

Liontrust Multi-Asset

LIONTRUST MULTI-ASSET FUNDS AND PORTFOLIOS

QUARTER IN REVIEW

1 July to 30 September 2023



Suitability



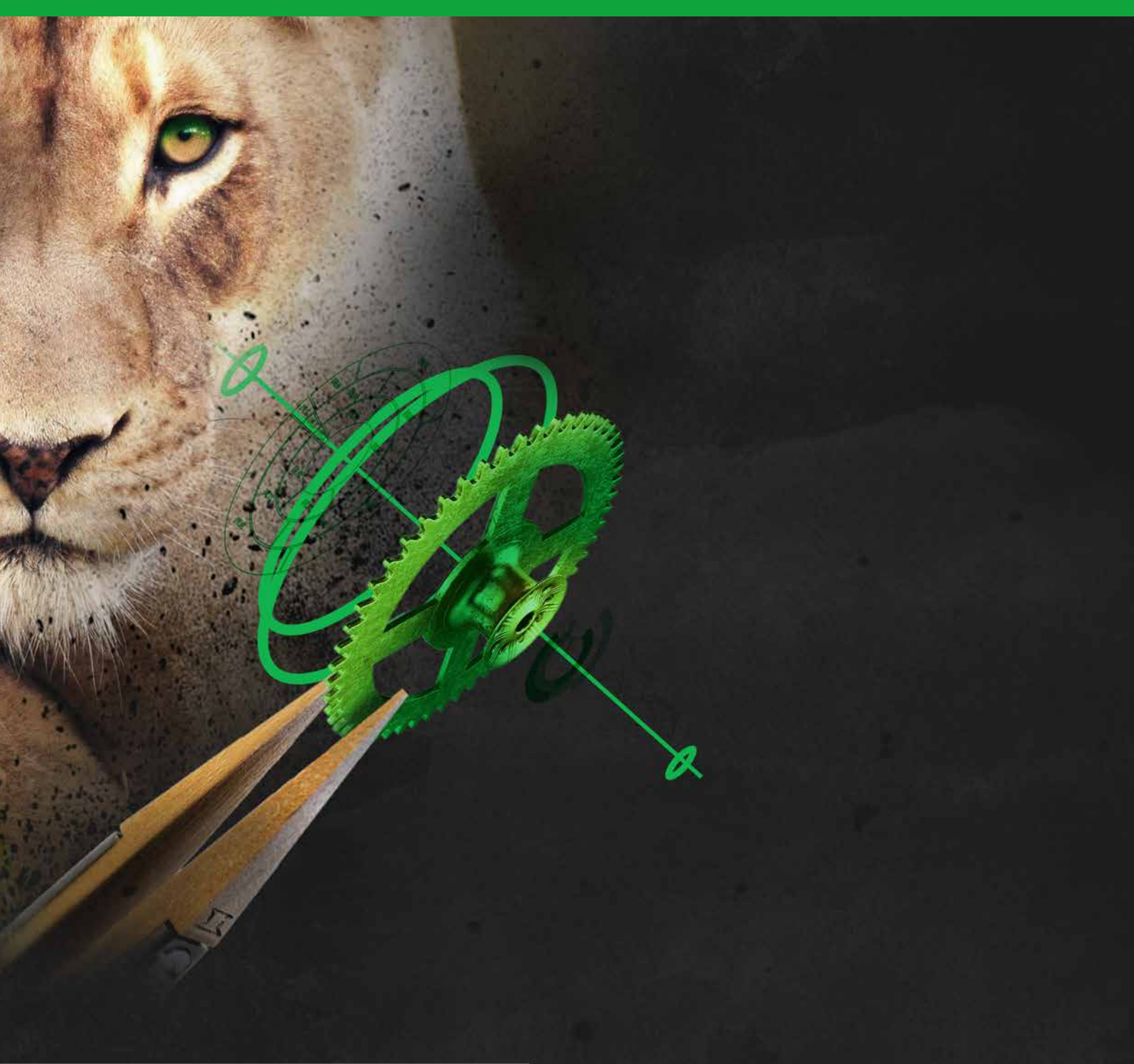
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ECONOMIC AND MARKET REVIEW AND OUTLOOK

Central banks upset markets with warnings of higher for longer interest rates

- Global equities peaked in July but declined overall in Q3 and fixed income sold off as central banks warned of higher for longer interest rates to tackle inflation. Investors appeared to have finally accepted the 'higher for longer' message from central banks and 10-year US treasury and German bund yields reached multi-year highs. UK and Japanese equities were notable positive performers, however.
- Nvidia stunned markets with Q2 earnings results that smashed forecasts, becoming the highlight of an earnings season that saw S&P 500 companies exceed expectations but still receive a lukewarm response from investors.
- Oil rose significantly over the quarter, with concerted production cuts by Saudi Arabia and Russia driving the price up from around \$65 to \$95 a barrel. Precious metals fell though on a strengthening dollar and a rising interest rate environment.
- As a result of the central bank comments and ongoing worries over inflation, investor sentiment took a turn for the worse again after having recovered in Q2 from the jitters sparked by the financial sector in March.
- Central banks continued to tighten rates in Q3, with the Federal Reserve raising its benchmark interest rate by 25 basis points (bps) in July; the Bank of England (BoE) by 25bps in August; and the European Central Bank twice by 25bps in July and September. However, both the Fed and BoE held rates in September – in the case of the BoE, for the first time in two years.
- Although inflation stayed significantly above the 2% target rate of the leading central banks, there were signs that it is declining, albeit not as quickly as policymakers would wish. Data showed core inflation was down over the quarter in the US, UK and eurozone, although the elevated oil price did contribute to a higher US headline inflation rate in September.
- Data pointed to economic strength in the US, with gross domestic product (GDP) reportedly rising 2.2% on the year in Q2. The UK was doing better than expected: revisions of historical data confirmed that its economy had more than recovered versus its pre-pandemic level with Q2 GDP 1.8% higher than in Q4 2019. But there were doubts over economic resilience in the eurozone. Industrial production fell by more than expected in July (1.1%), latest data showed, adding to the gloomy outlook for the region's economy.
- Japan's balancing act between continuing to lift its economy out of decades-long deflation with ultra-loose monetary policy while preventing rising inflation from becoming a major problem was also in the spotlight. The Bank of Japan opted to retain a loose policy and kept its base rate at -0.1%.
- Worries over the fragility of China's real estate sector worsened when a scheme to restructure the US\$300 billion debts of Evergrande, the troubled property group, was delayed. The sector accounts for 25% of China's economy and pressure is growing on policymakers to resolve the issue.



