



GLOBAL EQUITIES

Science Museum presentation

Mark Hawtin, Head of Global Equities

For professional investors and advisers only



Why active investors can have the advantage in the future

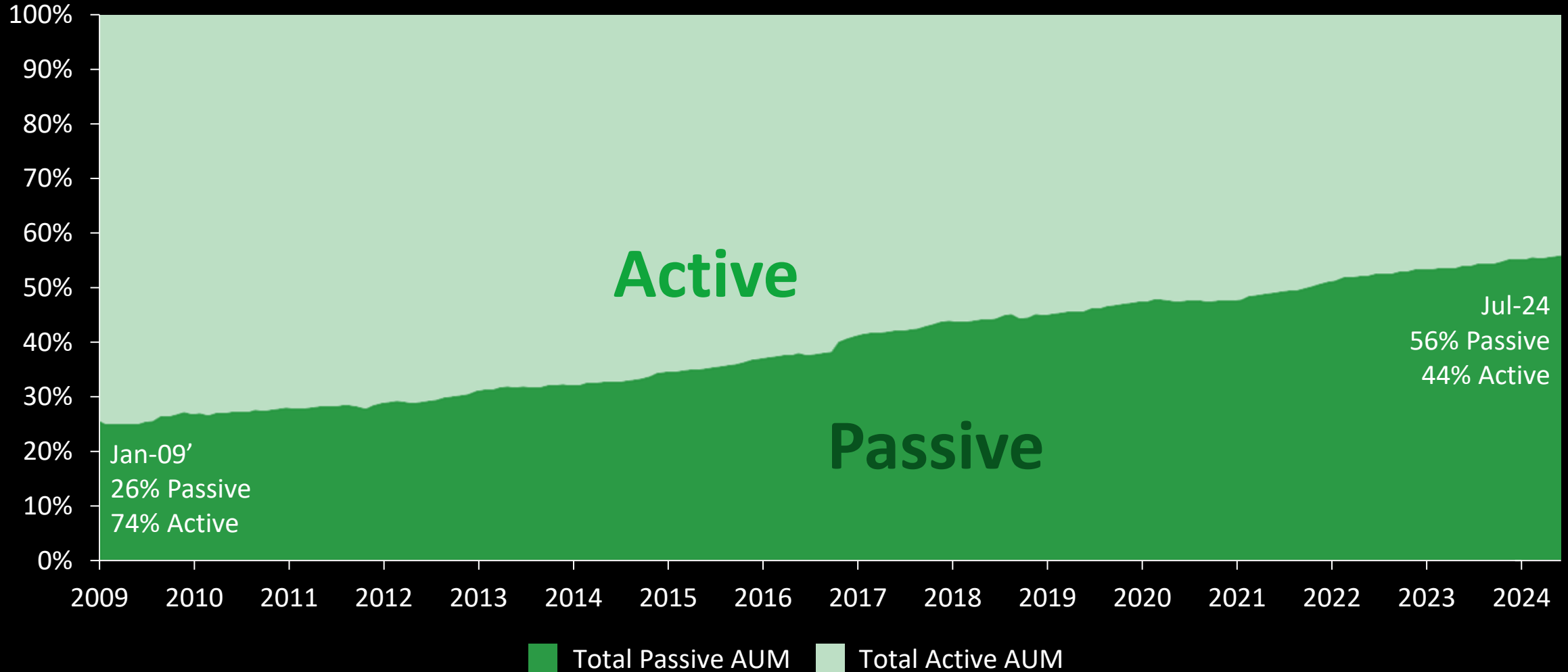
Mark Hawtin



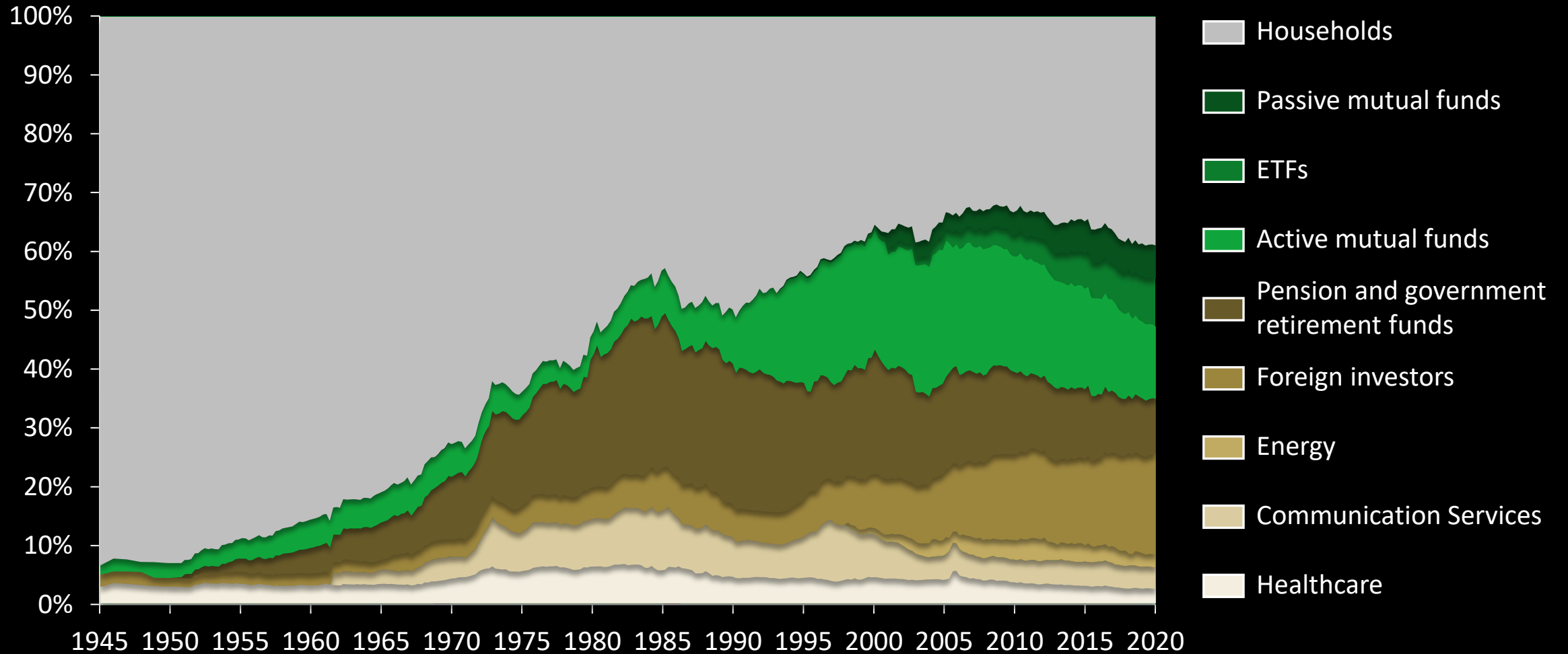


Investors are surfing the same wave

AuM (US Domiciled Funds)



Ownership breakdown of US equity market



GameStop

power to the players

 **r/wallstreetbets**

Hot ▾ ▾

Community highlights

 **Weekly Earnings thread 10/28 - 11/1**
514 votes • 2.3K comments

What Are Your Moves Tomorrow, October 30, 2024 u/wsbapp

Join WSB Discord! MKT CLOSED FOR 06:49 [Home](#)

SPY 582.99 <small>11m</small> Change: 2.16 (0.33%) Open: 579.85 High: 583.26 Low: 578.47 Volume: 42,896,036 Prev Close: 580.83	GOOG 181.21 ↑ 7.64%	AMD 153.58 ↓ -3.96%	RDDT 101.99 ↑ 28.00%
	DJT 52.41 ↑ 10.65%	TSLA 259.75 ↓ -1.05%	NVDA 141.38 ↑ 0.62%

Comments

Then-Wealth-1481	19	WCC96	102
Significant-Help-198	11	mindspeaker420	68
RevolutionaryPhoto24	11	GoZukkyYourself	60
MillionBEAR_	11	cbusoh66	53
Important911	11	bullfruk	52
Shitcanoe	9	holdzabee777	49
Pretend-Durland9189	9	SaltyNaturals777	48
spy69eod	8	MamamYeayea	48

Karma

#1  **u/MakeReasonableChoices** says
...no guess yet
4 day streak
63 wins 47 losses

