics, as at 31 December 2025. Total return figures are calculated on a single pricing basis. Performance figures are shown in sterling unless otherwise specified. The fund performance figures are net of all fees.

Past performance does not predict future returns. You may get back less than you originally invested. Please refer to page 26 for more information on the Key Risks.

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EXPLORER FUND RANGE

The primary objective of the six Multi-Asset Explorer funds is to generate capital growth and/or income over the long term, which we define as five years or more. To achieve this, the funds explore the best investment opportunities across a range of asset classes, geographies, sectors and

funds. The names of the funds represent the maximum exposure they can each have to equities: 35%, 45%, 60%, 70%, 85% and 100%. As a result, all the funds have IA sectors as comparator benchmarks. In managing these funds, the Multi-Asset team uses passive vehicles where

it is appropriate to do so and they are available and invest in actively managed funds where we believe the opportunity to deliver higher returns is greatest or where passive funds are not an option. While the funds are risk profiled, they are not risk targeted.

CUMULATIVE RETURN

Fund and share class	3 MONTHS 30 Sep 25 to 31 Dec 25	1 YEAR 31 Dec 24 to 31 Dec 25	3 YEARS 31 Dec 22 to 31 Dec 25	5 YEARS 31 Dec 20 to 31 Dec 25
Liontrust MA Explorer 35 Fund S Acc	1.82	7.68	20.78	0.50
IA Mixed Investment 0-35% Shares	2.17	7.83	19.32	9.37
Liontrust MA Explorer Income 45 Fund S Acc	1.96	8.25	25.81	4.72
IA Mixed Investment 20-60% Shares	2.73	10.18	24.82	21.14
Liontrust MA Explorer Income 60 Fund S Acc	2.22	8.93	30.71	20.29
IA Mixed Investment 20-60% Shares	2.73	10.18	24.82	21.14
Liontrust MA Explorer 70 Fund S Acc	2.39	9.35	33.75	27.69
IA Mixed Investment 40-85% Shares	3.31	11.58	31.41	31.16
Liontrust MA Explorer 85 Fund S Acc	2.66	9.82	37.48	37.28
IA Mixed Investment 40-85% Shares	3.31	11.58	31.41	31.16
Liontrust MA Explorer 100 Fund S Acc	2.92	9.71	39.29	38.75
IA Flexible Investment	3.25	12.00	31.23	32.93

DISCRETE YEARLY PERFORMANCE

Fund and share class	31 Dec 24 to 31 Dec 25	31 Dec 23 to 31 Dec 24	31 Dec 22 to 31 Dec 23	31 Dec 21 to 31 Dec 22	31 Dec 20 to 31 Dec 21
Liontrust MA Explorer 35 Fund S Acc	7.68	5.87	5.95	-17.16	0.44
IA Mixed Investment 0-35% Shares	7.83	4.42	5.97	-10.87	2.84
Liontrust MA Explorer Income 45 Fund S Acc	8.25	6.75	8.86	-18.05	1.57
IA Mixed Investment 20-60% Shares	10.18	6.07	6.81	-9.47	7.20
Liontrust MA Explorer Income 60 Fund S Acc	8.93	8.00	11.10	-14.22	7.28
IA Mixed Investment 20-60% Shares	10.18	6.07	6.81	-9.47	7.20
Liontrust MA Explorer 70 Fund S Acc	9.35	9.00	12.21	-13.81	10.77
IA Mixed Investment 40-85% Shares	11.58	8.98	8.08	-10.04	10.94
Liontrust MA Explorer 85 Fund S Acc	9.82	10.21	13.59	-11.82	13.25
IA Mixed Investment 40-85% Shares	11.58	8.98	8.08	-10.04	10.94
Liontrust MA Explorer 100 Fund S Acc	9.71	11.30	14.07	-11.65	12.74
IA Flexible Investment	12.00	9.42	7.08	-8.98	11.30

Source: FE Analytics, as at 31 December 2025. Funds versus comparator benchmarks. Total return figures are calculated on a single pricing basis. Performance figures are shown in sterling unless otherwise specified. The fund performance figures are net of all fees.

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MA MONTHLY HIGH INCOME FUND

The Fund pays a monthly income. This is paid from natural income with a final balancing payment in the 12th month of the year, which is designed to provide stable distributions

through the year. The Fund has a current 12-month historical yield of 4.2%. The Fund invests in a global portfolio of around 23 funds, covering a wide range of countries and

CUMULATIVE RETURN

Fund and share class	3 MONTHS 30 Sep 25 to 31 Dec 25	1 YEAR 31 Dec 24 to 31 Dec 25	3 YEARS 31 Dec 22 to 31 Dec 25	5 YEARS 31 Dec 20 to 31 Dec 25
Liontrust MA Monthly High Income Fund S Inc			2.14	9.05
IA Mixed Investment 0-35% Shares			2.17	7.83

DISCRETE YEARLY PERFORMANCE

Fund and share class	31 Dec 24 to 31 Dec 25	31 Dec 23 to 31 Dec 24	31 Dec 22 to 31 Dec 23	31 Dec 21 to 31 Dec 22	31 Dec 20 to 31 Dec 21
Liontrust MA Monthly High Income Fund S Inc	9.05	6.39	7.04	-12.97	2.89
IA Mixed Investment 0-35% Shares	7.83	4.42	5.97	-10.87	2.84

Source: FE Analytics, as at 31 December 2025. Fund versus comparator benchmark. Total return figures are calculated on a single pricing basis. Performance figures are shown in sterling unless otherwise specified. The fund performance figures are net of all fees.



For more information on Liontrust Multi-Asset funds please visit:
liontrust.com/fund-managers/multi-asset

IMPORTANT INFORMATION

KEY RISKS

Past performance does not predict future returns. You may get back less than you originally invested.

The Funds and Model Portfolios managed by the Multi-Asset Team may be exposed to the following risks:

Credit Risk: There is a risk that an investment will fail to make required payments and this may reduce the income paid to the fund, or its capital value.

Counterparty Risk: The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

Liquidity Risk: If underlying funds suspend or defer the payment of redemption proceeds, the Fund's ability to meet redemption requests may also be affected.

Interest Rate Risk: Fluctuations in interest rates may affect the value of the Fund and your investment. Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result.

Derivatives Risk: Some of the underlying funds may invest in derivatives, which can, in some circumstances, create wider fluctuations in their prices over time.

Emerging Markets: The Fund may invest in less economically developed markets (emerging markets) which can involve greater risks than well developed economies.

Currency Risk: The Fund invests in overseas markets and the value of the Fund may fall or rise as a result of changes in exchange rates.

Index Tracking Risk: The performance of any passive funds used may not exactly track that of their Indices.

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.

The risks detailed above are reflective of the full range of Funds managed by the Multi-Asset Team and not all of 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. Any performance shown represents model portfolios which are periodically restructured and/or rebalanced. Actual returns may vary from the model returns. There is no certainty the investment objectives of the portfolio will actually be achieved and no warranty or representation is given to this effect, whether express or implied. The portfolios therefore should be considered as long-term investments.

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