Global equities peaked in July but declined overall in Q3



Oil rose significantly over the quarter, with concerted production cuts by Saudi Arabia and Russia driving the price up from around \$65 to \$95 a barrel



Although inflation stayed significantly above the 2% target rate of the leading central banks, there were signs that it is declining, albeit not as quickly as policymakers would wish

Our view of investment markets

- The trajectory of interest rates remains a key issue for markets, as shown by the impact of central bank warnings during the quarter.
- Markets continue to be fickle, with excessive volatility driven by over-reliance on whatever the latest data or news angle dictates. There is ample fodder for both positive and negative market watchers.
- Fears around the ultimate impact of inflation and high interest rates on the global economy still affect market sentiment adversely.
- But we believe that all the main fears that continue to weigh on sentiment have not materialised. Economies continue to defy recession fears and rumble along, while inflation data shows it falling from previous highs.
- The Q2 earnings season in the US demonstrated that corporates continue to generate good revenue. There is still much expectation of positive future revenue baked into stock prices, but non-runaway inflation does not crash economies, although it can make it more difficult for companies to operate.
- Although there might still be bad news around the corner and the anxiety from that is weighing on prices, stock markets could turn before the news does. Given that global equity markets are up around double digits already this year, it is possible they already have.
- Arguably we are through the worst of inflation. It was never going to fall to central banks' 2% target in just a few months, but the narrative appears to be that it is rolling back slowly. The discussion is more about balancing interest rates and economic growth rather than raising interest rates to tackle inflation. We do not expect central banks to ease up on inflation any time soon, but nor will they wish to crash the economy.
- We do not believe in timing the market, but we do believe in planning into good opportunities, so we maintain a positive overall outlook.
- Our fundamental views remain the same, however. We are encouraged to see inflation coming down and the Bank of England's decision to hold rates in September was a welcome positive. The negativity that continues to weigh on market prices could one day be remembered for providing the opportunity to put in place investments for the long term.



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Line graph icon

Markets continue to be fickle, with excessive volatility driven by over-reliance on whatever the latest data or news angle dictates



Bar chart icon

We believe that all the main fears that continue to weigh on sentiment have not materialised. Economies continue to defy recession fears and rumble along

Tactical Asset Allocation

- This table shows how confident we are about markets and asset classes, with five the most and one the least. In our most recent quarterly tactical review (Q3), we kept our overall environment ranking at four (five is our most bullish rating and one is the most bearish). We had raised it from three to four in Q1 because of a change in the underlying tone of markets.
- We have raised our ranking on investment grade corporate bonds from a neutral three to a positive four. We believe that the spreads they offer over government bonds, combined with elevated government bond rates, means that quality businesses could be trading at good value. We regard nominal yields to be good and credit risks to be low: 120/130 basis points over sovereigns looks to be an attractive trade and worthy of an overweight position in the portfolio. In nominal terms, yields of 500bps-plus are now available on debt issued by high-quality businesses. As such, we believe that IG credit represents a good diversifier and at a good yield premium to government bonds.
- We have reduced our ranking on emerging market debt (EMD) from four back to a neutral three. We had raised our rating from three to four in Q1 2023 because we believed that the yields available represented a good return for the lower credit quality, which was similar to our opinion of high (HY) debt. However, similar to what has happened in HY, yields have compressed somewhat and we believe better risk-adjusted returns are available elsewhere to overweight. Investors should not underestimate the risks posed to less credit-worthy businesses in a generally higher yield environment. This could make it harder for businesses and governments to fund their debts. The Russia situation also shows the political risks inherent in the EMD markets.
- On the positive side, we regard several emerging markets to be financially better positioned than their developed counterparts because they refrained from injecting extreme levels of financial support into their economies during the Covid pandemic. But our view remains that the idiosyncrasies of the emerging market (EM) environment are potentially better rewarded in EM equities (where we remain overweight). We believe that dollar strength also represents an economic headwind for many EMD issuers and poses potential repayment affordability problems for hard currency EMD.
- These modest changes reflect the long-term nature of our investment process, which is designed to be both patient and disciplined, and our unwillingness to over-trade. There have been similar periods in the past when bursts of trading have been followed by little activity. The periods of heightened activity have occurred during market dislocations that presented opportunities or challenges for us.



	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 09.08.23. Not all the asset classes are used in all the MA portfolios and funds

Current positioning

- In addition to our overall score increasing, since the start of 2023 we have increased our scores for gilts, investment grade credit and European equities and we have reduced high yield bonds.
- We are mostly neutral within fixed income. Yields should form a range around current levels but, as ever, the path they take will not be linear and we retain exposure to the asset class for its long-term diversification attributes versus equities, some level of inflation protection and latterly, substantial income.
- Going forward, we maintain that monetary policies may be less coordinated than they have been historically, so we want to have greater diversity within our fixed income allocation.
- For now, we retain a lower duration position in fixed income as central banks prevaricate over the timing and extent of rate rises and tapering. However, in our most recent TAA review, we reduced our target exposures to short duration gilts and global government bonds in our medium- to low-risk models, although we have raised it modestly to longer duration gilts and corporate bonds, where we are seeing attractive opportunities.
- Our target exposure to global government bonds is just 1% in our medium- to low-risk models and our higher-risk models have none, with a more substantial (albeit underweight) exposure to gilts, so the negative impact from the sell-off in global government bonds seen in Q3 was limited.
- We believe gilts now offer the prospect of delivering real yields in the medium term once the inflationary spike abates, while the spreads that investment grade corporate bonds now offer over sovereign bonds mean that quality businesses are trading at good value and offer attractive nominal yields.
- We have a bias towards being overweight in equities. We favour the UK, Asia and emerging markets, and we are buying what we deem to be attractive equities in various markets around the globe, not just in the fashionable US. Investors should also remember that equities have proved time and again to be the best asset class to beat inflation over the long term.
- In our last asset allocation rebalancing, we slightly increased our exposure to US equities in our risk level eight models. Our view on the US equity market remains neutral but we are mindful of the strong run a small number of AI-related names have experienced in recent months. We have exposure to the AI theme through US growth managers and index funds, especially in our higher risk solutions in which target exposure to US equities can be as high as 35%, but we remain careful.
- We maintain that value can still be found in the US beneath the technology behemoths and the US economy remains in relatively good shape. While long-term earnings could be solid, we believe that active exposure is still warranted, with rotation of styles being a risk to market cap-weighted indices.
- We continue to monitor Japan closely to see whether its positive run this year is over now, or whether it is still worth going overweight. In the meantime, we have trimmed our exposure to Japanese equities in our highest risk eight level models.



