



All the things that outperformed Nvidia in 2025

We look for lessons in a list of the most successful investment trusts of last year.

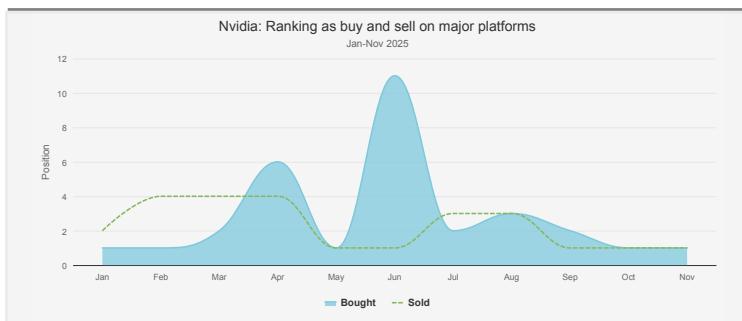
Update
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Without looking, what would be your best guess for the returns of the Latin American index in 2025? Well, as of 19/12/2025, it was up 43.6% in sterling terms. Nvidia, on the other hand, was up around half this, at 26.4%. Great returns for the year, and well ahead of the 10.4% the S&P 500 delivered, but UK investors aren't benchmarked to the S&P. In fact, lots of investment trusts did significantly better than the world's largest graphics card creator in 2025, which we think has some lessons for 2026.

Monotonous monoculture

Nvidia has dominated investment discourse over 2025. The most popular retail buys and sells tracked by our investment writing team show that it has dominated trades as well. Across four of the largest retail platforms it was the most bought stock in five of the first 11 months of 2025, and in the top three most bought in nine of those months. The chart below shows some signs of a wobble in conviction in the three months following Liberation Day, but it was back at the top again by the end of the year. To interpret the chart below, note that a lower number means it is higher up the list of most bought stocks.

Fig.1: NVIDIA On Retail Platforms



Source: Hargreaves Lansdown, AJ Bell, Bestinvest and interactive investor

Any parent will be well aware that the American dominance of our culture is only growing. We think the US-centric nature of financial media and social media in general has contributed to Nvidia staying central to the conversation – in dollar terms it has returned around 33%, and, of course, outperformed the US investor's benchmark, the S&P 500. But under the radar, lots of more prosaic investments have delivered much better returns

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The growth themes that outperformed

By our count, 65 investment trusts outperformed an investment in Nvidia in 2025, and ten Morningstar sector averages did. The top performer was Golden Prospect Precious Metals (GPM), which delivered a stunning 147.9% share price return (to 19/12/2025). Gold the metal had a good year, and the miners finally caught up. The performance of gold miners also drove the generalist mining trusts: CQS Natural Resources Growth & Income (CYN) made 89.9% and BlackRock World Mining (BRWM) 73.9%. Gold miners entered the year looking cheap and unloved, not having responded to gold's strength in 2024. In fact, gold mining indices underperformed the metal in 2024, and investors who stuck with that trade rather than investing in thematically related equities, which had lagged, would have lost out.

Copper prices were also strong over 2025, and this contributed to good returns for the mining



Mining And EM Outperformers

	Association of Investment Companies (AIC) Sector	SP Return (GBP, %)	Latest Discount (Cum Fair, %)
Golden Prospect Precious Metals	Commodities & Natural Resources	147.9	-21.6
CQS Natural Resources G&I	Commodities & Natural Resources	89.9	-2.2
BlackRock World Mining Trust	Commodities & Natural Resources	73.9	-4.4
BlackRock Latin American	Latin America	52.9	-5.4
Fidelity Emerging Markets	Global Emerging Markets	49.3	-8.5
Templeton Emerging Mkts Invmt Tr TEMIT	Global Emerging Markets	42.6	-8.2
Fidelity China Special Situations	China / Greater China	42.3	-9.8
Baillie Gifford China Growth Trust	China / Greater China	37	-9.1
BlackRock Energy and Resources Inc	Commodities & Natural Resources	35.6	-8.3
JPMorgan China Growth & Income	China / Greater China	35.5	-6.7
Pacific Horizon	Asia Pacific	32.4	-8.2
Utilico Emerging Markets	Global Emerging Markets	30.8	-9.2
Invesco Asia Dragon Trust	Asia Pacific Equity Income	30.4	-6.2
Barings Emerging EMEA Opportunities	Global Emerging Markets	30.3	-12.7
JPMorgan Global Emerg Mkts Inc	Global Emerging Markets	29.3	-8.6
JPMorgan Emerging Markets Growth & Inc	Global Emerging Markets	27.5	-7.6
Baker Steel Resources	Commodities & Natural Resources	27.4	-37.7
Aberdeen Asia Focus	Asia Pacific Smaller Companies	27.4	-11.7
Nvidia Corp		26.4	

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Source: Morningstar, 01/01/2025 – 19/12/2025

Past performance is not a reliable indicator of future results

trusts. Copper benefits from demand for AI data centres and the expansion of the grid necessary to power them. Copper miners supported the returns of **BlackRock Latin American (BRLA)**, up 52.9%, with the strength of demand for materials boosting domestic economies in its region, as well as **Fidelity Emerging Markets (FEML)** with the latter delivering a share price total return of 49.3%. FEML also had some very successful investments in technology stocks connected to the AI trade. This is another theme to come out of the table: investing in AI-related assets further down the chain than Nvidia's GPUs. Rotating out of 2024's leading stocks in this theme into related names yet to keep up would have been a winning strategy in 2025.