Call The Close
Where will SPY close?
0 players

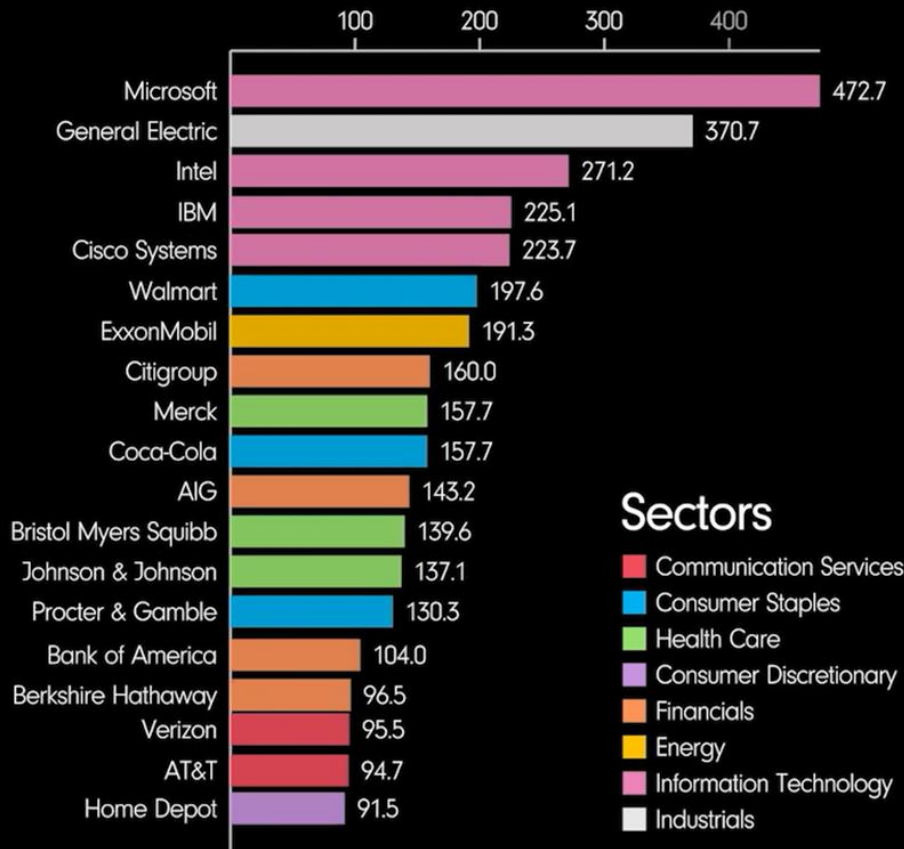
The smartest say -
Everyone else says -

Game Ends at 12PM EST
Game Starts at 930AM EST

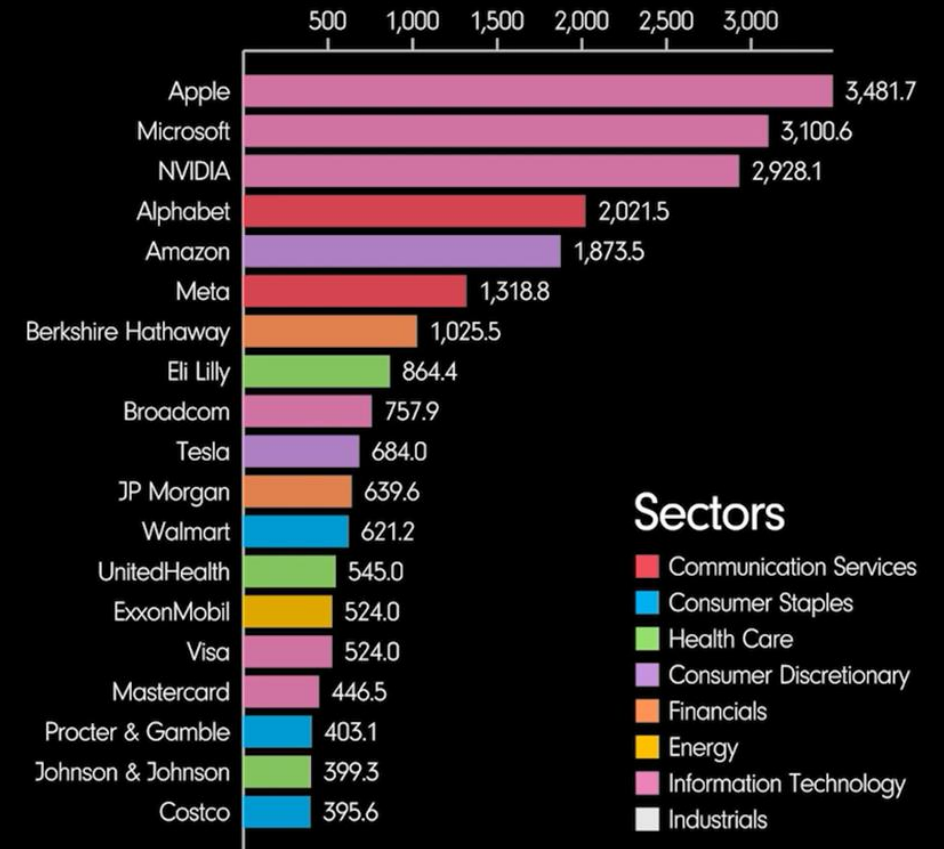


20 largest US Companies

Market capitalisation, US\$ billions Sep 1999

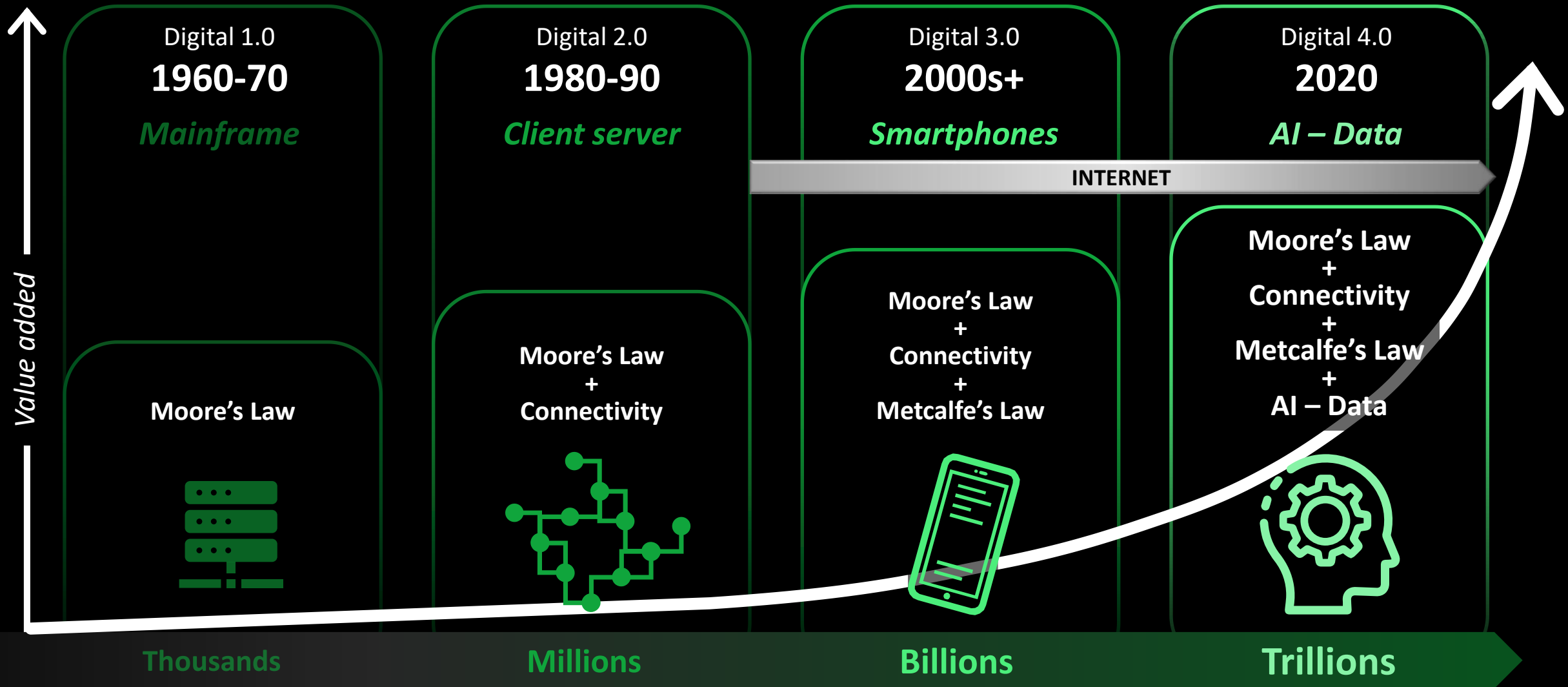


Market capitalisation, US\$ billions Sep 2024



Source: Companies Market Cap, September 1999 and September 2024

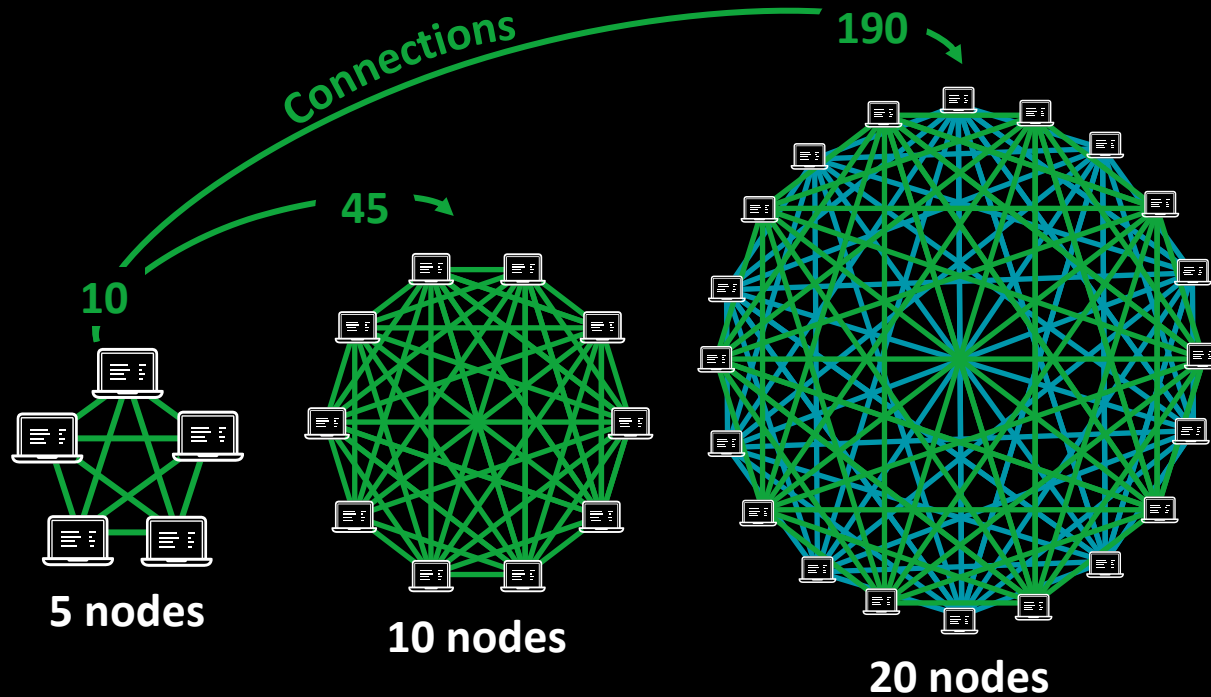
The Fourth Digital wave



Network effect: Metcalfe's Law

“...the usefulness of a network expands with every new user”

– Robert Metcalfe, Founder of 3Com, Ethernet



3.47 billion users
=
6,000,000,000,000,000,000
or