PERFORMANCE OF INVESTMENT MARKETS AND ASSET CLASSES

UK equities finish positive and ahead of global counterparts

After slipping into negative territory in Q2, UK equities outperformed the global index in sterling terms. The UK market also posted a positive return in local currency terms, which many major markets failed to do in Q3. A key factor was the weakness of sterling versus the US dollar, which boosted the overseas earnings generated by many leading UK companies. Sterling's weakness will also have provided a fillip to the overseas indices' returns when

translated back into home currency. The more domestically-focused sectors of the market also recovered from the previous quarter's weakness on an improving economic outlook and hopes that the current monetary tightening cycle is close to peaking, with the Bank of England refraining from raising rates in September for the first time in two years.

Investment growth 1 July to 30 September 2023



Source: Morningstar, 01.07.23 to 30.09.23. Past performance does not predict future returns. You may get back less than you originally invested. Please refer to the Key Risks slide for more information.

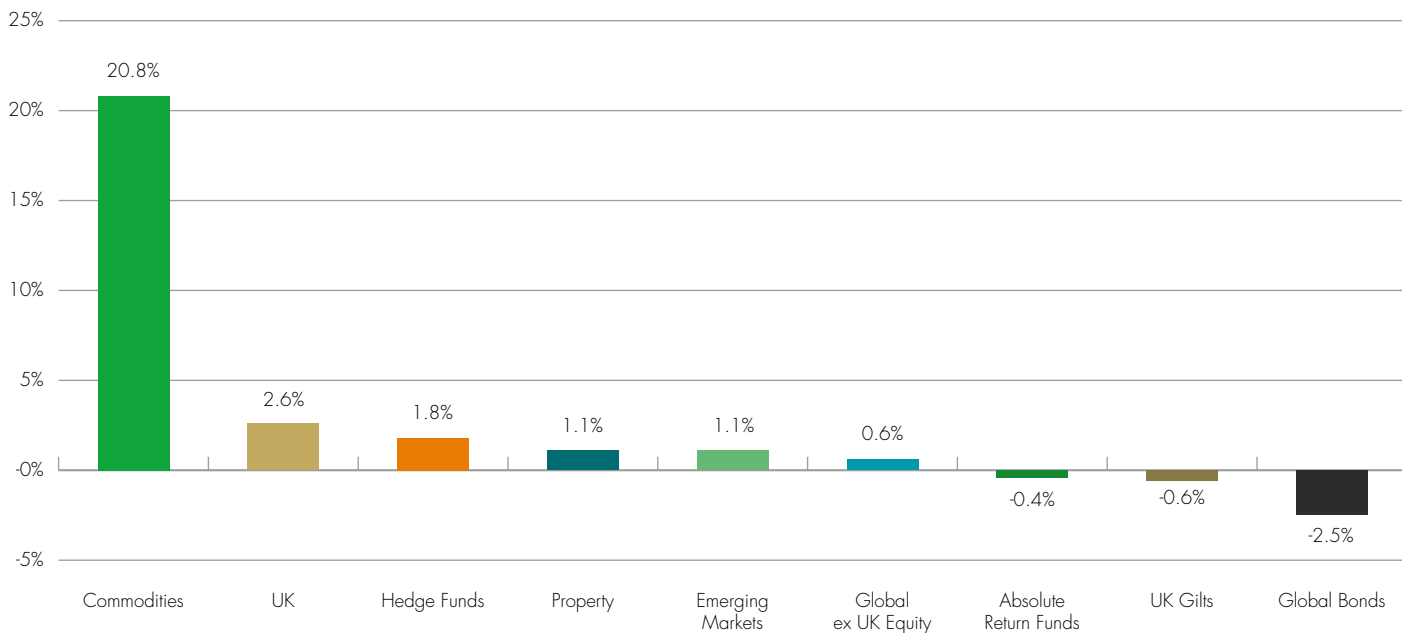
Performance of asset classes

Commodities eclipse other asset classes

Commodities were the standout performer in Q3, reversing two previous quarters of declines due to weakening energy prices. The rise this quarter was largely driven by the oil price reaching around \$95 a barrel on supply restrictions by Russia and Saudi Arabia. Some other commodities rose too, with moderate rises in industrial metals, although precious metal and agricultural produce prices did decline. The deepest decline was

in global bonds, spurred by leading central banks' warnings about the elevated future trajectory of interest rates. Several government bond yields reached multi-year highs. US treasuries have been particularly hard hit: Fitch downgraded the US's triple-A credit rating in August and there have also been concerns over the extent of US debt issuance. Gilts delivered negative performance for the second quarter in a row.

