



EXPLORER BRAND TAKES LIONTRUST'S ACTIVE RANGE TO A NEW LEVEL

CONTENTS

Introduction by John Husselbee	3
The newly named MA Explorer range	3
Change of objectives	4
New Strategic Asset Allocation expands investment choice	5-6
Tactical Asset Allocation update	6-8
Trading activity	10-13
Key risks and disclaimer	14



John Husselbee
Head of Multi-Asset

Our clients’ needs are paramount. As they change, then so must we. With this in mind, we are enhancing the investment proposition of our funds formerly known as the Liontrust MA Active range.

In response to investors’ feedback, we are changing the primary objective of the funds from a focus on staying within certain risk (volatility) bands to prioritising investment returns. This will clearly differentiate them from our Blended and Dynamic Passive funds, which retain the references to risk in their objectives. It also clarifies for investors their purpose in a world in which financial markets are increasingly complex and fast moving. We believe market drivers will change significantly in future, requiring a much more flexible and sophisticated approach to how investments are deployed and managed. As such, we are strengthening the inputs into our funds’ Strategic Asset Allocation (SAA), which is the first stage in the Liontrust Multi-Asset investment process.

The highlights are:

- Liontrust MA Active range is rebranded ‘Explorer’ to reflect fresh approach
- Primary objective of funds is changed in response to client needs
- Enhanced Strategic Asset Allocation approach will adapt to changing financial markets

To reflect the above changes, we will be re-naming the Active funds as the Liontrust Explorer range.

These proposed changes were voted upon by our MA Active funds’ investors in March and we are delighted that we received resounding support for them.

THE NEWLY NAMED MA EXPLORER RANGE

The new names for the MA Active range indicate the maximum equity weighting for each fund, while ‘Explorer’ reflects their forward-looking nature and that they will traverse a wide range of asset classes,

geographies, sectors and funds to source the best opportunities, which may include both passive and active underlying investment vehicles. The name changes are outlined in Table 1 below.

Table 1: Active to Explorer: How the range has been renamed

Former name	New name
MA Active Reserve	MA Explorer 35
MA Active Moderate Income	MA Explorer Income 45
MA Active Intermediate Income	MA Explorer Income 60
MA Active Progressive	MA Explorer 70
MA Active Growth	MA Explorer 85
MA Active Dynamic	MA Explorer 100

CHANGE OF OBJECTIVES

Given that the Explorer funds have a new 'returns' focus, their stated objectives have been updated to better reflect this, including the removal of former references to risk. Risk will still be referenced in the Explorer funds' policies, but this distinguishes them from the Dynamic Passive and Blended funds, for which risk remains the primary portfolio objective. The former objectives of the Liontrust MA Active range and those for the MA Explorer range are listed in Table 2 below.

Table 2: How the objectives have changed

New name	New objective
MA Explorer 35	The Fund aims to generate capital growth and income over the long term (five years or more)
MA Explorer Income 45	The Fund aims to generate income with the potential for capital growth over the long term (five years or more)
MA Explorer Income 60	The Fund aims to generate income with the potential for capital growth over the long term (five years or more)
MA Explorer 70	The Fund aims to generate capital growth and income over the long term (five years or more)
MA Explorer 85	The Fund aims to generate capital growth over the long term (five years or more)
MA Explorer 100	The Fund aims to generate capital growth and income over the long term (five years or more)

A key consequence of the policy changes is that the requirement to hold a minimum of 60% in interest bearing securities to pay interest distributions in the MA Explorer 35 (formerly MA Active Reserve Fund) and the MA Explorer Income 45 (formerly MA Active Moderate Income Fund) has been removed. This was because the requirement was seen as an unnecessary constraint on the funds.

Former name	Former objective
MA Active Reserve	The Fund seeks to achieve capital growth and income with a low level of volatility (risk), having a risk profile of 2, in a range from 1 to 7 where 1 is the lowest risk and 7 is the highest
MA Active Moderate Income	The Fund seeks to achieve income with a below median level of volatility (risk), having a risk profile of 3, in a range from 1 to 7 where 1 is the lowest risk and 7 is the highest
MA Active Intermediate Income	The Fund seeks to achieve income with a median level of volatility (risk), having a risk profile of 4, in a range from 1 to 7 where 1 is the lowest risk and 7 is the highest
MA Active Progressive	The Fund seeks to achieve capital growth and income with an above median level of volatility (risk), having a risk profile of 5, in a range from 1 to 7 where 1 is the lowest risk and 7 is the highest
MA Active Growth	The Fund seeks to achieve capital growth with a moderately high level of volatility (risk), having a risk profile of 6, in a range from 1 to 7 where 1 is the lowest risk and 7 is the highest
MA Active Dynamic	The Fund seeks to achieve capital growth and income with a low level of volatility (risk), having a risk profile of 7, in a range from 1 to 7 where 1 is the lowest risk and 7 is the highest