six quintillion connections

A close-up photograph of a person's hands holding a large, rounded mound of light-colored sand. The hands are positioned at the top of the mound, with fingers gripping the edges. The sand is piled high, creating a smooth, curved surface. The background is solid black, which makes the sand and the person's skin stand out. The lighting is dramatic, highlighting the texture of the sand and the contours of the hands.

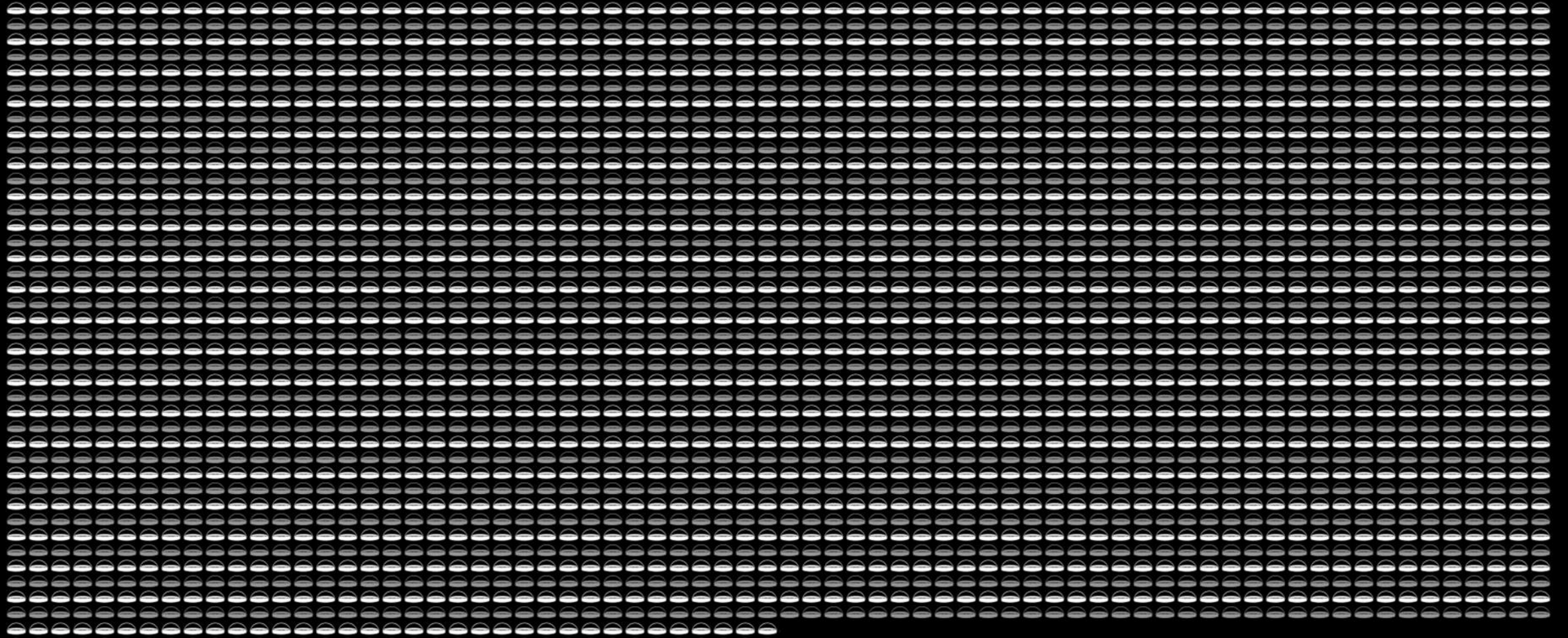
6 QUINTILLION GRAINS OF SAND

WOULD FILL WEMBLEY STADIUM





2,835 TIMES



2,835 Wembley Stadiums

Snap vs Meta

Daily Active users (DAU) & Network Value



450 million DAU



3.5 billion DAU

(8x DAU, 60x Network Value)