Asset class returns Q3 2023 (in local currency terms)



Source: Morningstar, 30.09.23

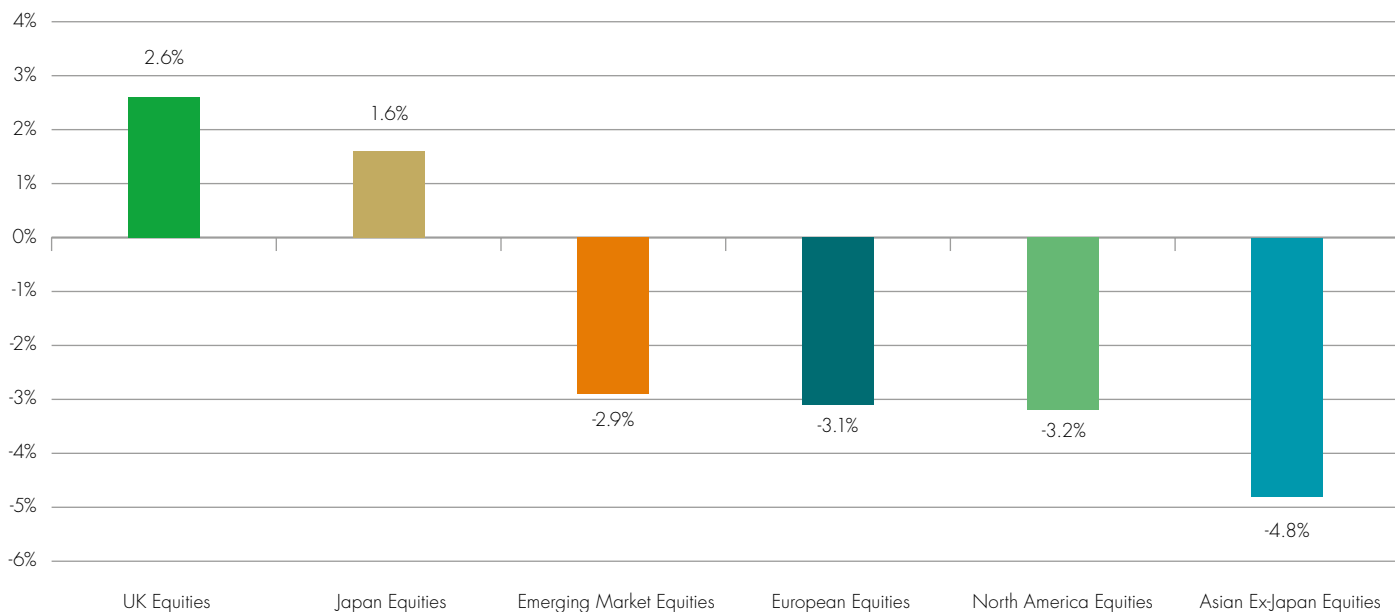
Performance of global stock markets

UK and Japan are only positive equity regions while Asia ex-Japan lags

UK and Japanese equities were the only regions in positive territory in Q3. Apart from the overseas earnings boost for several UK stocks from a weaker sterling, the UK's energy sector was helped by the rising oil price. The gains

in Japan were led by smaller companies. US and European equities had been in positive territory in Q2, but Asia ex-Japan and emerging market equities declined for yet another quarter.

Equity returns Q3 2023



Source: Morningstar, 30.09.23

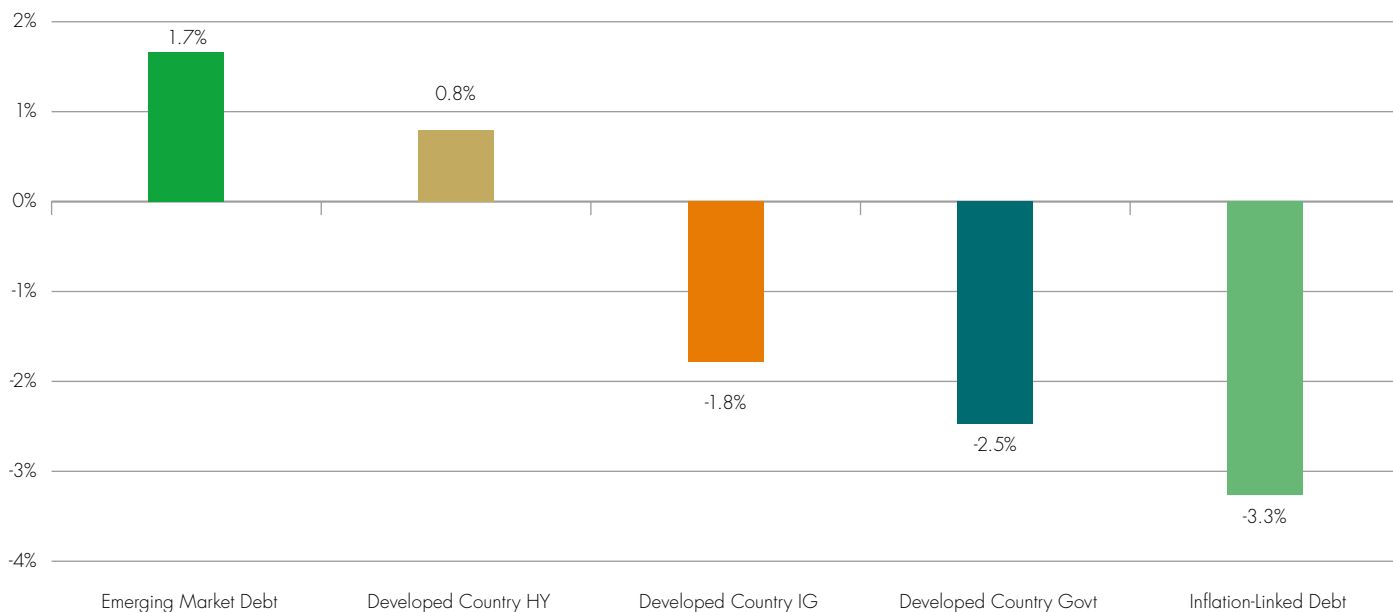
Performance of global bond markets

Emerging market debt and developed country high yield in positive territory

Emerging market debt led the pack in a quarter that saw tightening credit spreads and global disinflation. Hawkish comments from leading central banks pressured global bonds, but these were viewed by investors as having less of an impact on EMD. Developed country high yield bonds were the

only other fixed income sector in positive territory, their shorter durations giving them more resilience in a rising yield environment. Yields on inflation-linked debt and developed country government and investment grade corporate bonds rose for yet another quarter on the hawkish comments.