NEW STRATEGIC ASSET ALLOCATION EXPANDS INVESTMENT CHOICE

The increasing complexity and velocity of today's financial markets presents many challenges and opportunities for investors. In recognition of the need to adapt to this environment, we want a Strategic Asset Allocation (SAA) for the next decade, when the drivers of successful investing will be different from those of the last 10 years. This will require greater flexibility over asset allocation and access to more asset classes.

Determining the SAAs for our funds and portfolios is the first stage in the Liontrust Multi-Asset (MA) investment process. These are the default asset allocations should the fund managers have no views about the relative attractiveness of different asset classes. They are based on analysis of the historical returns, volatility and correlations of a range of asset classes, and other market dynamics.

Each of our Multi-Asset investment solutions has its own SAA to match its respective suitability which, in the context of the Liontrust MA Explorer range, focuses primarily on the investment preferences of investors and their position vis-a-vis their respective IA sectors. Our SAAs also have a long-term (15 years) time horizon.

Rebalancing and enhancing our SAAs

We review the SAAs for our MA fund range in Q1 annually. Following the latest review in early April 2023, we undertook a rebalance of the Liontrust MA Explorer funds.

This followed our decision earlier this year to create our own SAAs for our Multi-Asset Explorer range following a detailed review of the funds and a successful shareholder ballot in early 2023. Our SAAs will draw, however, on vital inputs from Hymans Robertson, which was appointed to provide our SAAs and risk-profile oversight respectively. Hymans has close to 100 years of financial services experience and is deeply resourceful.

On an annual basis, our Explorer funds' asset mix will be reviewed to help construct the next set of SAAs, ensuring optimal allocations for investor needs and constraints such as the IA Mixed Asset sectors.

Our new SAAs for the Explorer range reflect the change in objective, investment policy and the addition of the IA Mixed Investments Sectors as comparator benchmarks. The funds' primary objective becomes focused on generating capital growth and income over the long term with the level of risk being a secondary consideration. The evolution of our SAAs addresses this change of primary reference point, from risk to capital growth.

What this means in practice is that our SAAs are optimised with maxima and minima asset class constraints rather than being bound by their volatility profile. These top-level asset class constraints, detailed in Table 3 below, are aligned with appropriate IA Mixed Investment sectors (See Table 4).

Table 3: Asset allocations for the Liontrust MA Explorer funds (the former asset allocations of the funds prior to transitioning to Explorer range in brackets)

	Explorer 35	Explorer Income 45	Explorer Income 60	Explorer 70	Explorer 85	Explorer 100
Cash %	0 – 30 (30)	0 – 20 (2)	0 – 20 (2)	0 – 20 (2)	0 – 20 (2)	0 – 20 (2)
Equity %	15 – 35 (N/A)	25 – 45 (32)	40 – 60 (54)	50 – 70 (68)	65 – 85 (91)	80 – 100 (98)
Fixed income %	15 – 85 (50)	15 – 75 (61)	0 – 60 (39)	0 – 50 (25)	0 – 35 (2)	0 – 20 (N/A)
Alternatives %	0 – 20 (20)	0 – 20 (5)	0 – 20 (5)	0 – 20 (5)	0 – 20 (5)	0 – 20 (N/A)

Table 4: How the Investment Association categories for the Explorer funds have changed

	Explorer 35	Explorer Income 45	Explorer Income 60	Explorer 70	Explorer 85	Explorer 100
IA Sector	MA 0-35	MA 20-60	MA 20-60	MA 40-85	MA 40-85	Flexible
Previous sector	Volatility Managed	MA 0-35	MA 20-60	MA 40-85	Flexible	Flexible

As with our recent enhancements to the SAAs of our risk-targeted Blended and Dynamic Passive ranges, we leverage the expertise of Hymans' Economic Scenario Service and its deep breadth of modelling capabilities to create our asset mix for our Explorer SAAs. Our association with Hymans provides us access to their Capital Market Assumptions (CMAs) and further risk-return metrics, which all feed into the SAA process to create a diversified exposure to a broad range of global asset classes.