A recovery in China boosted a number of trusts to outperform Nvidia in 2025. Some optimism about the potential for AI may have contributed to good returns in the tech sector in the country, so there are some parallels with this trade. EVs and autonomous driving continues to deliver gains for related companies too, with there being some connections to AI. Dale Nicholls, manager of **Fidelity China Special Situations (FCSS)**, has been taking some profits in these areas and rotating into consumer-related

names, which he thinks could have catch-up potential. We think this might be a fruitful avenue to explore in 2026 in countries where AI-related earnings are strong enough to boost activity across the economy – Latin America could be one such area. FCSS made 42.3% over 2025, and **Baillie Gifford China Growth (BGCN)** 37%.

Biotech is another success story of 2025, and here there is no AI-related angle. It is historically a high-growth sector that does well in lower interest rate environments. We entered the year with political risk hanging over the sector, but this has lifted, and as rates have come down and, we suggest, as institutional investors look to rotate away from AI to other growth themes, biotech has come back into business. RTW Biotech Opportunities (RTW) +48.5%, **International Biotechnology (IBT)** +46.1%, and Biotech Growth (BIOG) +39.8%, have all prospered, with these returns coming since August. Macro factors have worked for biotech, but so did value: biotechnology was looking cheap entering the year, and despite the fundamentals of the sector – the science, the need for larger companies to buy out the owners of new drugs, the strength of balance sheets – looking good.



The value themes that outperformed

Perhaps so far the trusts and themes to have outperformed Nvidia are, if not expected, then unsurprising. Mining, data centres, the AI supply chain and biotech are all well-known growth themes. Spotting growth themes that had yet to respond to an improving backdrop would have seen investors fishing in these areas and benefitting. We think it is much more surprising that many of the plain vanilla UK investment trusts outperformed the sexiest stock in the world.

Temple Bar (TMPL) has delivered a share price total return of 44.8%, ahead of **Fidelity Special Values (FSV)** and its 35.5%. Lowland, Schroder Income Growth, Shires, Aberdeen Equity Income, CT UK High Income, City of London and JPM Claverhouse all outperformed Nvidia too. The income trusts outperformed the growth trusts and the large-cap trusts outperformed the small- and mid-caps. We think this is a good example of how recoveries in out-of-favour sectors tend to fly under the radar at first. There isn't really anything driving the UK large-caps beyond them being extremely cheap and having incorporated a huge amount of negativity in the price. In that regard, and looking at how the AI trade broadened over 2025, we think UK small- and mid-caps are somewhere to watch. We think they could be to UK large-caps in 2026 what the miners were to gold or the data centre materials were to GPUs in 2025.

Most trusts in the Europe sectors underperformed Nvidia, but there were a couple of exceptions: **JPMorgan European Growth & Income (JEGI)**, which was up 45.3%. JEGI aims to be a core holding, with a portfolio that mixes style exposure and delivers incremental outperformance of the benchmark. In 2025, it benefitted as its managers tilted the portfolio away from the global growth leaders and towards more domestically oriented stocks, which included building up its exposure to small- and mid-caps. JPMorgan European Discovery, run by the same house's small-cap team also outperformed Nvidia with returns of 35.5%.

Another area of value to have delivered greater share price returns than Nvidia is to be found in deeply discounted trusts in the alternative assets sectors. In some cases, share price returns reflect positive operational developments and improving sentiment. Seraphim Space (SSIT) more than doubled in share price terms as the discount narrowed from over 40% to c. 5%. A lot of these gains came in December after it was announced that its largest holding, ICEYE, had signed a £1.5bn contract with German defence manufacturer Rheinmetall. ICEYE made up 34.7% of SSIT's NAV prior to the contract win, so there is scope for a significant uplift to the NAV. **Molten Ventures (GROW)** has seen a re-rating as asset sales have validated the NAV, with the write-up of largest holding Revolut ahead of an IPO acting as a reminder of the potential in venture capital. **Gresham House Energy Storage's (GRID)** 71% returns reflect some positive NAV progression, new projects being funded and refinancing at lower rates, as well as the resumption of dividends for the first time since Q4 2023.

