

Select International Alpha Fund

31 January 2025



The Select International Alpha Fund is an Absolute Return equities fund. The fund is index-unaware, aiming to produce positive absolute returns over the long term with a capital preservation mindset. The Fund's mandate allows it to actively manage its net market exposure – utilising both cash and shorts to help protect clients' capital. As of 8 May 2024, the Fund has been managed by Liontrust Investment Partners.

	1 Month	3 Months	6 Months	1 Year	3 Years	Inception
Performance (Net of Fees)	2.79%	6.29%	11.01%	7.87%	5.27%	8.36%

Refer below detailed performance data matrix

Name	%
Meta Platforms Inc Class A	5.6%
Alphabet Inc. Class A	4.5%
Full Truck Alliance Co. Ltd. Sponsored ADR	3.1%
T-Mobile US, Inc.	3.1%
Intuitive Surgical, Inc.	2.9%
Amazon.com, Inc.	2.7%
SAP SE	2.7%
Coinbase Global, Inc. Class A	2.7%
Cloudflare Inc Class A	2.6%
Wix.com Ltd.	2.5%
Total (top 10 of 87 holdings)	32.3%

Source: Liontrust Investment Partners, GAM Star Alpha Technology Fund

Category	Top Categories by Net Exposure
Communication Services	16.4%
Financials	12.9%
Consumer Discretionary	10.1%
Health Care	5.8%
Industrials	4.9%
Real Estate	2.8%
Consumer Staples	0.2%
Private & Delisted	0.1%
Information Technology	-2.2%
Net (Short)	Gross Exposure 9625.00%
Net (Long)	Short Exposure -4522.00%

Source: Liontrust Investment Partners, GAM Star Alpha Technology Fund

Fund Characteristics	
Portfolio Managers	Mark Hawtin, David Goodman, Pieran Maru & Kevin Kruczynski
Strategy	International Equities
Objectives	To deliver consistent absolute returns over the investment cycle with a focus on capital protection during periods of market declines
Return Target	+10% pa over the long term
Number of Stocks	Up to 80
Cash	Up to 100% of portfolio
Distributions	Annually
Management Fee	1.36%
Buy/Sell	Daily Application/Redemption
Performance Fee	15.38% pa of the amount by which the NAV per unit exceeds the High Water Mark once the fund achieves its hurdle

George Boubouras
Managing Director (MD)
Research, Investments & Advisory
03 9691 6111
research@k2am.com.au

Marcela Tirado
Head of Relationship Management &
Corporate Services
03 9691 6111
invest@k2am.com.au

Sarah Connelly
Head of Investor Relations
03 9691 6110
invest@k2am.com.au

Commentary

The Select International Alpha Fund returned +2.79% for the month to be +7.87% year-to-date (net, after fees).

The Select International Alpha Fund returned +2.79% for the month to be +9% fiscal-year-to-date (net, after fees).

The global growth outlook remains on track for a 3.3% pace for 2025 with the US economy the main contributor at 2.8% (YoY). The EU region remains challenged given the higher regulatory hurdles and the weaker export sector.

Looking forward for the EU region, the worst is behind as the lower ECB rates will increasingly begin to take effect. The main EU economy, Germany is anticipated to transition out of their current recession with their GDP expectation of 0.3% (YoY) in 2025 from -0.2% (YoY) in 2024. Challenges will persist post the Germany Election given they will need to address their underinvestment in defence spending and create policies that are conducive to their high-end manufacturing sector.

China continues to face domestic demand challenges given the housing construction cycle correction impacting household wealth and corporate conditions. The resurgence in the lower cost China AI narrative will be a positive sentiment boost for their market. Some market cynicism remains in their ability attract much needed global investment to drive their e-commerce platforms towards advanced low-cost AI platforms.

The earnings outlook (one year forward) for the US is on target for a 12-14% pace following a robust 2024. The expectation is for some broadening out of the earnings contribution from the concentrated technology sector. Lower US corporate taxes combined with the anticipation of lower regulatory hurdles remain a positive. The ongoing US tariff negotiations will in the first instant deliver challenging headlines. US Valuations remain elevated reflecting the robust earnings momentum.