Our appointment of Hymans provides the capability to create bespoke Liontrust features in the SAA design process. For example,

Hymans has created a bespoke model for an "alternative investments" asset class through a combination of listed and unlisted infrastructure vehicles, global and UK real estate investment trusts, commodities, index-linked gilts and cash.

In summary, we believe our MA portfolios will be known for offering SAAs based on sophisticated analysis that gives access to one of the broadest ranges of asset and sub-asset classes available in the market and provides the flexibility to respond to market trends in a timely manner.

TACTICAL ASSET ALLOCATION UPDATE

When the Multi-Asset Investment team perceives there to be meaningful departures of market pricing from fundamentals, they may decide to exploit these mispriced securities through Tactical Asset Allocation (TAA).

As per our normal quarterly cycle, we updated our TAA views in February. TAA is the process through which the Multi-Asset Investment team has an overweight or underweight exposure to an asset class or sub-asset class versus the SAA. The TAA may increase or decrease overall strategy risk, depending on the Liontrust Multi-Asset team's view of the current stage of the market cycle. Even if the Multi-Asset Investment team decides to adopt a neutral risk position, it is still possible to express a view between asset and sub-asset classes without meaningfully altering the overall portfolio risk from neutral to the SAA.

This is outlined in our latest TAA scorecard, which has a direct influence on our portfolio targets. The Multi-Asset Investment team has a medium-term view – 12 to 18 months – of the prospects for each asset class and this forms the TAA. Each asset class is assigned a rating from one to five, with one most bearish and five most bullish. TAA is the target (not the actual position) for every asset class and the investment team builds towards this within the funds and portfolios over time. Having a 12 to 18-month view means the team will increase positions when the valuations of the asset classes are attractive; its core approach is to buy low and it will not overpay for assets, however highly they score.

Changes in our latest version (highlighted in green below in our Q1 2023 scorecard) are more positive than they have been for some time. Key changes include:

- Our overall ranking on markets has been raised from three to four, which we seriously considered doing in Q4 2022 because of a change in the underlying tone of markets.
- We have raised our overall equity score from three to four, and European equity from two to three.
- Our score for UK gilts has been raised from two to three, and emerging market debt (EMD) from three to four.
- These two fixed income upgrades follow our only changes last quarter, which were to increase the score of high-yield fixed income from a three to a four and investment grade credit back up to three after lowering it earlier in 2022. High yield represents the relatively low credit-quality borrowers and, as a result, investors cannot consider it to be a 'safe haven' in the way government bonds have been considered traditionally. The quantum of yields available from this asset class, however, presently offers ample reward in our opinion for the lower credit quality.

The next stages of our investment process include fund selection and portfolio construction. We select funds based on our analysis of their investment processes and, in the case of actively-managed funds, the degree of knowledge, experience and incentivisation of their managers. Portfolio construction takes input from our TAA and our manager selection process (either passive or active managers). We assess the target weights' expected volatility to ensure that the targeted positioning is consistent with our funds' particular mandate. We want to ensure that the underlying funds are exposed to the segments of the market we feel have the most potential for outperformance while reducing unintended risk.

						
	1	2	3	4	5	Direction of travel
Overall				•		↗
Cash		•				↗
UK gilts			•			↗
Global government bonds			•			↗
Investment grade corporate bonds			•			↗
Index-linked bonds		•				↘
High yield				•		↗
Emerging market debt				•		↗
Convertibles			•			↘
Equity overall				•		↗
US equity			•			↗
US small caps			•			↘
UK equity				•		↗
UK small caps				•		↗
European equity			•			↗
European small caps		•				↘
Japanese equity			•			↘
Japanese small caps			•			↘
Emerging markets equity				•		↘
Asian equity				•		↘
Real assets			•			↗
Alternatives			•			↗

Source: Liontrust, as at 20 February 2023. Not all the asset classes are used in all the MA portfolios and funds

The high-level asset allocations of our funds are outlined in the output from this detailed process, including the portfolio asset class, sub asset class and manager targets. Table 5 below outlines the high-level asset allocations in our MA Explorer funds.