UK And European Outperformers

	Association of Investment Companies (AIC) Sector	SP Return (GBP, %)	Latest Discount (Cum Fair, %)
Marwyn Value Investors	UK Smaller Companies	61.1	-47.4
JPMorgan European Growth & Income	Europe	45.3	-0.92
Temple Bar	UK Equity Income	44.8	1.1
SVM UK Emerging	UK Smaller Companies	37	-4
Fidelity Special Values	UK All Companies	35.5	-0.8
JPMorgan European Discovery Ord	European Smaller Companies	35.5	-7.67
Lowland	UK Equity Income	33.9	-9.4
Schroder Income Growth	UK Equity Income	33	-5.1
Shires Income	UK Equity Income	32.7	-3.2
Aberdeen Equity Income Trust	UK Equity Income	31.5	1.3
CT UK High Income B Share	UK Equity Income	29.3	-0.5
City of London	UK Equity Income	28.6	1.9
JPMorgan Claverhouse	UK Equity Income	28	-5.2
CT UK High Income	UK Equity Income	26.7	3.2
Nvidia Corp		26.4	

Source: Morningstar, 01/01/2025 – 19/12/2025
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Alternative Assets Outperformers

	Association of Investment Companies (AIC) Sector	SP Return (GBP, %)	Latest Discount (Cum Fair, %)
Seraphim Space Investment Trust	Growth Capital	108.6	-5.1
Gresham House Energy Storage	Renewable Energy Infrastructure	71.1	-32.9
Urban Logistics REIT	Property - UK Logistics	56.7	-0.4
Molten Ventures	Growth Capital	55.4	-31.5
Warehouse REIT	Property - UK Logistics	48.1	-12.9
JPEL Private Equity	Private Equity	41.5	-10.2
Harmony Energy Income Trust	Renewable Energy Infrastructure	41.5	-0.3
Ecofin Global Utilities & Infra	Infrastructure Securities	41.2	-6
Schroders Capital Global Innov Trust	Growth Capital	40.9	-27.6
Petershill Partners	Growth Capital	38.6	-11.1
Downing Renewables & Infrastructure	Renewable Energy Infrastructure	37.9	-9.5
Care REIT	Property - UK Healthcare	35.3	-13.1
Premier Miton Glb Renewables Trust	Infrastructure Securities	35	-0.1
VPC Specialty Lending Investments	Debt - Direct Lending	34.5	-45.9
NB Distressed Debt New Glb	Debt - Loans & Bonds	31.5	-14.1
Chenavari Toro Income Fund	Debt - Structured Finance	31.3	-2.7
Volta Finance	Debt - Structured Finance	30.3	-7.1
Aquila Energy Efficiency Trust	Renewable Energy Infrastructure	29.1	-43.7
Nvidia Corp		26.4	

Source: Morningstar, 01/01/2025 – 19/12/2025

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In GRID's case, the takeover of Harmony Energy Income in the summer may have raised hopes of a similar value-unlocking resolution too. In some cases, it is takeovers that have delivered the returns, with Urban Logistics REIT and Warehouse REIT both bought out at large premiums to the share price, delivering returns of 56.7% and 48.1% to shareholders respectively. Harmony Energy Income itself delivered 41.5%. There are still plenty of exceptionally wide discounts in the alternative asset space and we think it likely that consolidation and takeovers will feature again next year. This is a hard theme for the individual investor to play, and perhaps one best left to the professionals who can invest at size and engage. **MIGO Opportunities Trust (MIGO)** is set up precisely to find opportunities to engage to unlock value in the alternatives space, and could be one to watch in 2026.

Conclusion

Nvidia has dominated the headlines this year. It is the largest company in the world and intimately involved in the strategic rivalry between the US and China, but we think

a common trend in markets is for an aura of 'winning' to hang around long after market leadership has passed on, and that is the case with Nvidia. Better returns have been delivered by trusts playing themes connected to the AI trade, further down the chain. Looking for areas connected to the leading themes that had lagged in price and valuation would have led investors there. Other areas that have been deeply depressed for years also outperformed, sometimes simply because all the negativity was in the price (the UK) and sometimes because there was also a new growth factor to consider (Europe and the stimulus of defence spending). In the alternative assets space, it was a mixture of both, with corporate activity or the expectation of it another key driver.

Looking ahead to 2026, we think countries and sectors that will benefit as AI spend flows through could do better than the expensive hardware manufacturers – consumer related areas in Latin America and China could be such areas. We think the most obvious deeply depressed area due a re-rating is the FTSE 250, one of history's great growth markets, recently trading on lower valuations than large-caps; we expect UK mid- and small-caps to do



well. Meanwhile, the alternative assets space looks like it should see another year of corporate activity, while falling interest rates should be a positive. Biotechs flourished in 2025 as interest rates fell and political worries lifted. We expect rates to continue to fall, providing an impetus to many growth sectors that have been left behind as Nvidia and some connected large-caps have risen to unattractive valuations.



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