Bond returns Q3 2023



Source: Morningstar, 30.09.23

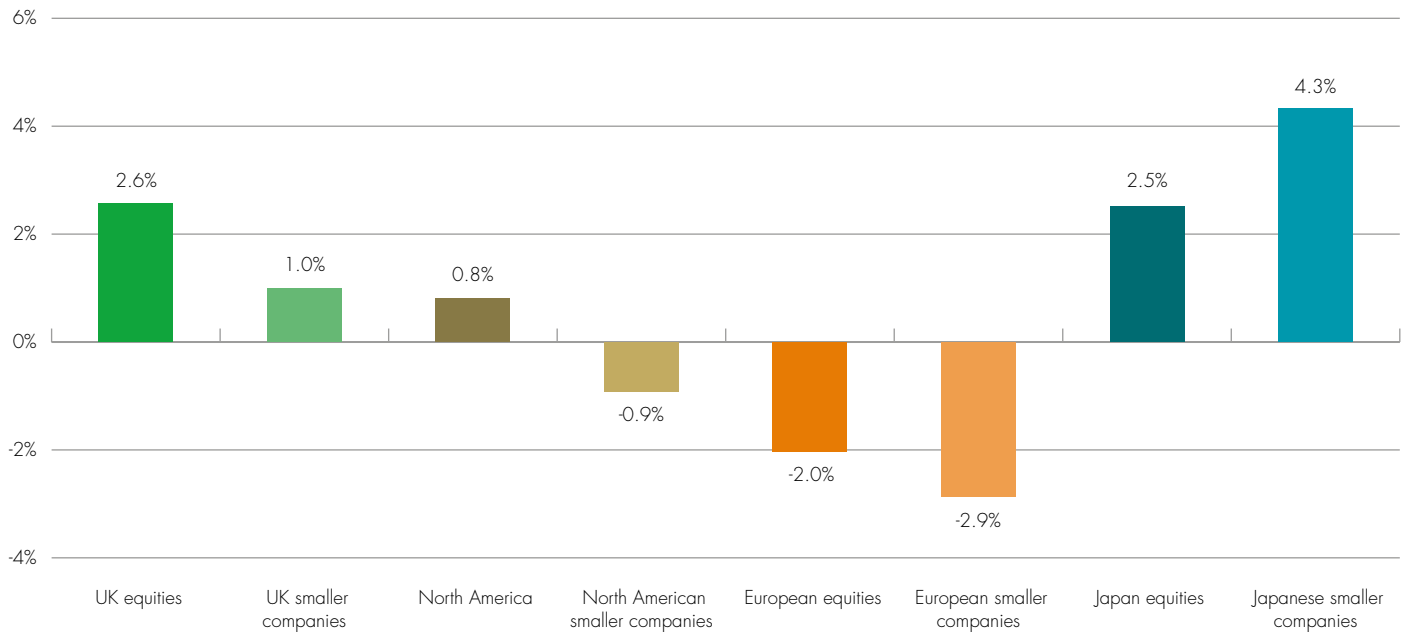
Large versus small cap equities

Small caps underperform their larger peers except in Japan

Large and small caps delivered mixed performances in developed markets over the quarter, with both classes in positive territory in Japan and the UK but negative in Europe. Small caps lagged in all the regions except for Japan, where they notched up the best overall performance and the biggest

differential versus their domestic counterparts. The poorest-performing small caps were in Europe: small caps are more vulnerable to higher interest rates and the European Central Bank reiterated its hawkish stance.

Equity returns Q3 2023



Source: Morningstar, 30.09.23

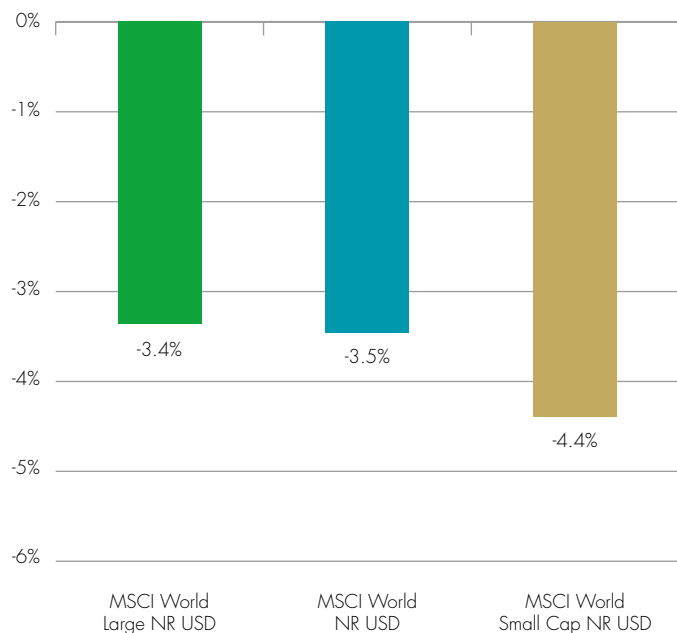
Global large cap vs small cap and value vs growth

Large caps and value stocks perform less negatively than their counterparts

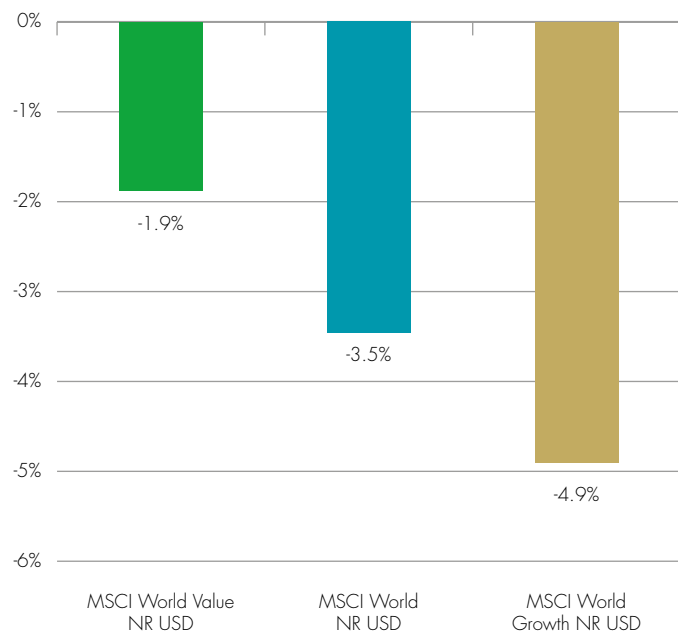
From a global perspective, large caps outperformed small caps and value stocks outperformed growth, although all four categories were in negative territory in a quarter that generated headwinds for equities. Growth stocks

had outperformed value in the first half of this year on the surging popularity of a few US technology giants, but information technology was one of the weakest sectors over this quarter.