Digital 4.0

AI – Data

Moore's Law

+

Connectivity

+

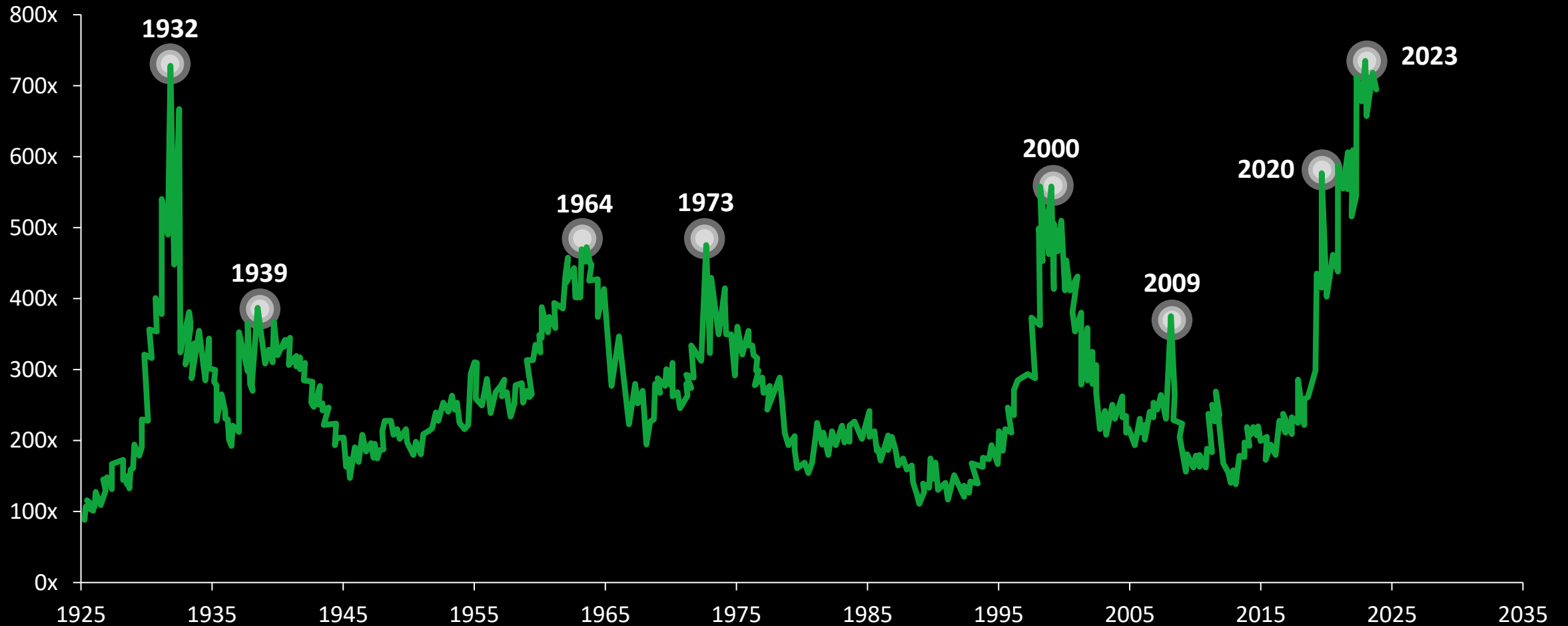
Metcalfe's Law

+

AI – Data



Market cap of the largest stock relative to the 75th percentile stock



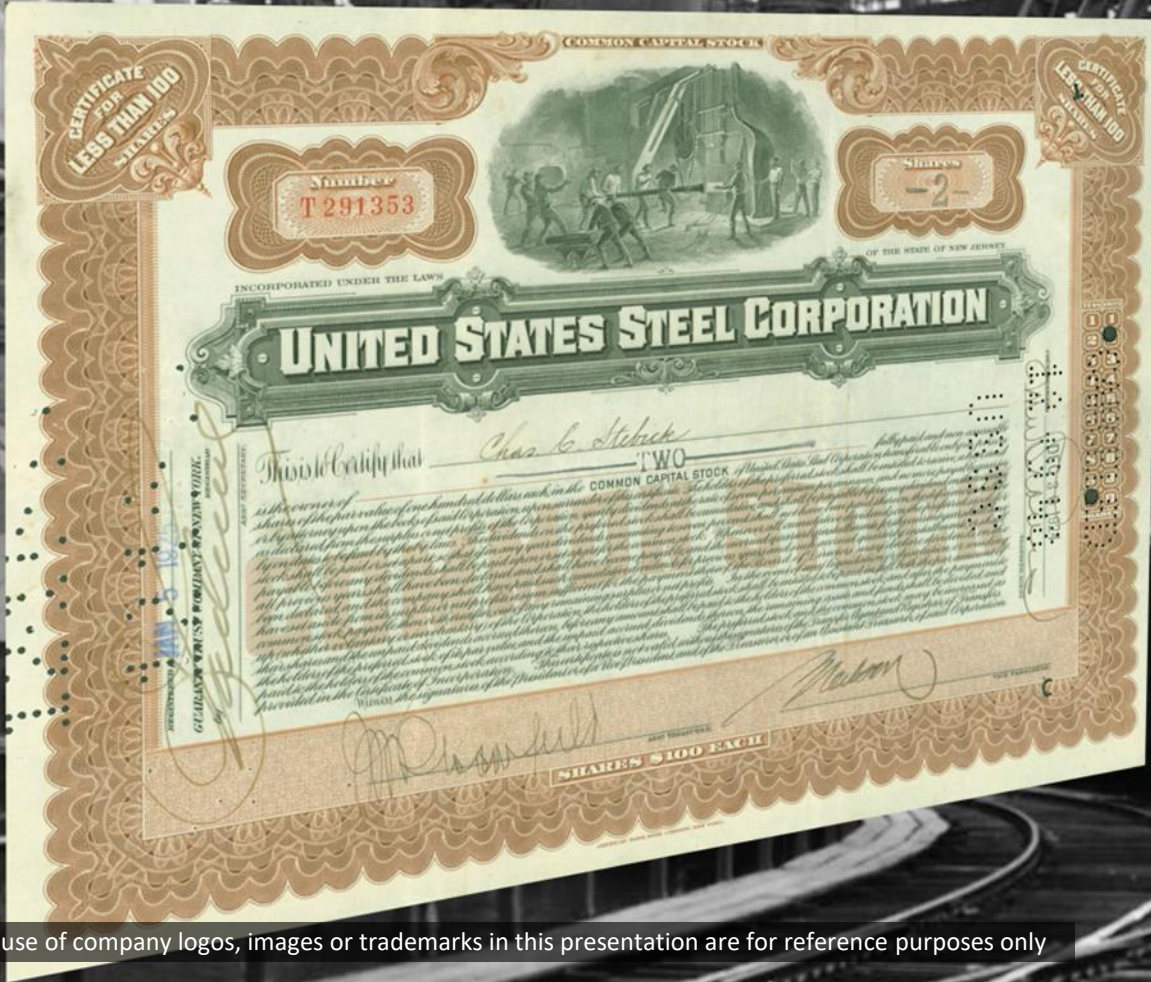
Examples of Bubble Stocks that failed



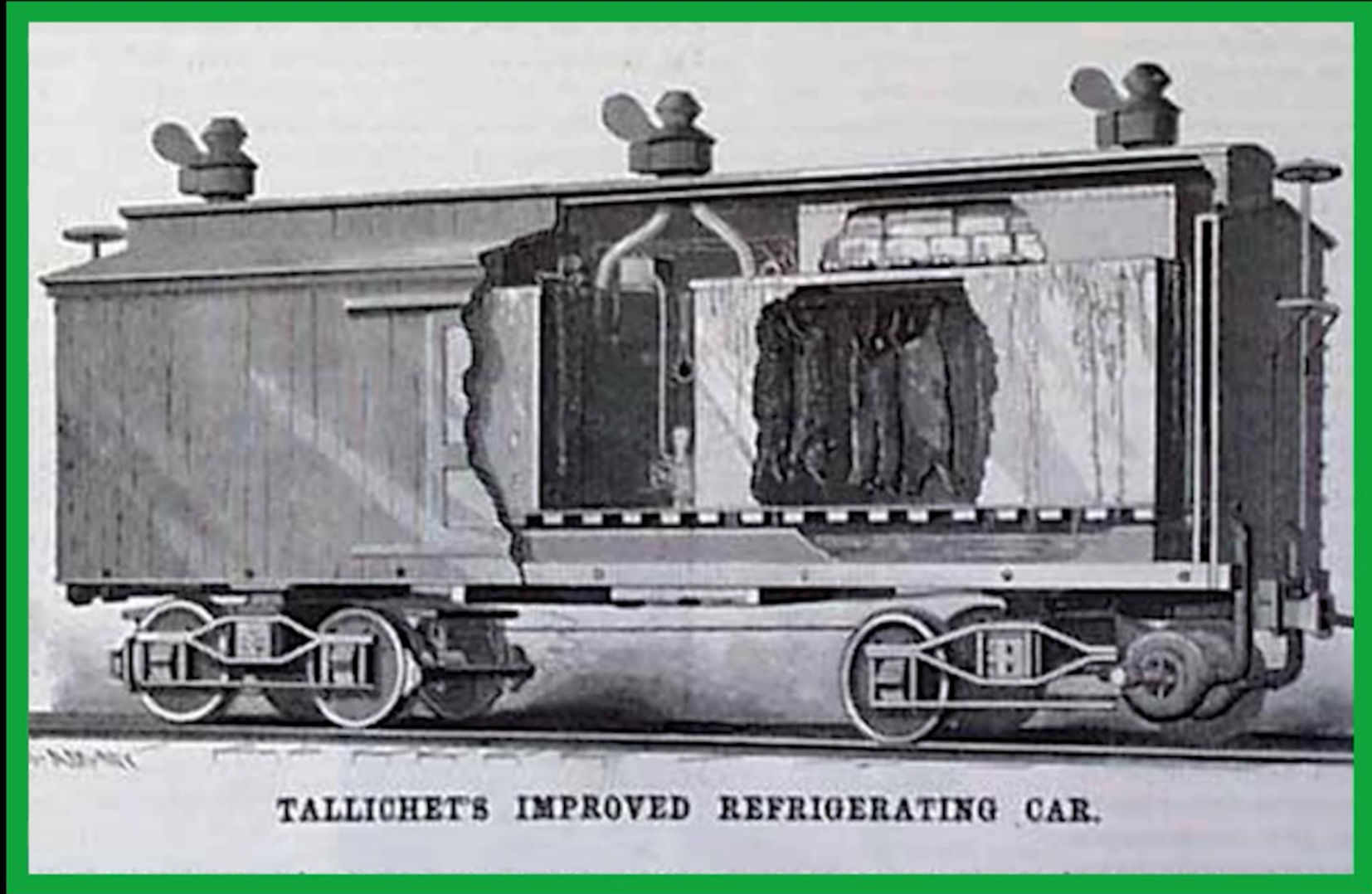
Aol.

