

# Select International Alpha Fund

## 31 March 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)	-3.43%	0.63%	10.39%	3.88%	5.44%	8.18%

Refer below detailed performance data matrix

Name	%
Full Truck Alliance Co. Ltd. Sponsored ADR	3.8%
T-Mobile US, Inc.	3.8%
Alibaba Group Holding Limited Sponsored ADR	3.2%
Uber Technologies, Inc.	3.0%
BYD Company Limited Class H	3.0%
Alphabet Inc. Class A	2.7%
SAP SE	2.7%
Spotify Technology SA	2.7%
Expedia Group, Inc.	2.5%
Seagate Technology Holdings PLC	2.3%
<b>Total (top 10 of 87 holdings)</b>	<b>29.7%</b>

Source: Liontrust Investment Partners, GAM Star Alpha Technology Fund

Category	Top Categories by Net Exposure
Financials	15.0%
Consumer Discretionary	9.1%
Communication Services	7.8%
Industrials	5.8%
Health Care	4.1%
Real Estate	1.7%
Private & Delisted	0.1%
Consumer Staples	-0.2%
Information Technology	-0.6%
Net (Short)	Gross Exposure 87.88%
Net (Long)	Short Exposure -45.08%

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

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### Commentary

The Select International Alpha Fund returned -3.43% for the month to be up +5.59% fiscal-year-to-date (net, after fees). During a very volatile trading period the fund is up +0.63% for the March quarter (net after fees) compared to a negative market performance with the index down -2.11%. Some of the defensive portfolio hedging has assisted in the March quarter to limit some of the downside.

Without doubt some of the market volatility has been extreme. The VIX Index (US equity market option volatility measure) and the MOVE Index (US bond market option volatility measure) surge in volatility has been swift as investors look to re price risk.

Remaining alert but not alarmed is always a good starting point when there is extreme market volatility. The recent aggressive market swings over the past few weeks have in part exhibited the amplified fear from some investors regarding global economic uncertainties from the global tariff tensions. However, the rationale for your investment strategy before the tariff tantrum remains relevant. It is behavioural. Further, valuations for some asset classes are now more compelling and well off their highs. Investing across different asset classes and focusing on your core strategic asset allocation strategy over time is the key.

More frequent periods of volatility events ahead. Markets clearly do not like uncertainty however the recent sell off across all risk assets has some similarities to the pandemic sell-off when the global economy went offline. The tariff negotiations will impact global activity and it will shock global trade and supply chains. There will be implications for earnings going forward and the uncertainty to where aggregate earnings land this year will continue to remain high. This uncertainty for earnings (EPS) estimates implies higher than normal volatility. Some further re-rating should be anticipated.

Be comfortable being uncomfortable. In short, the market tariff uncertainty is not going away anytime soon, and investors should anticipate more frequent volatility events this year. The economic data will be impacted, and it is reasonable to expect that global growth will be revised lower as economies adjust to the new US led trade era. Markets have already begun to price in multiple rate cuts this year from The Fed which will be supportive in the second half of 2025 and 2026. Further, US tax cuts (both corporate and at the household level) combined with more de-regulation will be supportive and a positive tailwind later this year.

Going forward, equity valuations have become more compelling in the recent risk-off event. Markets will continue to review and look for additional earnings guidance to better understand the earnings picture. Earnings in aggregate will still grow in 2025 however the uncertainty of where it will eventually land implies valuations will remain compelling until the second half of the year.

As outlined in our previous note in February, we continue to anticipate more spikes of short-term volatility for markets this year, impacting currency, credit spreads and equity valuations.

The Fund is managed by the London based investment team at Liontrust 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	1.38	-3.43				5.59	11.21	1.21%	0.00%
Incept.													391.01	454.01		
Incept.													8.18%pa	8.82%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.

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## 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.