Global large cap versus small cap returns Q3 2023



Global growth versus value returns Q3 2023



Source: Morningstar, 01.07.23 to 30.09.23. Past performance does not predict future returns. You may get back less than you originally invested. Please refer to the Key Risks slide for more information.



VIEWS FROM OUR FUND MANAGERS

In this section, we highlight a selection of views from fund managers we have interviewed over the quarter, revealing different takes on the key questions of the moment. Not all the managers included are held in our funds and portfolios, and we have kept things anonymous so people feel comfortable expressing sometimes frank opinions.

Fund managers are eyeing opportunities in subdued markets

Global financial markets had mostly been enjoying a good run since October last year until jitters set in again in Q3. Central bank warnings about how tight monetary policy would likely be, plus ongoing geopolitical issues, have raised uncertainty in markets and unsettled investors.

But to what extent might the uncertainty weighing on markets have created investment opportunities?

Fund managers that we speak to have been eyeing potential bargains globally and across the asset classes.

A gilt fund manager we speak to says that the valuation adjustment seen in UK bonds last year has led to an increase in return forecasts for them over the next 10 years, with annualised nominal returns predicted at between 4.3%–5.3%, according to his models. He said: “A large part of this improved performance is driven by the sharp rise in UK yields, the compounded effect of which is adding to the outlook for UK bonds.”

A senior manager at another investment house commented that as the era of free money comes to an end, thanks to rising interest rates the world over, companies have been forced to seek new, less expensive ways to raise credit. She says convertible bonds appear to be an attractive alternative: “If US insurance companies invest in stocks, they have to prove a reserve of 30 cents on the dollar, but if they buy investment grade convertible bonds, it is one to three cents on the dollar. Convertible bonds are the most capital efficient investment that they can make, but a lot of investors don’t know that.”

Another bond fund manager said that his team used liquidity to capitalise on heavy market volatility earlier this year. He said: “When spreads on corporate credit spiked after the collapse of three regional US banks, we tactically added high-quality credit exposure.” However, post the rallies in equities and fixed income following the mini banking crisis, he said they have started to reduce their exposure because valuations do not incorporate the possibility of a hard landing.

Valuation and dividend appeal

We have been positive for some time on the outlook for UK equities, which have been shunned by international investors since Brexit and are therefore undervalued. It is hard to predict when the UK might turn, but to our mind it won’t require a major catalyst.

A UK fund manager said that the last 18 months have enabled his team to upgrade the quality of its portfolio without diluting its valuation and dividend appeal. He said: “A wider list of high-quality UK cash compounders within

“A large part of this improved performance is driven by the sharp rise in UK yields, the compounded effect of which is adding to the outlook for UK bonds.”

the investable universe came back into range for us from a valuation and dividend perspective. More generally, we are encouraged by the excellent combination of quality, valuation and dividend appeal now in our portfolio.”

Asia has several global leaders

Fund managers are also seeing opportunities in Asia. The region’s markets have had a few difficult years, first with China going into draconian lockdown last year plus geopolitical issues with the US. China is seen as being a potential flashpoint for markets globally too because of severe problems in its property sector.

An Asia ex-Japan manager points out that Asia is mostly an emerging region, which means the policy environment is consistently evolving and therefore exhibits greater volatility than developed markets. But he added: “The region

has several world leaders in the generative artificial intelligence industry and semiconductor companies in both Korea and Taiwan. We expect to see rapid earnings recovery for these stocks in the coming six to 12 months.”

An emerging markets fund manager is also positive on China. He said: “Right now, China is clearly the cheapest part of the market. You can see that when you look at top-down valuations. Also, there are lots of individual stocks and sectors that are under-priced for the kind of growth those businesses can achieve. There are definitely risks, but the list is shorter than it was a year ago, so we’re overweight the region in our EM fund.”

Another economic powerhouse in Asia is India, which offers many opportunities in its burgeoning economy. A global emerging markets manager points out that India’s urbanisation rate is low at around 35%, and opportunities will emerge as this figure rises: “What this investment up-cycle implies is rising urban job creation, whether it is construction, manufacturing, or associated service jobs, and only this will drive urbanisation. Experience says that an urban job comes with an income that is a multiple of the rural one left behind, and that multiplier drives consumption.”

According to a global emerging markets manager, although the region faces challenges, a focus on cashflow can reap rewards. Cashflow is the primary, long-term determinant of shareholder returns, he said, yet investors frequently undervalue it: “They prefer attractively valued companies with strong cash generation, giving the portfolio a tilt towards quality companies. Over the long term this has proven a winning strategy despite the macro headwinds in emerging markets.”

“The region has several world leaders in the generative artificial intelligence industry and semiconductor companies in both Korea and Taiwan. We expect to see rapid earnings recovery for these stocks in the coming six to 12 months.”

“It does seem the pace of change in Japan is accelerating. Many investors are still not aware of the corporate governance movement and see Japan as a global cyclical market. The news of Warren Buffett’s investment earlier in 2023 had an effect on sentiment but also, hopefully, an effect on foreign money actually coming into Japan, which hasn’t happened for many years.”

Japan has been a highlight for investors this year. Its equity market reached a 33-year high in Q2 as confidence rose that its economy was emerging from a multi-decade doldrum. One manager is optimistic about Japan over the medium-term. He said: “It does seem the pace of change in Japan is accelerating. Many investors are still not aware of the corporate governance movement and see Japan as a global cyclical market. The news of Warren Buffett’s investment earlier in 2023 had an effect on sentiment but also, hopefully, an effect on foreign money actually coming into Japan, which hasn’t happened for many years.”

Investors may be discouraged by the headwinds currently facing global financial markets, but they should also remember that the weight of uncertainty means depressed asset prices and therefore more potential bargains. Sticking to a tried and tested investment process and taking a long-term view has its benefits. As one manager said: “As long as your businesses are doing what you’d expect them to do, and adding and creating value, then, in the end – and this is easier to say when you are older in your career with, thankfully, a good performance track-record behind you – that gives you confidence to go through the difficult times because you have the belief in what you’re doing.”