BlackBerry

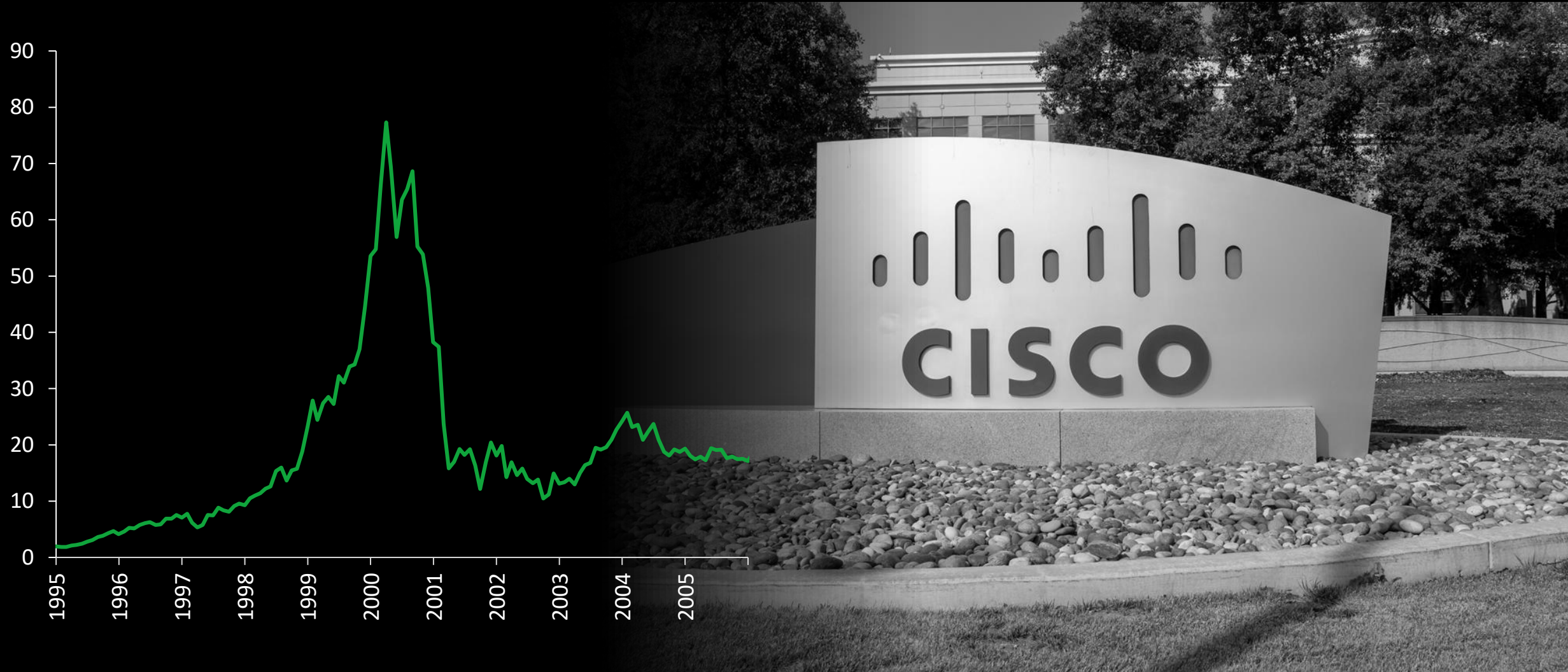




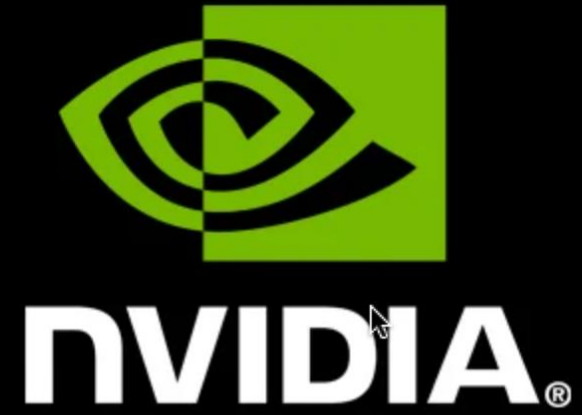
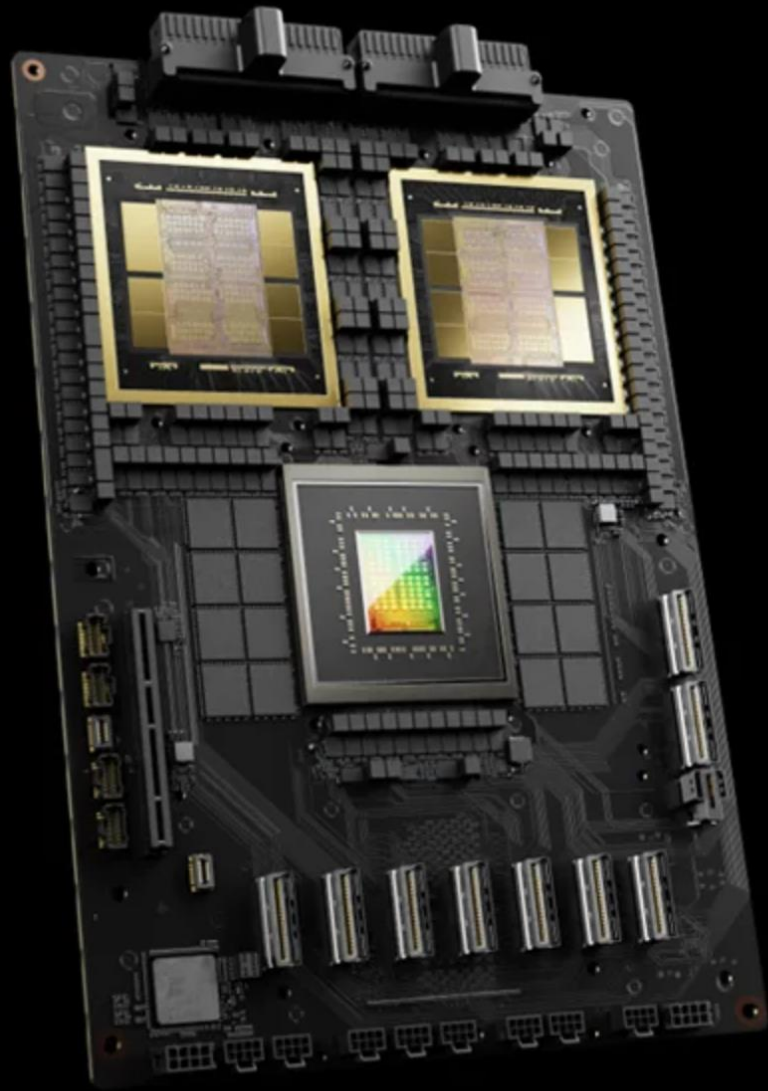
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Cisco share price over 20 years



Source: Bloomberg, 01.01.95 – 31.12.05, currency in USD. All use of company logos, images or trademarks in this presentation are for reference purposes only

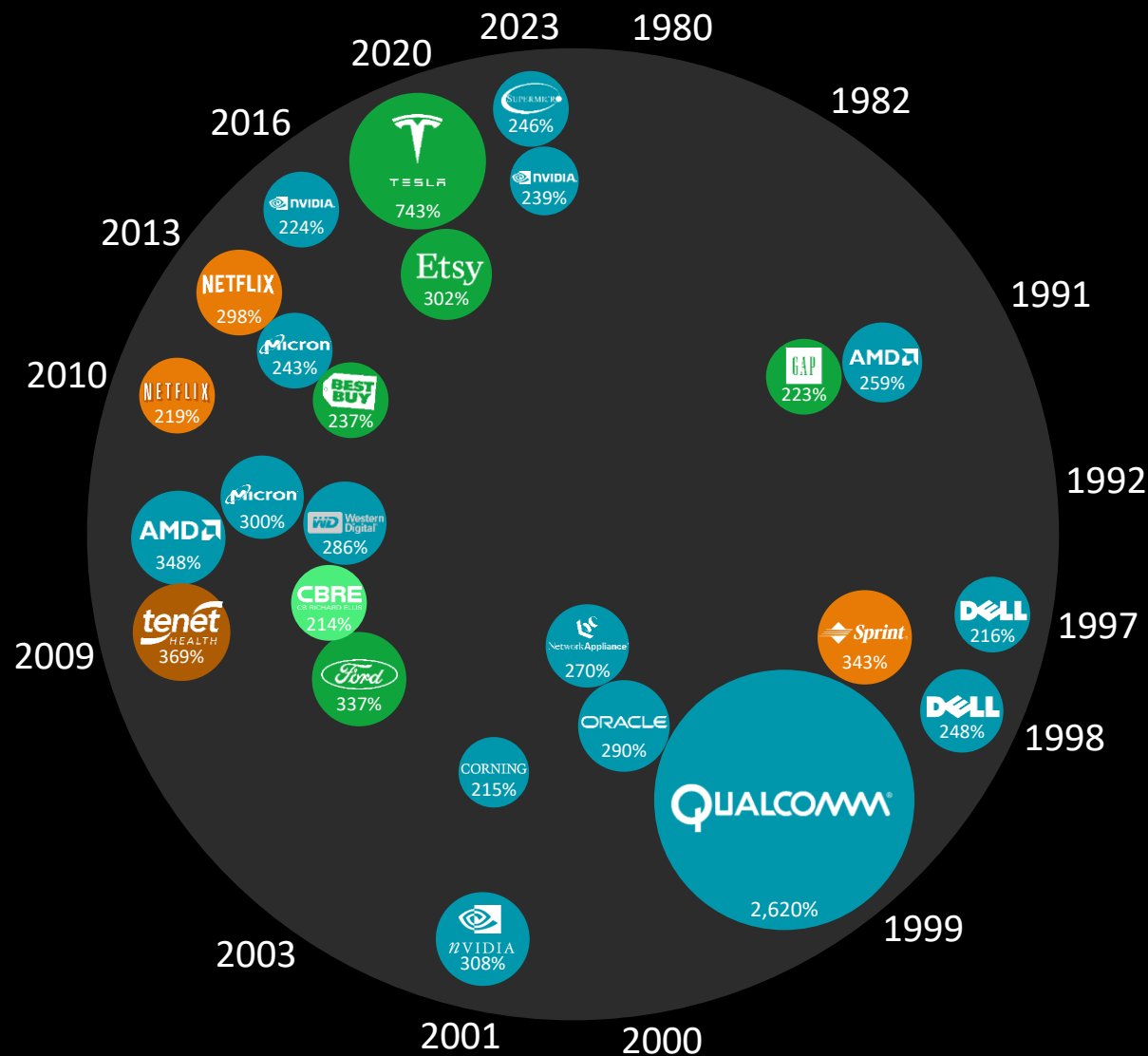


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SECTOR:

