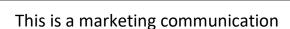


CASHFLOW SOLUTION PROCESS



Liontrust GF European Smaller Companies Fund

January 2023 review

Fund managers: James Inglis-Jones and Samantha Gleave

The Fund's A3 share class returned 5.9%* in euro terms in January. This Fund's target benchmark, the MSCI Europe Small Cap Index, returned 7.5%.

Global equity markets rallied at the start of 2023 on renewed hopes of a slowing or pivot in monetary policy tightening, although central bankers remained hawkish in their comments. ECB president Christine Lagarde, for example, stated that the bank would "stay the course" with further rate rises until inflation was back towards its 2% target.

The World Bank's latest Global Economic Prospects publication forecast 1.7% growth, down from its prediction of 3.0% six months earlier, with a broad-based downturn pushing the global economy close to recession. The IMF's assessment was, however, more upbeat – predicting 3.2% growth in 2023, up from its 2.7% forecast in October. It cited China's abandonment of its zero Covid policy as one reason for more optimism regarding this year's growth prospects .

There was a distinct cyclical pattern to the European market's sector returns in January, with consumer discretionary (+15%), IT (+14%), real estate (+13%) and finance (+10.6%) all rising in euro terms. Healthcare (0%), consumer staples (+2.1%) and utilities (+3.0%) lagged.

The Fund's top risers also had a cyclical theme. Its retail stocks rose strongly, including Danish jeweller **Pandora** (+15%) and German mobile phone store **Mobilezone** (+7.1%). **WH Smith's** (+8.7%) gain was helped by a trading statement detailing 41% year-on-year growth in the 20 weeks to 14 January – also up 20% on the pre-Covid 19 financial year. Sales in its Travel division were up 77% year-on-year, and on a like-for-like basis were 1% ahead of 2019 levels despite passenger numbers being down.

Other positive contributors included **Deutsche Pfandbriefbank** (+15), **Bank of Ireland** (+10%) and **Man Group** (+17%) in financials, and online property listing portal **Rightmove** (+15%).

A trading update from **ATOSS Software** (+17%) reported on strong 2022 growth and raised its guidance for 2023 to 2025. The German workforce management software provider grew revenue by 17% to €114m, with operating margin of 27% - ahead of the 25% expected. It has now raised its sales forecast for 2023 from €125m to €135m, for 2024 from €145m to €160m, and for 2025 from €170m to €190m.

Promotional merchandise marketer **4imprint Group** (+7.7%) issued the latest in a series of positive updates, announcing that it had enjoyed a "particularly strong" finish to the year. Revenue for 2022 rose around 45% to \$1.4bn, with profit before tax now expected to be above the upper end of analysts' forecast range at more than \$100m.

Although **Spirent Communications** (-15%) stated that 2022 results should be in-line with consensus expectations, it commented that a weak economic backdrop has led to some customers delaying investment decisions. A soft outlook for order demand in the first half of the year will lead to an heavier than usual weighting towards the second half of 2023, if Spirent is to achieve its targets. The company provides automated test and assurance services for communication networks.

Portuguese pulp and paper producer **The Navigator Company** (-7.0%) fell after a sell-side broker cut its rating on the stock.

Positive contributors to performance included:

Pandora (+16%), Bank of Ireland (+10%) and Rexel (+9.9%).

Negative contributors to performance included:

Spirent Communications (-15%), The Navigator Company (-7.0%) and Serco Group (-5.6%).

Discrete years' performance** (%), to previous quarter-end: Past performance does not predict future returns

	Dec-22	Dec-21	Dec-20	Dec-19	Dec-18
Liontrust GF European Smaller Companies A3 Acc					
EUR	-17.3%	33.7%	7.4%	35.8%	-19.9%
MSCI Europe Small Cap	-22.5%	23.8%	4.6%	31.4%	-15.9%

^{*}Source: Financial Express, as at 30.01.22, total return (net of fees and income reinvested).

A Performance Fee for each Performance Period shall be equal to 10% of the amount, if any, by which the Net Asset Value before Performance Fee accrual of the Fund exceeds the Indexed Net Asset Value of the Fund on the last Business Day of the Performance Period. The Performance Period of the Fund is every 12 months ending on the last business day of each calendar year. Details of the Fund's performance fee in the last financial year can be found in the Key Investor Information Document (KIID) which can be obtained free of charge from the Liontrust website.

Key Features of the Liontrust GF European Smaller Companies Fund

Investment objective & policy ¹	The investment objective of the Fund is to achieve long term capital growth by investing primarily in European smaller companies. The Fund may invest in all economic sectors in all parts of the world, although it is intended it will invest primarily in equities and equity related derivatives (i.e. total return swaps, futures and embedded derivatives) in European companies (including the UK and Switzerland). The majority of the assets of the Fund (more than 85%) are expected to be invested in smaller companies (with a market capitalisation of less than 5 billion euros at the time of the initial investment). In normal conditions, the Fund will aim to hold a diversified portfolio, although at times the Investment Adviser may decide to hold a more concentrated portfolio, and it is possible that a substantial portion of the Fund could be invested in cash or cash equivalents. The Fund may use FX forwards to hedge the Fund's currency exposures. The Fund has both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign
	, ,
	classes available. The Hedged share classes use forward foreign
	exchange contracts to protect returns in the base currency of the Fund.

^{**}Source: Financial Express, as at 31.12.22, total return (net of fees and income reinvested). Discrete data is not available for ten full 12-month periods due to the launch date of the portfolio (01.02.17). Investment decisions should not be based on short-term performance.

Recommended investment horizon	5 years or more
Risk profile (SRRI) ²	6
Active/passive investment style	Active
Benchmark	The Fund is considered to be actively managed in reference to MSCI Europe Small -Cap Index net total return (the "Benchmark") by virtue of the fact that it seeks to outperform the Benchmark. However the Benchmark is not used to define the portfolio composition of the Fund and the Fund may be wholly invested in securities which are not constituents of the Benchmark.

Notes: 1. As specified in the KIID of the fund; 2. SRRI = Synthetic Risk and Reward Indicator. Please refer to the KIID for further detail on how this is calculated.

For a comprehensive list of common financial words and terms, see our glossary at: https://www.liontrust.co.uk/glossary.

Key Risks:

Past performance is not a guide to future performance. The value of an investment and the income generated from it can fall as well as rise and is not guaranteed. You may get back less than you originally invested.

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.

The portfolio is invested in smaller companies - these stocks may be less liquid and the price swings greater than those in, for example, larger companies. Investment in the Fund involves a foreign currency and may be subject to fluctuations in value due to movements in exchange rates.

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