LIONTRUST MULTI-ASSET PERFORMANCE

MPS Blended Growth

All our portfolios and funds except for our Explorer range delivered moderately positive returns over the quarter despite the negative impacts on global equity and bond markets from the hawkish comments from central bankers about interest rates staying higher for longer. The performances reflected the suitability of our multi-asset solutions' positioning for current market conditions.

Overall, our holdings in equities and bonds delivered mixed performances, even within the asset classes and equity regions. Fixed income generally contributed more to returns, with our active managers playing a role here. Much of the overall positive performance was due to our Strategic Asset Allocation, although a weaker sterling also enhanced the returns from our overseas equity holdings, which are unhedged.

Global government bonds were particularly hard hit by the central bank comments, with the yields on treasuries and some European sovereigns reaching multi-year highs. Our target exposure to global government bonds is just 1% in our medium- to low-risk models and our higher risk models have none, with a more substantial (albeit underweight) exposure to gilts, so the negative impact was limited. In our most recent Tactical Asset Allocation (TAA) review, we reduced our target exposures to short duration gilts and global government bonds in our medium- to low-risk models, although we have raised it modestly to longer duration gilts and corporate bonds, where we are seeing attractive opportunities.

We believe gilts now offer the prospect of delivering real yields in the medium term once the inflationary spike abates, while the spreads that investment grade corporate bonds now offer over sovereign bonds mean that quality businesses are trading at good value and offer attractive nominal yields. High yield bond targets remain unchanged, however, in our medium- to low-risk models. Our view on high yield remains neutral rather than underweight. Our higher-risk profile solutions have materially less exposure to fixed income.

Equity markets were mostly negative over Q3, with the exceptions of the UK and Japan. The UK's exposure to energy and basic materials was a significant positive factor, with the oil price rising over the quarter from \$75 a barrel to over \$95. The weakness of sterling versus the greenback was also a contributory factor, given the extent of the earnings generated overseas by listed UK companies.

Japan's growth stocks were impacted negatively by the rising interest rates and bond yields, but its smaller companies and value stocks showed resilience. We continue to monitor Japan closely to see whether its positive run this year is over now, or whether it is still worth going overweight. In the meantime, we have trimmed our exposure to Japanese equities in our highest risk eight level models.

Our positive contribution from emerging markets in Q3 followed the previous quarter of negative contributions from the region. Several factors were behind the decline in emerging markets over the quarter. The higher-for-longer message from leading central banks has reduced risk appetite and concerns about China's economy and its property sector have also caused market jitters. Individual countries faced specific problems, too. For example, political uncertainty ahead of impending parliamentary elections in Poland and falling prices for lithium, a key export for Chile, meant both countries propped up the performance table, while a power crisis continues to hamper South Africa. But there were bright spots, including Egypt, Turkey and India.

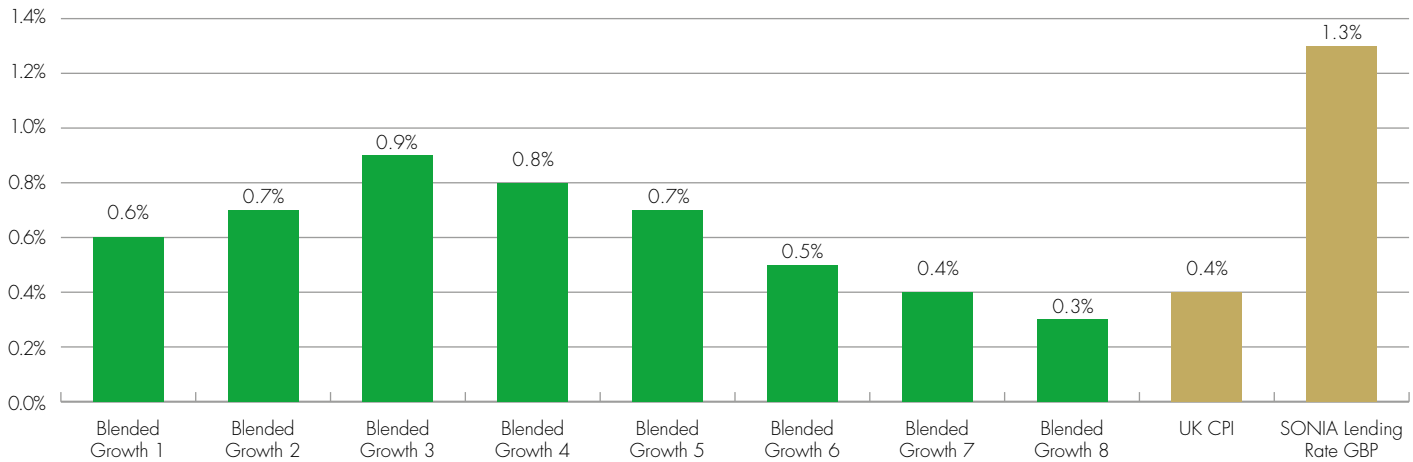
Equities and bonds delivered mixed contributions over the quarter. The strongest asset class contributors included investment grade corporate bonds, short duration gilts and developed market high yield bonds with moderate support on the equities side from US, UK, Japanese and emerging market equities.

In fixed income, the leading performers included Royal London Short Duration Gilts, Fidelity Sustainable MoneyBuilder Income, Royal London Corporate Bond, Royal London Short Duration Gilts and Aegon High Yield Bond. Global ex-UK bonds and medium-duration gilts weighed slightly, however, through Vanguard Global Bond Index and iShares UK Gilts All Stocks Index.

In equities, leading performers included Fidelity Index US, Schroder Income, Fidelity Special Situations, Man GLG Japan and Artemis SmartGARP Global Emerging Markets Equity. European and Asia ex-Japan regions weighed, however, through BlackRock European Dynamic and Fidelity Index Pacific ex-Japan with Martin Currie Emerging Markets also performing poorly.