Table 5: Changes to target asset allocations for our MA Explorer funds, incorporating SAA and TAA changes between Q1 and Q2 2023

	Explorer 35		Explorer Income 45		Explorer Income 60		Explorer 70		Explorer 85		Explorer 100	
	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2
Equity	0.0%	32.3%	33.0%	42.3%	55.5%	57.3%	69.5%	67.3%	92.0%	82.3%	98.0%	96.0%
Fixed interest	51.0%	59.7%	61.0%	49.8%	39.0%	34.8%	25.0%	24.7%	2.0%	9.8%	0.0%	2.0%
Alternatives	22.0%	6.0%	4.0%	6.0%	3.5%	6.0%	3.5%	6.0%	4.0%	6.0%	0.0%	0.0%
Cash	27.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	Explorer 35		Explorer Income 45		Explorer Income 60		Explorer 70		Explorer 85		Explorer 100	
	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2
UK equity	0.0%	10.3%	12.0%	12.3%	19.5%	15.5%	25.0%	17.5%	30.5%	17.5%	22.0%	23.8%
North American equity	0.0%	8.8%	8.5%	12.9%	14.5%	18.3%	17.5%	22.4%	23.5%	22.4%	25.5%	33.5%
Europe (ex UK) equity	0.0%	3.6%	2.0%	5.3%	4.0%	7.9%	5.0%	9.6%	7.5%	9.6%	10.0%	14.0%
Japanese equity	0.0%	0.6%	4.0%	1.3%	8.0%	2.3%	9.5%	3.1%	12.5%	3.1%	14.0%	4.6%
Developed Pacific (ex Japan) equity	0.0%	4.3%	2.5%	5.1%	3.5%	6.3%	4.5%	7.1%	6.0%	7.1%	6.0%	9.6%
Emerging markets equity	0.0%	4.6%	4.0%	5.5%	6.0%	6.9%	8.0%	7.7%	12.0%	7.7%	20.5%	10.5%
UK fixed interest gilts	25.0%	7.1%	41.0%	3.0%	11.0%	2.1%	1.0%	1.4%	0.0%	1.4%	0.0%	0.0%
UK index linked gilts	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
UK corporate bonds	14.0%	12.2%	8.0%	5.5%	18.0%	4.1%	16.0%	2.3%	1.0%	2.3%	0.0%	0.0%
Global (ex UK) fixed income	12.0%	27.2%	12.0%	25.2%	10.0%	17.3%	8.0%	12.4%	1.0%	12.4%	0.0%	0.0%
Emerging market debt	0.0%	4.5%	0.0%	5.3%	0.0%	3.9%	0.0%	3.1%	0.0%	3.1%	0.0%	1.0%
High yield	0.0%	8.8%	0.0%	10.7%	0.0%	7.4%	0.0%	5.5%	0.0%	5.5%	0.0%	1.0%
Alternatives	22.0%	6.0%	4.0%	6.0%	3.5%	6.0%	3.5%	6.0%	4.0%	6.0%	0.0%	0.0%
Cash	27.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Liontrust, 30 April 2023



TRADING ACTIVITY

As with all annual SAA and quarterly TAA rebalances, there have been some necessary portfolio trades. The enhancements to the SAA, including those such as the addition of alternatives and high-yield

bonds outlined above, plus the need to create greater consistency with the asset allocations through the ranges, have resulted in the trading activity outlined in Table 6 below.

Table 6: Trading Totals in MA Explorer funds, Q1 2023

	Explorer
Total trades	185
Buys	90
Sells	95
New investments	11
New managers	Two (Lyxor and WisdomTree)
New investments with existing managers	Six (Barings, BlackRock/iShares, HSBC, L&G, Man GLG and Vanguard)

Explorer 35

BUYS ◀

- Added to corporate bonds through Man GLG Sterling Corporate Bond (new position)
- Added global bonds through new positions in HSBC Global Aggregate Bond Index and Vanguard Global Aggregate Bond ETF
- Added high-yield debt using a new position in Barings Global High Yield Bond
- Added to short-duration gilts through a new position: Lyxor UK Government Bond 0-5 Year ETF
- Added emerging market debt using a new position in Barings EM Sovereign Debt
- Added to alternatives basket through iShares Environment & Low Carbon Tilt Real Estate Index, iShares UK Property ETF, L&G Global Infrastructure Index, iShares Physical Gold ETF and WisdomTree Enhanced Commodity ETF
- Added a UK equity basket using new positions in iShares MSCI UK Small Cap ETF, LF Lindsell Train UK Equity and Liontrust UK Equity
- Added a European equity basket using new positions in Barings Europe Select, BlackRock European Dynamic and Liontrust European Dynamic
- Added emerging market equity using a new position in BlackRock Emerging Markets
- Added a US equity basket using new positions in iShares S&P SmallCap 600 ETF and Ossiam Shiller Barclays CAPE US Sector Value ETF
- Added Japanese equity using a new position in Man GLG Japan Core Alpha