- Information technology
- Consumer Discretionary
- Financial
- Materials
- Utilities
- Real Estate
- Energy
- Communication Services
- Healthcare



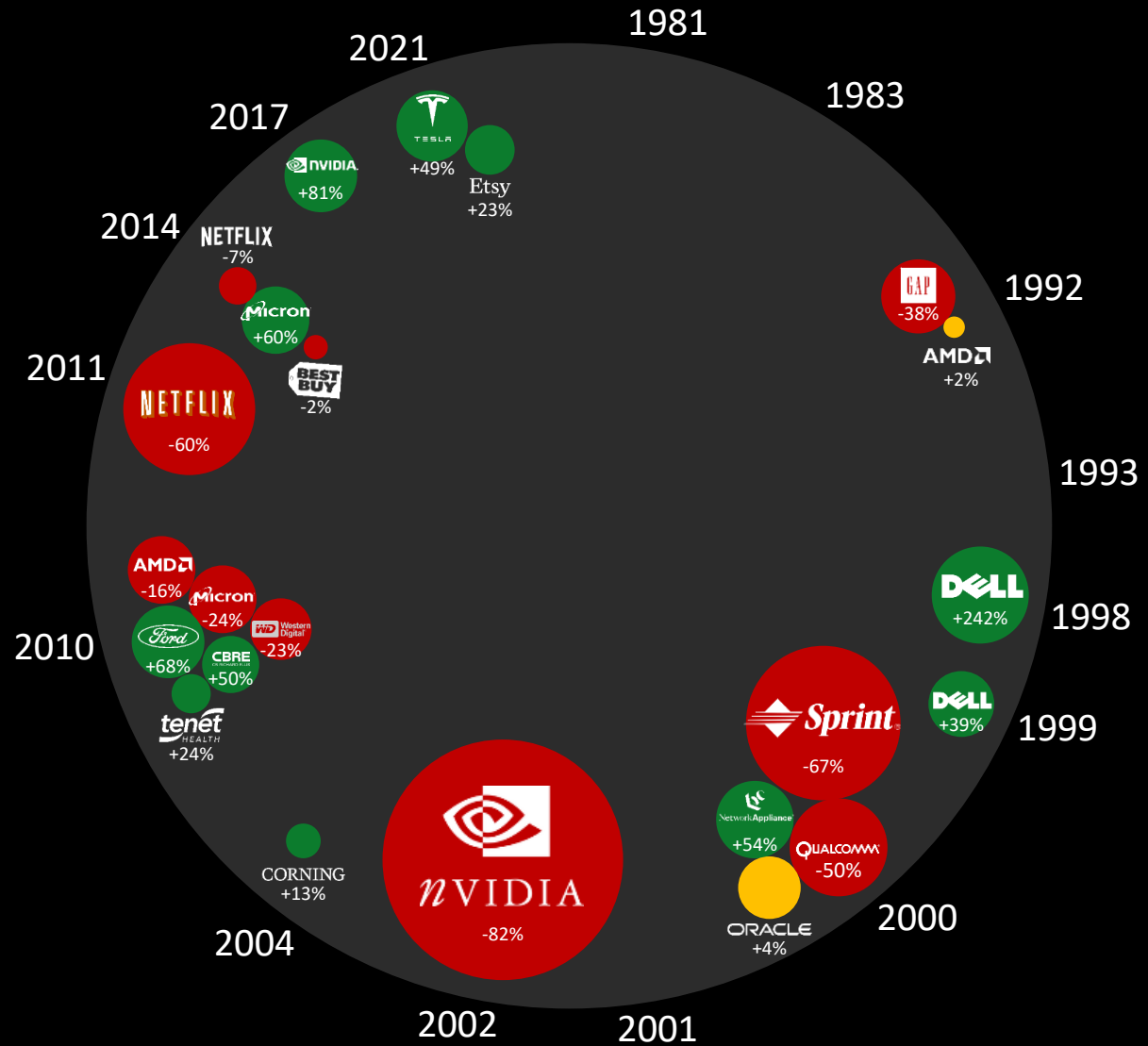
Source: Liontrust 2024, www.visualcapitalist.com, 11.07.23. S&P Down Jones Indices. Annual returns reflect price change only, no dividends or stock distributions have been added in XL Capita, Nextel Communications, Genworth Financial, and CB Richard Ellis Group refer to Class A shares. Where possible, logos have been used to represent the time of the annual return. The size of the circles represent the size of the companies annual percentage change

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% change:

- < 0
- 0 – 10%
- > 10%



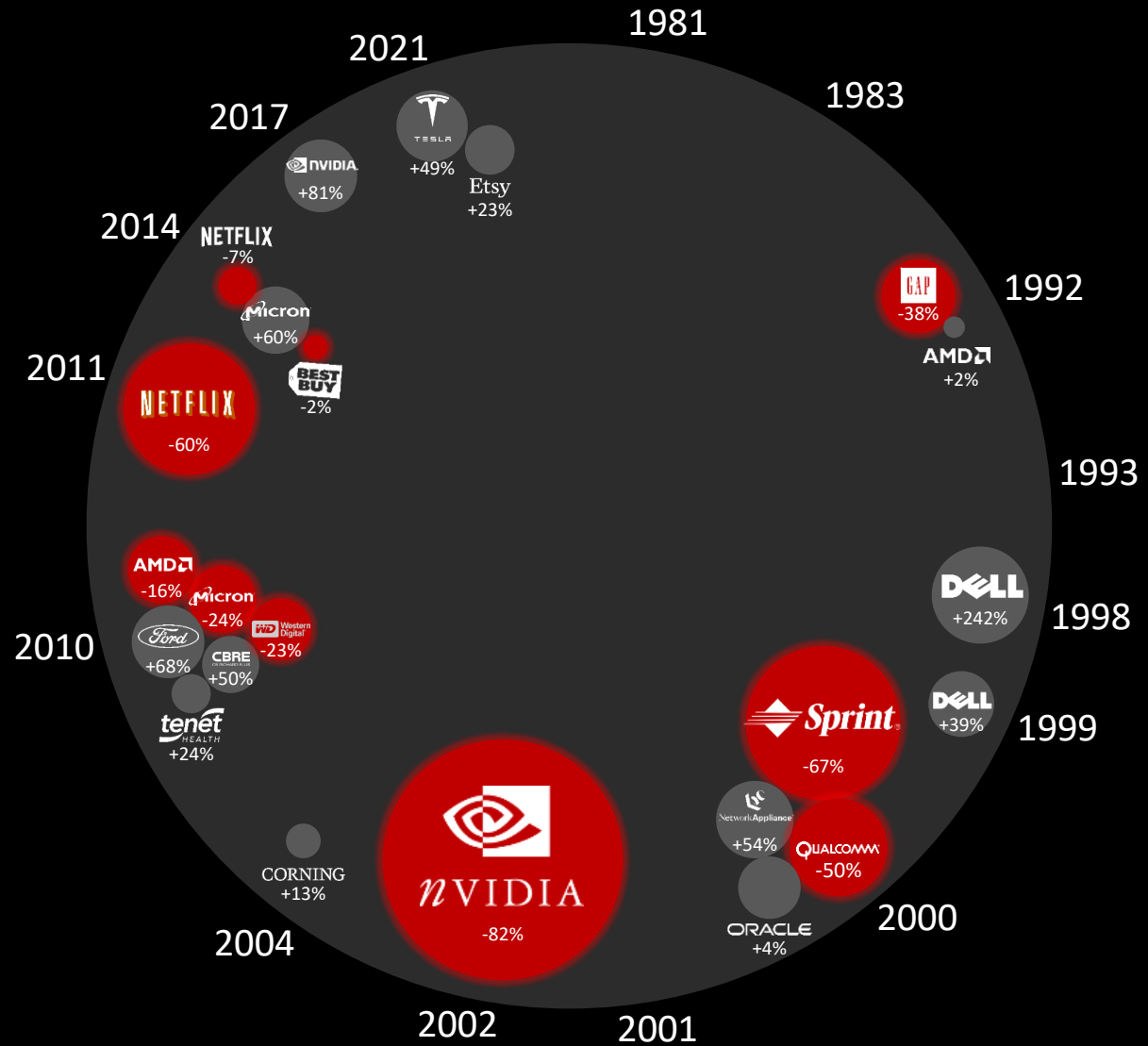
Source: Liontrust 2024, www.visualcapitalist.com, 11.07.23. S&P Down Jones Indices. Annual returns reflect price change only, no dividends or stock distributions have been added in XL Capita, Nextel Communications, Genworth Financial, and CB Richard Ellis Group refer to Class A shares. Where possible, logos have been used to represent the time of the annual return. The size of the circles represent the size of the companies percentage change to retrace 1 year

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% change:

