

# Cashflow Solution

April 2024 review

## Liontrust GF Pan-European Dynamic Fund



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The Fund's A5 share class returned -1.9%\* in euro terms in April. This Fund's target benchmark, the MSCI Europe Index, returned -0.9%.

Shares in Europe fell in April as the prospect of interest cuts in the US weakened following higher-than-expected inflation readings. While cuts in the US appear to have been pushed back, economic data in the Eurozone was more encouraging and suggested that the ECB may continue on its plans to cut rates in June. In terms of sector performance, energy (+6.4%) and healthcare (+1.1%) led the way, while information technology (-5.5%), consumer discretionary (-4.6%) and industrials (-1.5%) were a drag on the MSCI Europe Index (in euro terms).

In a busy month of earnings releases for our portfolio companies, the top performer was Finnish marine and energy company **Wartsila** (+23%), which performed strongly on the release of robust Q1 results. Net sales fell 10% to €1.3 billion, primarily due to the lumpy nature of equipment sales, some of which are now expected to feed through in the second half of the year. However, services sales grew by 13%, order intake increased by 11% to €1.9 billion, and the company commented that it expects to see an improvement in the demand environment over the next 12 months.

On the final day of the month, **CaixaBank** (+10) announced a 17.5% increase in net profit for Q1 due to higher loan revenue and solid performance from its insurance subsidiary. Slightly above analyst estimates, CaixaBank's net interest income, rose 27.4% year-on-year in the quarter to €2.78 billion.

**Atlas Copco** (+7.2%) was among the top performers after the Swedish manufacturer of industrial equipment reported stronger-than-expected Q1 order intake, while predicting that demand would remain at current levels in the near term.

Dutch payments firm **Adyen** (-28%) was the most significant detractor over the month after the company missed revenue estimates for Q1. Adyen reported net revenue of €438 million, marking a 21% increase from the previous year and below average expectations.

**Tenaris** (-15%), the manufacturer and supplier of seamless steel pipe products, was also among the poor performers. The company’s share price first took a hit mid-month following a ratings downgrade, and then fell further towards the end of the month after announcing a poorly received Q1 earnings update. Tenaris revealed a 17% year-on-year decrease in sales, to \$1.4 billion. Despite this decline, the company also reported an increase in EBITDA for the period, reaching \$987 million.

**Positive contributors to performance included:**

Wartsila (+23%), Atlas Copco (+7.2), Caixabank (+10%)

**Negative contributors to performance included:**

Adyen (-28%), Tenaris (-14%), UBS Group (-11%)

\*Source: Financial Express, as at 30.04.24, total return (net of fees and income reinvested).

**Key Features of the Liontrust GF Pan-European Dynamic Fund**

Investment objective & policy <sup>1</sup>	<p>The investment objective of the Fund is to achieve capital growth over the long-term by predominantly investing in a portfolio of European equities. The Investment Adviser will seek to achieve the investment objective of the Fund through investment of at least 80% of the Fund’s Net Asset Value in companies which are incorporated, domiciled, listed or conduct significant business in Europe (the EEA, Switzerland and the UK). The Fund will not be restricted in its choice of investment by either size or sector.</p> <p>The Fund is considered to be actively managed in reference to MSCI Europe Index (the “Benchmark”) by virtue of the fact that</p>
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	<p>it uses the Benchmark for performance comparison purposes and for certain Performance Fee Share Classes, to calculate performance fees. 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 Benchmarks.</p> <p>The Fund is not expected to have any exposure to financial derivative instruments in normal circumstances, but the Investment Adviser may on occasion, where it deems it appropriate in seeking to achieve the investment objective of the Fund, use financial derivative instruments listed on a recognised exchange or traded on an organised market or financial derivative instruments traded over-the-counter for investment purposes, efficient portfolio management, and hedging purposes.</p> <p>In addition, the Fund may invest in exchange traded funds and other eligible open-ended collective investment schemes. No more than 10% of the net assets of the Fund will be invested in aggregate in open-ended collective investment schemes. The Fund may invest in closed-ended funds that qualify as transferable securities. Investment in closed-ended funds is not expected to comprise a significant portion of the Fund's net assets and will not typically exceed 10% of net assets.</p> <p>For liquidity or cash management purposes, a proportion of the Fund may also be invested in debt securities including government and corporate bonds, Money Market Instruments, cash and near cash and deposits. Any investment in bonds will be in investment grade corporate and government fixed or floating rate instruments.</p>
Recommended investment horizon	5 years or more
Risk profile (SRI) <sup>2</sup>	4
Active/passive investment style	Active
Benchmark	<p>The Fund is considered to be actively managed in reference to the MSCI Europe Index (the "Benchmark") by virtue of the fact that it uses the Benchmark for performance comparison purposes and to calculate performance fees. 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.</p>

Notes: 1. As specified in the PRIIP KID of the fund; 2. SRI = Summary Risk Indicator. Please refer to the PRIIP KID 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>.

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## Key Risks

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

We recommend this fund is held long term (minimum period of 5 years). We recommend that you hold this fund as part of a diversified portfolio of investments.

Overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.

This Fund may have a concentrated portfolio, i.e. hold a limited number of investments (35 or fewer) or have significant sector or factor exposures. If one of these investments or sectors / factors fall in value this can have a greater impact on The Fund's value than if it held a larger number of investments across a more diversified portfolio.

The fund's investment objective is to target capital growth for investors. Growth stocks tend to pay out lower levels of dividend resulting in lower income yields and may produce more volatile returns than the market as a whole.

Outside of normal conditions, the Fund may hold higher levels of cash which may be deposited with several credit counterparties (e.g. international banks). A credit risk arises should one or more of these counterparties be unable to return the deposited cash.

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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