SELLS ▶

- Exited direct REIT exposure in Assura, Tritax Big Box REIT, Civitas Social Housing, Primary Health Properties and Supermarket Income REIT
- Exited global bonds through iShares Overseas Government Bond Index
- Reduced UK equity allocation through LF Lindsell Train UK Equity, TB Evenlode Income, Liontrust UK Equity and iShares UK Equity Index
- Reduced Japanese equities through Baillie Gifford Japanese and iShares Japan Equity Index
- Reduced gilts through iShares UK Gilt All Stock Index, L&G All Stock Gilt Index, Vanguard UK Government Bond Index and SPDR 1-5 Year Gilt ETF
- Reduced corporate bonds through Liontrust Sustainable Future Corporate Bond and iShares Corporate Bond

Explorer Income 45

BUYS ◀

- Added to Asia ex Japan equities through Federated Hermes Asia ex-Japan Equity
- Added to corporate bonds through Man GLG Sterling Corporate Bond Professional (new position) and Liontrust Sustainable Future Corporate Bond
- Added to emerging market equities through Vontobel mtx Sustainable Emerging Markets Leaders
- Added to European equities through Liontrust European Dynamic and BlackRock European Dynamic
- Added global bonds using a new basket of HSBC Global Aggregate Bond Index and Vanguard Global Aggregate Bond ETF
- Added to short-duration gilts through a new position: Lyxor UK Government Bond 0 – 5 Year ETF
- Added high-yield debt using Barings Global High Yield Bond
- Added to alternatives basket through new positions in iShares Environment & Low Carbon Tilt Real Estate Index, iShares UK Property ETF, L&G Global Infrastructure Index, iShares Physical Gold ETF and WisdomTree Enhanced Commodity ETF
- Added to US equities through Ossiam Shiller Barclays CAPE US Sector Value ETF
- Added to UK equities through JOHCM UK Dynamic
- Added emerging market debt using Barings EM Sovereign Debt

Explorer Income 60

BUYS ◀

- Added to emerging market equities through BlackRock Emerging Markets
- Added to Asia ex Japan equities through Federated Hermes Asia ex-Japan Equity
- Added to corporate bonds through Man GLG Sterling Corporate Bond (new position)
- Added to European equities through Liontrust European Dynamic
- Added global bonds using a new basket of HSBC Global Aggregate Bond Index and Vanguard Global Aggregate Bond ETF
- Added to short-duration gilts through a new position: Lyxor UK Government Bond 0 – 5 Year ETF
- Added high-yield debt using Barings Global High Yield Bond
- Added to US equity through Ossiam Shiller Barclays CAPE US Sector Value ETF
- Added to alternatives basket through iShares Environment & Low Carbon Tilt Real Estate Index, iShares UK Property ETF, L&G Global Infrastructure Index, iShares Physical Gold ETF and WisdomTree Enhanced Commodity ETF
- Added emerging market debt using Barings EM Sovereign Debt
- Added to UK equity through JOHCM UK Dynamic

SELLS ▶

- Exited direct REIT exposure in Assura, Tritax Big Box REIT, Civitas Social Housing, Primary Health Properties and Supermarket Income REIT
- Reduced gilts exposure through exiting positions in iShares UK Gilt All Stock Index, L&G All Stock Gilt Index and Vanguard UK Government Bond Index SPDR 1-5 Year Gilt ETF
- Exited corporate bond position in iShares Corporate Bond Index and reduced position in Liontrust Sustainable Future Corporate Bond
- Reduced Japanese equities through Baillie Gifford Japanese Fund and exited position in M&G Japan Smaller Companies
- Exited global government bonds through iShares Overseas Government Bond Index
- Reduced UK equity exposure through TB Evenlode Income and LF Lindsell Train UK Equity

SELLS ▶

- Exited direct REIT exposure in Assura, Tritax Big Box REIT, Civitas Social Housing, Primary Health Properties and Supermarket Income REIT
- Exited global government bonds through iShares Overseas Government Bond Index
- Reduced gilts exposure through iShares, L&G All Stock Gilt Index, Vanguard UK Government Bond Index and SPDR 1-5 Year Gilt ETF
- Exited corporate bond position in iShares Corporate Bond Index and reduced position in Liontrust Sustainable Future Corporate Bond
- Reduced UK equity allocation through LF Lindsell Train UK Equity, TB Evenlode Income and Liontrust UK Equity
- Reduced US equity position in AB American Growth
- Reduced Japanese equity allocation through Baillie Gifford Japanese Fund, Man GLG Japan CoreAlpha and by exiting position in M&G Japan Smaller Companies

