Select International Alpha Fund
28 February 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)	1.38%	5.12%	13.25%	8.99%	7.08%	8.40%

Refer below detailed performance data matrix

Name	%
Meta Platforms Inc Class A	3.9%
T-Mobile US, Inc.	3.7%
Full Truck Alliance Co. Ltd. Sponsored ADR	3.4%
Alibaba Group Holding Limited Sponsored ADR	3.2%
Uber Technologies, Inc.	3.1%
Alphabet Inc. Class A	3.0%
Expedia Group, Inc.	2.9%
Spotify Technology SA	2.9%
SAP SE	2.8%
BYD Company Limited Class H	2.8%
Total (top 10 of 87 holdings)	31.7%

Source: Liontrust Investment Partners, GAM Star Alpha Technology Fund

Category	Top Categories by Net Exposure
Consumer Discretionary	11.4%
Communication Services	
Industrials	6.2%
Health Care	5.0%
Financials	3.7%
Government Bonds	3.1%
Real Estate	1.8%
Private & Delisted	0.1%
Consumer Staples	-1.0%

Net (Short) — Gross Exposure 89.79%

Net (Long) — Short Exposure -49.29%

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

Commentary

The Select International Alpha Fund returned +1.38% for the month to be +9.34% year-to-date (net, after fees).

The US led tariff disruptions are clearly leading to uncertainty, emotive headlines and therefore amplified market volatility. Investors should focus more objectively and look at the data implications and the impact for central bank policy settings. But we are only at phase 1 of US led policy adjustments. The uncertainty has led to the spike in many volatility indicators such as the VIX. This is part of the shorter-term hand brake before other policy initiatives are rolled out.

The additional Fed rate cuts now priced in, compared to just a month ago, will eventually be supportive if core PCE remains in check. Further, the Fed needs to navigate lower US corporate (and some household) tax cuts later this year combined with a raft of US deregulation policies. They will be stimulatory. Ultimately US policy is looking to lower the government footprint on the economy and transition to the private sector with the aim of lowering price pressures.

Despite the recent market volatility, the US earnings profile is well into a multi-year growth phase and well above other key equity markets. Their double-digit EPS growth in 2024 will be met with lower double digit EPS growth in 2025. Forward earnings are being revised down from circa 14% EPS YoY towards 10% (hence the recent correction). The recent sell-off of US equities simply helps lower the expensive US equity valuations.

The recent rally in EU and China / Hong Kong equities is part of the ongoing valuation gap reset. For many years, these markets have offered much lower valuations vs US equities but have not delivered given their respective weak earnings and domestic activity. The recent forced spend on defence in the EU and separately the China push (market remains cynical) for lower priced AI implies some long overdue EPS growth.

On the debt issuance side, the recent rally in US treasuries (lower long bond yields) has been swift and a good hedge for the equity sell off. On the EU side, the recent rally in equities due to the rerating, given the multi-year low valuations vs the US amid weak EU conditions, has been met with soaring German (Bunds) and French (OATs) bond yields. This is the opposite to the US.

Going forward, significantly more bond issuance is required for the EU (Germany and France) as their fiscal footprint will need to surge to meet their defence spending which they have underinvested in for many decades. More EU bond issuance vs expectations implies higher long bond yields. This is a similar dynamic to the UK.

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

For the Fund, 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).

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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	1.38					**9.34**	14.47	*1.26%*	*0.00%*
												Incept.	**408.47**	470.29		
												Incept.	**8.40%pa**	9.02%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.

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.