The Fed Fund rate is currently in the 4.25%-4.5% target range, which is now 1% lower than the 2024 peak in the current cycle. The Fed has delivered enough stimulus since September 2024 to hold for the short term. Expectations for another rate cut over the next 6-months appear more realistic compared to some of the more aggressive rate cut expectations late last year. The shallow rate cut cycle is playing out given US conditions remain robust.

Domestically, The RBA has delivered a "hawkish" cautious 25bps rate cut. Their own core inflation target remains above the mid 2.5% target and will remain a challenge going forward. Investors should anticipate a hold in policy until the second half of 2025, well after the upcoming Federal Election.

We anticipate spikes of short-term volatility for markets this year, impacting currency, credit spreads and equity valuations.

The overweight and focus on disruptive technologies is the core investment theme from the London based investment team lead by Mark Hawtin (who have managed this fund since January 2023).

Select International Alpha Fund Net Monthly Returns in AUD

Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fin YTD	Fin YTD Index (1)	Average Cash	Average Short
2004/05							0.89	1.30	-0.44	-1.38	1.36	3.79	5.56	3.03	50.51%	-4.41%
2005/06	4.91	0.73	2.64	-0.96	4.20	4.43	5.11	4.42	5.66	-0.07	-3.66	2.02	33.16	22.26	21.28%	-4.15%
2006/07	0.43	2.13	2.80	3.60	1.97	4.81	2.40	0.13	1.06	3.14	5.05	-0.29	30.70	9.93	23.64%	-1.06%
2007/08	0.09	0.64	2.57	3.36	-3.71	-1.08	-8.04	-0.63	-1.22	2.98	1.83	-3.45	-7.04	-19.95	43.46%	-7.29%
2008/09	-2.51	2.89	-8.60	-9.70	-2.45	5.09	-3.10	-2.84	4.93	6.88	7.84	-0.65	-4.00	-15.30	51.14%	-3.95%
2009/10	7.58	2.13	3.34	-1.70	1.41	3.03	-4.09	0.16	4.70	0.17	-5.42	-2.72	8.11	8.36	11.69%	-1.03%
2010/11	4.31	-2.46	8.39	2.70	0.04	3.75	0.43	0.92	0.98	1.73	-1.91	-1.55	18.20	3.50	12.01%	-2.42%
2011/12	-2.18	-4.47	-4.46	2.48	-3.02	-1.70	3.61	4.73	3.57	-0.02	-4.28	-1.48	-7.57	-2.59	22.89%	-2.93%
2012/13	0.63	3.44	1.97	0.58	1.43	2.81	2.74	1.78	0.72	2.50	4.06	-0.44	24.49	31.02	6.72%	-0.35%
2013/14	3.93	-0.38	0.47	2.43	4.36	5.47	-0.93	1.56	-5.72	-2.51	1.16	-1.82	7.72	19.62	8.01%	-0.15%
2014/15	0.65	1.03	3.92	0.77	4.13	3.74	4.04	4.23	2.06	3.09	3.14	-2.68	31.74	23.89	13.16%	-0.63%
2015/16	-0.13	-2.30	-1.88	5.41	-2.12	-1.91	-3.98	-3.27	2.08	0.40	3.97	-7.06	-10.88	-0.60	20.86%	-0.71%
2016/17	2.90	2.13	0.13	-1.29	3.85	2.98	2.07	0.88	0.42	1.23	1.42	-2.06	15.50	15.36	23.10%	-2.82%
2017/18	0.26	0.99	1.89	3.62	2.39	-1.72	2.11	-0.29	-2.65	0.70	-0.69	-0.25	6.38	15.13	21.63%	-3.25%
2018/19	0.83	2.67	-0.16	-5.59	-1.95	2.09	-2.55	3.58	-0.28	3.12	-4.07	3.51	0.69	10.51	32.63%	-3.84%
2019/20	1.29	-1.58	1.39	0.26	2.89	1.88	0.26	-8.61	-16.74	4.90	6.25	-0.27	-9.91	3.22	9.52%	-2.35%
2020/21	2.93	5.39	0.02	-2.91	9.05	4.76	-0.45	4.70	1.05	2.69	-0.53	1.80	31.80	28.43	2.59%	-0.26%
2021/22	1.65	3.32	-3.37	2.76	-3.89	2.78	-6.81	-3.68	1.13	-3.00	-1.19	-11.91	-21.05	-8.80	5.43%	-0.15%
2022/23	4.96	-2.21	-8.79	3.56	6.86	-4.06	6.57	0.58	1.99	0.55	3.61	-1.50	11.50	19.97	7.68%	-25.68%
2023/24	3.22	0.96	-1.46	1.85	4.81	-1.21	8.89	0.34	1.32	-2.45	-3.81	4.85	17.94	18.21	16.14%	-59.16%
2024/25	-2.84	-0.62	-0.94	6.08	2.51	0.87	2.79						7.85	16.41	1.35%	0.00%
Incept.													401.55	479.91		
Incept.													8.36%pa	9.15%pa	20.20%	-6.33%