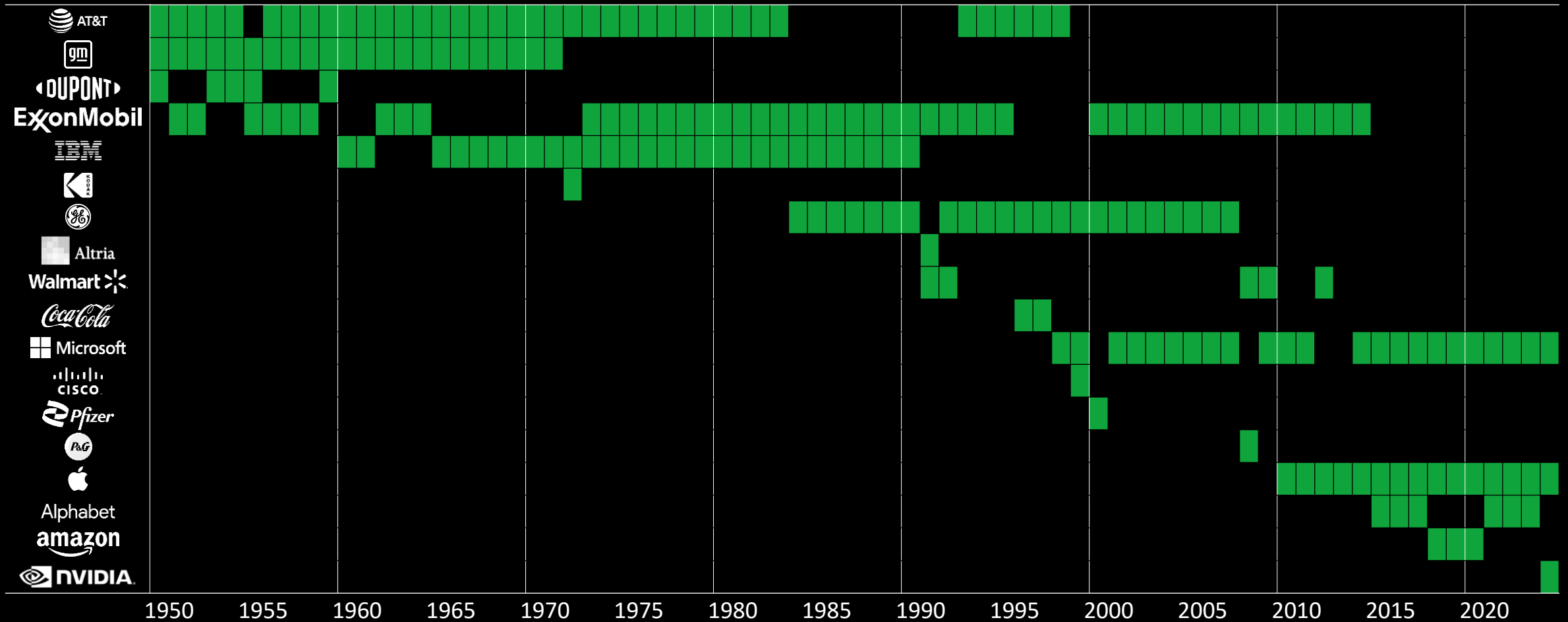
- < 0
- 0 – 10%
- > 10%



Source: Liontrust 2024, www.visualcapitalist.com, 11.07.23. S&P Down Jones Indices. Annual returns reflect price change only, no dividends or stock distributions have been added in XL Capita, Nextel Communications, Genworth Financial, and CB Richard Ellis Group refer to Class A shares. Where possible, logos have been used to represent the time of the annual return. The size of the circles represent the size of the companies percentage change to retrace 1 year

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US by Market Capitalisation | Top 3



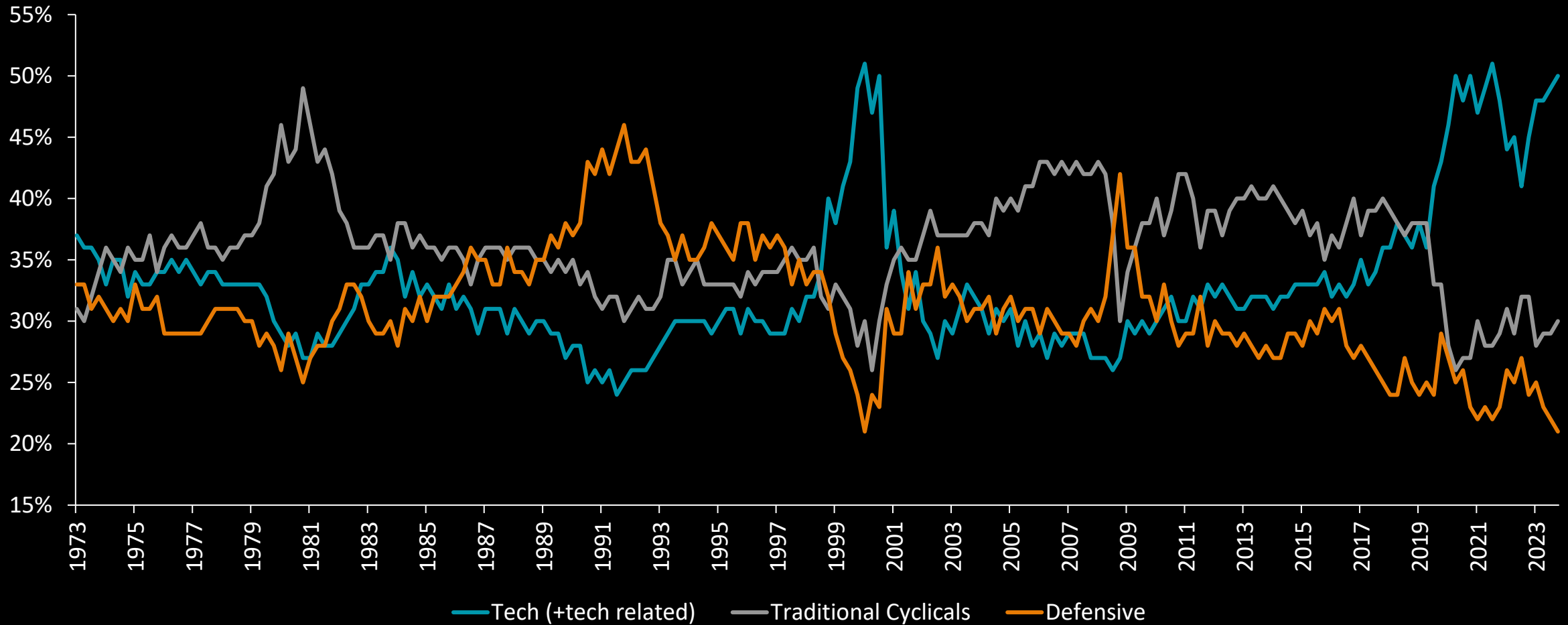
Source: Factset and Counterpoint Global, September 2024. Note: Market capitalizations reflect calendar year-end; some of these companies have varied their names over time; GM = General Motors; P&G Procter & Gamble; Exxon = ExxonMobil; IBM = International Business Machines; GE = General Electric; Altria was previously known as Philip Morris. All use of company logos, images or trademarks in this presentation are for reference purposes only

Large cap indices have concentration risk



Source: BofA US Equity & Quant Strategy, Factset, September 2024

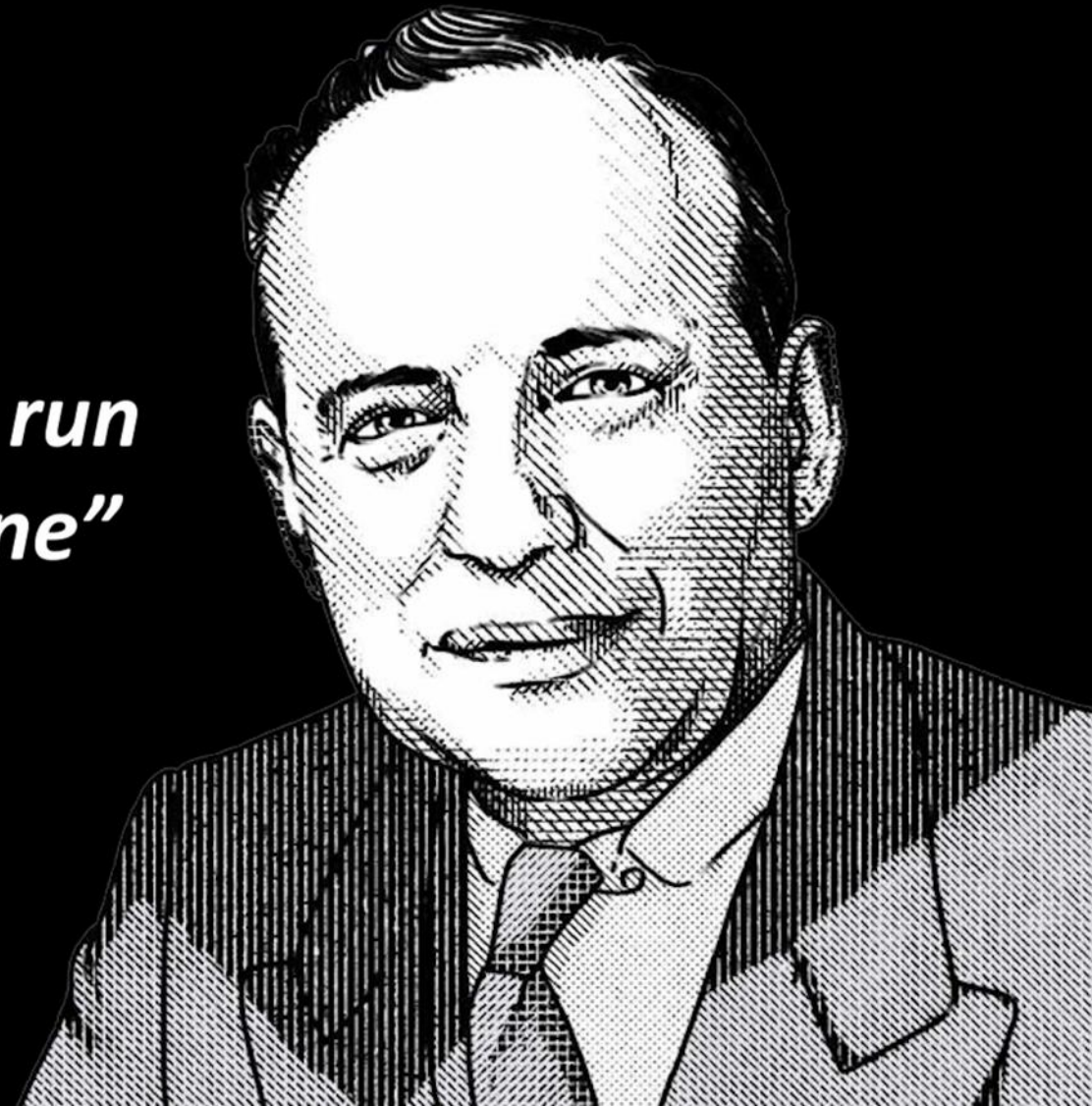
Market cap weightings (Super Sectors) | USA