Explorer 70

BUYS ◀

- Added to corporate bonds through Man GLG Sterling Corporate (new position)
- Added to European equities through Liontrust European Dynamic and BlackRock European Dynamic
- Added global bonds through new positions in HSBC Global Aggregate Bond Index and Vanguard Global Aggregate Bond ETF
- Added to short-duration gilts through a new position: Lyxor UK Government Bond 0 – 5 Year ETF
- Added high-yield debt using a new position in Barings Global High Yield Bond
- Added to alternatives basket through iShares Environment & Low Carbon Tilt Real Estate Index, iShares UK Property ETF, L&G Global Infrastructure Index, iShares Physical Gold ETF and WisdomTree Enhanced Commodity ETF
- Added to US equities through Ossiam Shiller Barclays CAPE US Sector Value ETF
- Added emerging market debt using Barings EM Sovereign Debt
- Added to Asia ex Japan equities through Federated Hermes Asia ex Japan Equity
- Added to UK equity through JOHCM UK Dynamic Y

SELLS ▶

- Exited direct REIT exposure in Assura PLC, Tritax Big Box REIT, Civitas Social Housing, Primary Health Properties and Supermarket Income REIT
- Exited government bonds through iShares Overseas Government Bond Index
- Reduced UK equities through LF Lindsell Train UK Equity, TB Evenlode Income Fund and Liontrust UK Equity
- Reduced US equity position through AB American Growth and Loomis Sayles US Growth
- Reduced Japanese equity allocations in Baillie Gifford Japanese and iShares Japan Equity Index and by exiting position in M&G Japan Smaller Companies
- Reduced corporate bonds by exiting iShares Corporate Bond Index and reducing position in Liontrust Sustainable Future Corporate Bond
- Reduced gilt exposure through iShares, L&G All Stock Gilt Index, Vanguard UK Government Bond Index and SPDR 1-5 Year Gilt ETF

Explorer 85

BUYS ◀

- Added high-yield debt using a new position in Barings Global High Yield
- Added emerging market debt using Barings EM Sovereign Debt
- Added to Asia ex-Japan equities through Federated Hermes Asia ex-Japan Equity
- Added to US equities through Ossiam Shiller Barclays CAPE US Sector Value ETF
- Added to UK equities through JOHCM UK Dynamic
- Added to European equities through Liontrust European Dynamic
- Added to corporate bonds through Man GLG Sterling Corporate Bond
- Added global bonds through new positions in HSBC Global Aggregate Bond Index and Vanguard Global Aggregate Bond ETF
- Added to alternatives basket through iShares Environment & Low Carbon Tilt Real Estate Index, iShares UK Property ETF, L&G Global Infrastructure Index, iShares Physical Gold ETF and WisdomTree Enhanced Commodity ETF

SELLS ▶

- Exited direct REIT exposure in Assura, Tritax Big Box REIT, Civitas Social Housing, Primary Health Properties and Supermarket Income REIT
- Exited global government bonds through iShares Overseas Government Bond Index
- Reduced Japanese equities through Baillie Gifford Japanese and Man GLG Japan Core Alpha and by exiting M&G Japan Core Alpha
- Reduced UK equities through Lindsell Train, TB Evenlode and Liontrust UK Equity
- Reduced US equity through AB American Growth and Loomis Sayles US Growth
- Exited position in iShares Corporate Bond
- Reduced emerging market equities through BlackRock Emerging Markets and Vontobel mtx Sustainable Emerging Markets Leaders

Explorer 100

BUYS ◀

- Added to European equities through Liontrust European Dynamic
- Added to Asia ex Japan through Federated Hermes Asia ex Japan Equity
- Added high-yield debt using a new position in Barings Global High Yield Bond
- Added emerging market debt using a new position in Barings EM Sovereign Debt
- Added to US equities through Ossiam Shiller Barclays CAPE US Sector Value ETF
- Added to UK equities through JOHCM UK Dynamic

SELLS ▶

- Reduced Japanese equities through Baillie Gifford Japanese and Man GLG Japan Core Alpha and by exiting M&G Japan Core Alpha
- Reduced UK equities through Lindsell Train and TB Evenlode
- Reduced US equities exposure through AB American Growth and Loomis Sayles US Growth
- Reduced emerging market equities through BlackRock Emerging Markets and Vontobel mtx Sustainable Emerging Markets Leaders



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

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 or in financial derivative instruments, both of which may have the effect of increasing volatility.

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