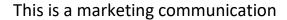


CASHFLOW SOLUTION PROCESS



Liontrust GF European Strategic Equity Fund

February 2023 review

Fund managers: James Inglis-Jones and Samantha Gleave

The Fund's A4 share class returned 1.3%* in euro terms in February. The Fund's comparator benchmarks, the MSCI Europe Index and HFRX Equity Hedge EUR Index, returned 1.8% and -1.5% respectively.

At the start of the month, the European Central Bank (ECB) confirmed expectations of a 50 basis point interest rate rise, taking the key rate to 2.5%. Following the rise, ECB president Christine Lagarde re-confirmed the Bank's intention to "stay the course in increasing interest rates significantly, at a steady pace", Lagarde continued with unusually firm language, explicitly stating its intention to hike rates by another 50 basis points in March.

In terms of sector returns for the period, the European market was led by communication services (+4.3%), financials (+3.6%) and industrials (+3.1%) in sterling terms. While real estate (-3.0%), healthcare (-1.1%), IT (-0.8%) were among the laggards.

During a busy earnings period, **Pandora** (+18%) was among the top risers in the Fund's long book over the month as the Danish jewellery manufacturer and retailer posted Q4 sales of DKK9.9 billion beating analysts' expectations. Q4 organic growth was 4% year on year and 19% when compared to the pre-pandemic Q4 in 2019.

Rexel (+16%), the French company specialising in the distribution of electrical, heating, lighting and plumbing equipment, noted strong performance over 2022, performing above the upgraded guidance it released in Q3. Most notably, sales for the year were up 14% from the previous, driven by accelerating electrification trends in Europe.

Other notable performers in our long book were **Bank of Ireland** (+6.6%), Norwegian technology company **Kongsberg Gruppen** (+7.9%), Italian bank **UniCredit** (+8.2%), British multinational defence, justice & immigration, transport, health, and citizen services company **Serco** (+7.7%) and British multinational communications firm **WPP** (+9.3%).

Among the short book highlights were a German multinational online food-delivery service and a Swedish laboratory and automation and life sciences company, with both firms share prices falling following the release of lacklustre earnings reports.

Among the long book's detractors, the heaviest faller was **Indivior** (-21%) as shares fell sharply mid-month after the group revealed it had put aside \$290m for ongoing litigation in the US, with the company stating the money was intended to cover "multidistrict antitrust class and state claims". In terms of its earnings release, Indivior posted a 14% increase in full-year revenues to \$901m, with fourth-quarter revenues rising 9% to \$241m.

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 Strategic Equity A4 Acc EUR	18.3%	32.9%	-10.0%	23.2%	-7.1%
MSCI Europe	-9.5%	25.1%	-3.3%	26.0%	-10.6%
HFRX Equity Hedge EUR	-5.2%	11.0%	2.9%	8.5%	-12.3%

^{*}Source: Financial Express, as at 28.02.23, total return (income reinvested and net of fees).

A performance fee of 20% is calculated and accrued at each valuation point. Payment is subject to the Fund's net asset value exceeding an Adjusted Prior Net Asset Value which is a High Water Mark adjusted by any new subscriptions or redemptions and a 4% hurdle per calendar year. No Performance Fee will be payable with respect to a Fund class in any Performance Period unless such class has recovered any accumulated underperformance for previous Performance Periods. Any performance fees are only payable on the positive difference between the NAV and the Adjusted Prior Net Asset Value. 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 Strategic Equity Fund

Investment objective & policy ¹	The investment objective of the Fund is to achieve a positive absolute return over the long term for investors through a portfolio of long, synthetic long and synthetic short investments primarily in European equities and equity related derivatives. The Fund may invest anywhere in the world but will primarily invest in European companies either directly or via derivatives. The Fund may use financial derivative instruments for investment purposes and for efficient portfolio management (including hedging). The Fund will take both long and short positions in derivatives meaning the gross exposure of the Fund will typically be greater than 100% of the net asset value of the Fund. The Investment Adviser will alter the ratio of long and short exposures in the Fund depending on the Investment Adviser's confidence in the investment process' ability to generate returns from the short positions. Where sufficient short opportunities can be found, the Fund will have an approximately equal weighting in long and short positions. At other times, the Fund will have a net long position i.e. more long positions than short positions held in the Fund. Where investments are held in a currency other than the base currency, the exposure to currency risk may be minimised by hedging. The Fund expects to provide a positive absolute return under all market conditions over the medium to long term. However, there is no guarantee this will be achieved over this or any other time period. Income from the Fund's investments is reinvested. The Fund has both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign exchange contracts to protect returns in the base currency of the Fund.
Recommended investment horizon	5 years or more
Risk profile (SRRI) ²	5
Active/passive investment style	Active
Benchmark	The Fund is considered to be actively managed in reference to MSCI Europe Index and the HFRX Equity Hedge (EUR) Index (the "Benchmarks") by virtue of the fact that it uses the Benchmarks for performance comparison purposes. The Benchmarks are not used to define the portfolio composition of the Fund and the Fund may be

^{**}Source: Financial Express, as at 31.12.22, total return (income reinvested and net of fees). Discrete data is not available for ten full 12-month periods due to the launch date of the portfolio (25.04.14). Investment decisions should not be based on short-term performance.

wholly	invested	in	securities	which	are	not	constituents	of	the
Benchn	narks.								

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

Investment in the Fund involves foreign currencies and may be subject to fluctuations in value due to movements in exchange rates. The Fund may invest in emerging markets/soft currencies which may have the effect of increasing volatility.

The Fund may invest in derivatives. The use of derivatives may create leverage or gearing. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead.

Disclaimer

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