***“In the short run, the market
is a voting machine***

***but in the long run
it is a weighing machine”***

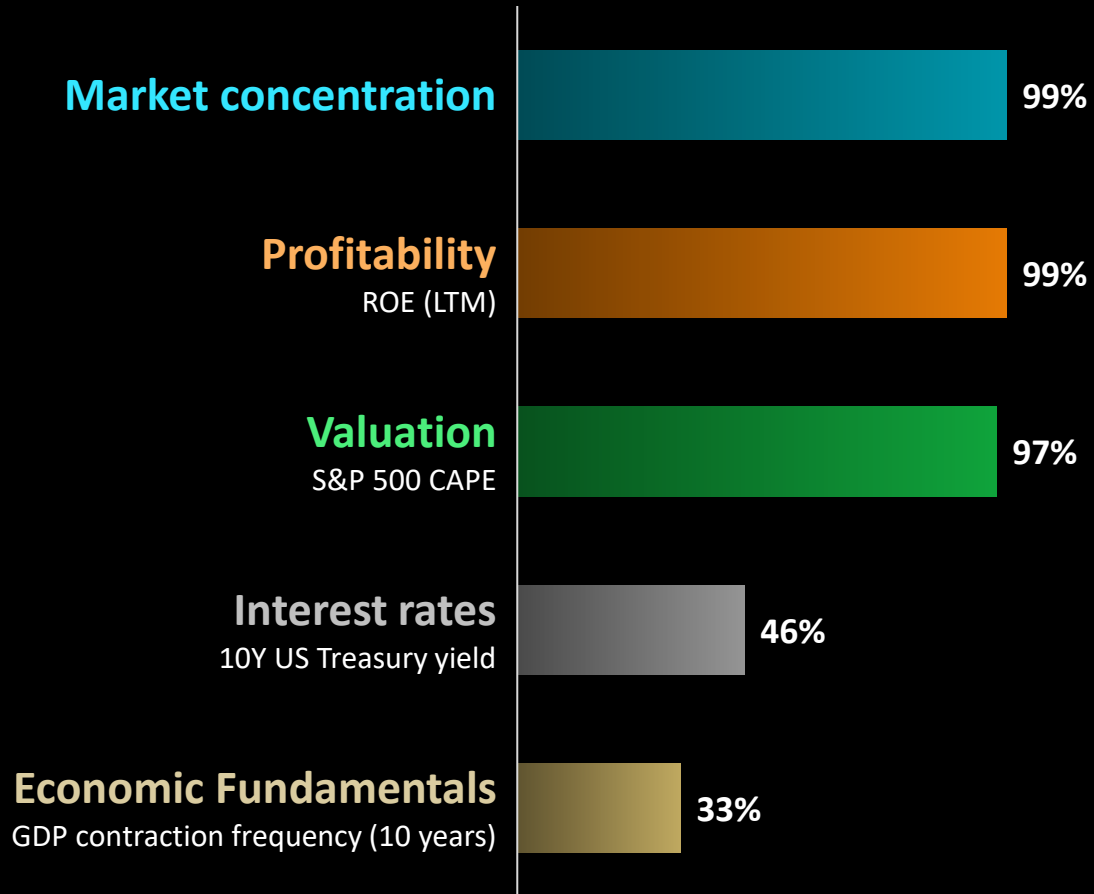
Benjamin Graham



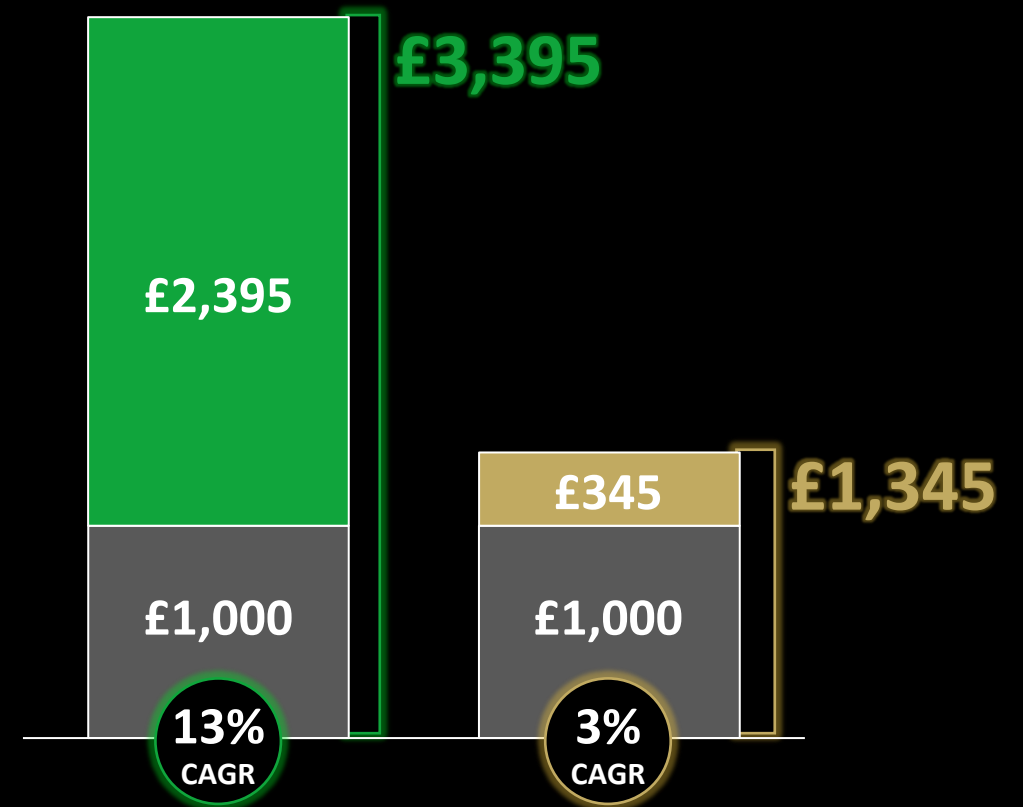


S&P 500 total returns are likely to be lower

Percentile since 1930



Goldman Sachs forecast for 10-year CAGR = 3%



Source: Goldman Sachs Global Investment Research, 2024. GDP contraction frequency represents the percentage of quarters with a contraction in real GDP during the next 10 years (40 quarters). Market concentration is measured as the ratio between the market cap of the largest stock in the market relative to the market cap of the 75th percentile stock. CAGR: Compound annual growth rate



Passive
Risk

Active
Reward



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Key risks

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

We recommend these funds are 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 Equities Team:

Capital at risk: all financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed.

Concentration risk. Concentration in a limited number of securities and industry sectors may result in more volatility than investing in broadly diversified funds.

Counterparty/derivatives risk: if a counterparty to a financial derivative contract were to default, the value of the contract, the cost to replace it and any cash or securities held by the counterparty to facilitate it, may be lost.

Currency risk – non base currency share class: non-base currency share classes may or may not be hedged to the base currency of the Fund. Changes in exchange rates will have an impact on the value of shares in the Fund which are not denominated in the base currency. Where hedging strategies are employed, they may not be fully effective.

Equity: investments in equities (directly or indirectly via derivatives) may be subject to significant fluctuations in value.

Leverage risk: derivatives may multiple the exposure to underlying assets and expose the Fund to the risk of substantial losses.

Special country risk / China: changes in China's political, social or economic policies may significantly affect the value of the Fund's investments. China's tax law is also applied under policies that may change without notice and with retrospective effect.

List not exhaustive: This list of risk factors is not exhaustive. Please refer to the relevant Fund's Prospectus.

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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