(1) Morningstar Global Markets NR AUD

Up until 7 February 2023, K2 Asset Management Ltd was the investment manager of the Select International Alpha Fund (former name K2 Select International Absolute Return Fund). The data represented in this table and document for the dates prior to 7 February 2023 were for K2 Asset Management Ltd as the investment manager of the Fund. The past performance of the Fund is not a reliable indicator of the future performance of the Fund with a new investment manager.

DISCLAIMER: The Select International Alpha Fund is issued by K2 Asset Management Limited (K2) ABN 95 085 445 094, AFS Licence No 244393, a wholly owned subsidiary of K2 Asset Management Holdings Limited. The information contained in this document is produced in good faith and does not constitute any representation or offer by K2. It is subject to change without notice and is intended as general information only and is not complete or definitive. The information provided in this document is current at the time of the preparation and K2 is not obliged to update the information. K2 does not accept any responsibility and disclaims any liability whatsoever for loss caused to any party by reliance on the information in this document. Please note that past performance is not a reliable indicator of future performance. Any advice and information contained in this document is general only and has been prepared without taking into account any particular circumstances and needs of any party. Before acting on any advice or information in this document you should assess and seek advice on whether it is appropriate for your needs, financial situation, and investment objectives. Investment decisions should not be made upon the basis of its past performance or distribution rate, or any rating given by a ratings agency, since each of these can vary. In addition, ratings need to be understood in the context of the full report issued by the ratings agency themselves. A product disclosure statement or information memorandum for the funds referred to in this document can be obtained at www.k2am.com or by contacting K2. You should consider the product disclosure statement before making a decision to acquire an interest in the fund.

©2025 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Investment Team



Mark Hawtin is Head of the Global Equities team. Mark joined Liontrust in 2024 from GAM where he was an Investment Director running global long only and long/short funds investing in the disruptive growth & technology sectors. Before joining GAM in 2008 he was a partner and portfolio manager with Marshall Wace Asset Management for eight years, managing one of Europe's largest technology, media and telecoms hedge funds. Mark Hawtin previously spent seven years at Enskilda Securities, initially as head of sales, before taking responsibility for the international equity business, overseeing pan-European research and trading activities and around a quarter of the investment banking staff.



David Goodman is an Investment Manager in the Global Equities team. David joined Liontrust in 2024 from GAM where he was responsible for applying technical analysis to assist with portfolio construction and risk management. Between starting his career trading equity derivatives for Citigroup and joining GAM in 2009, he has held numerous senior positions at such companies as SEB, Marshall Wace, Instinet Alpha and Pali International. David Goodman has passed the Securities Association, General Registered Representative examination and has passed the Society of Technical Analysts diploma exam thus is a full member of the Society of Technical Analysts (MSTA).



Pieran Maru is an investment analyst in the Global Equities team. Pieran joined Liontrust in 2024 from GAM where he covered software and hardware companies in GAM's Global Equity team. Pieran initially joined GAM's compliance team in 2017, before moving to the Global Equity team in 2021. Pieran holds a BA in Materials Science from the University of Oxford, the Investment Management Certificate (IMC), a Certificate in ESG Investing and has passed CFA Exam Level 1.



Kevin Kruczynski is an Investment Manager in the Global Equities team. Kevin joined Liontrust in 2024 from GAM where he managed both Global and US Equity portfolios. He joined GAM Investments in 2016 from THS Partners, a global equity investment firm and a long-standing sub-advisor of GAM's oldest global equity strategies. Prior to that, Kevin spent two years at Cazenove Capital and in 2001 he worked for Merrill Lynch Investment Managers, where he supported the charities team. Kevin holds a degree in Banking and International Finance from City University and is a CFA charterholder.