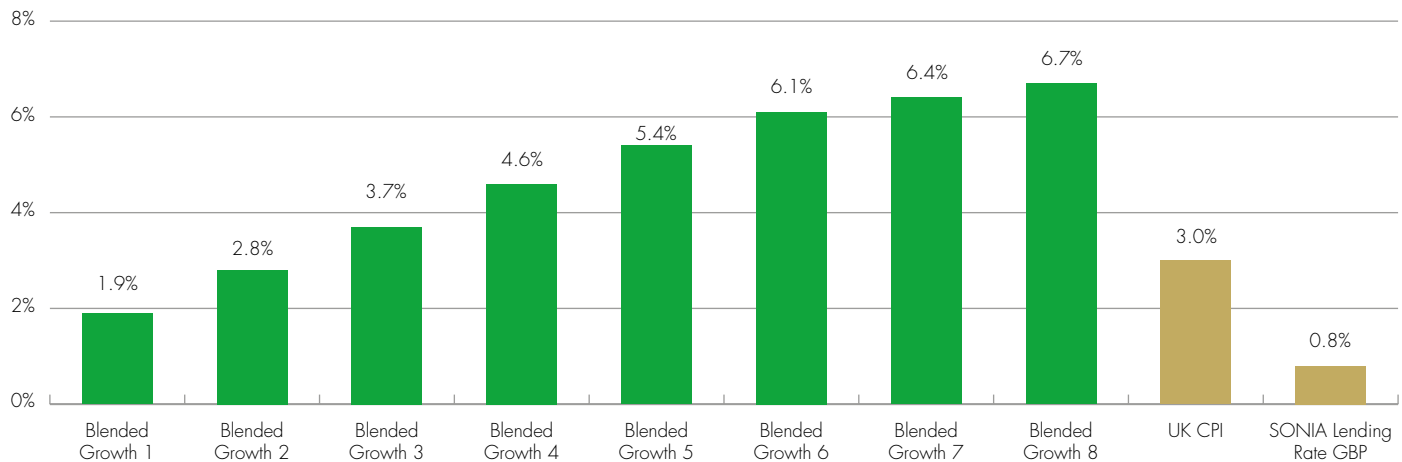
Our alternatives exposure also weighed through Liontrust Diversified Real Assets.

MPS Blended Growth Portfolios: Q3 2023



Source: Morningstar, Liontrust, 30.09.23. Performance of portfolios are given gross of any deduction of fees with the exception of underlying assets. Deduction of fees will have the effect of reducing these returns. Note: CPI = Consumer Price Index (Bank of England current CPI target is 2%). CPI and SONIA are used to reflect returns from inflation and cash, and are not formal performance comparators for the portfolios.

MPS Blended Growth Portfolios: Annualised returns since inception



Source: Morningstar, Liontrust. The above graph is based on data from 31.05.14 to 30.09.23. Performance of portfolios are given gross of any deduction of fees with the exception of underlying assets. Deduction of fees will have the effect of reducing these returns. Note: CPI = Consumer Price Index (Bank of England current CPI target is 2%). CPI and SONIA are used to reflect returns from inflation and cash, and are not formal performance comparators for the portfolios. **Past performance does not predict future returns. You may get back less than you originally invested.**

MPS Blended Income

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Overall, our holdings in equities and bonds delivered mixed performances, even within the asset classes and equity regions. Fixed income generally contributed more to returns, with our active managers playing a role here. Much of the overall positive performance was due to our Strategic Asset Allocation, although a weaker sterling also enhanced the returns from our overseas equity holdings, which are unhedged.

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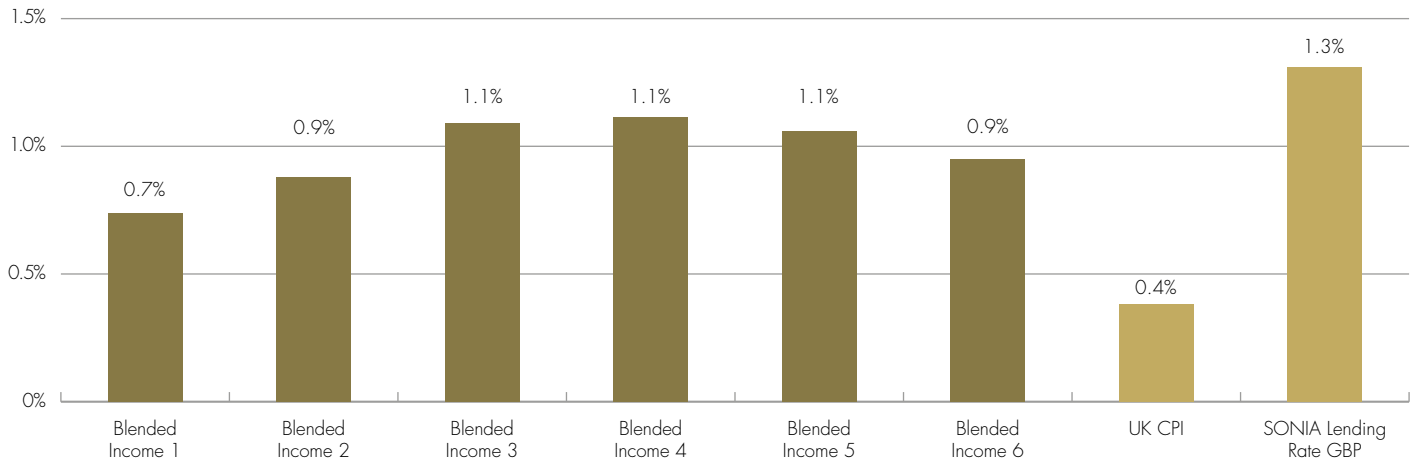
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Our positive contribution from emerging markets in Q3 followed the previous quarter of negative contributions from the region. Several factors were behind the decline in emerging markets over the quarter. The higher-for-longer message from leading central banks has reduced risk appetite and concerns about China's economy and its property sector have also caused market jitters. Individual countries faced specific problems, too. For example, political uncertainty ahead of impending parliamentary elections in Poland and falling prices for lithium, a key export for Chile, meant both countries propped up the performance table, while a power crisis continues to hamper South Africa. But there were bright spots, including Egypt, Turkey and India.

Our holdings in equities and bonds delivered mixed performances. Fixed income contributed the most overall, with investment grade corporate bonds, short-duration gilts and developed market high yield bonds in positive territory while global ex-UK fixed income and medium-term gilts were negatives. Strong performers included Royal London Corporate Bond, Royal London Short Duration Gilts, Fidelity Sustainable MoneyBuilder and Invesco High Yield UK. Vanguard Global Bond Index and iShares UK Gilts All Stocks Index weighed slightly, however.

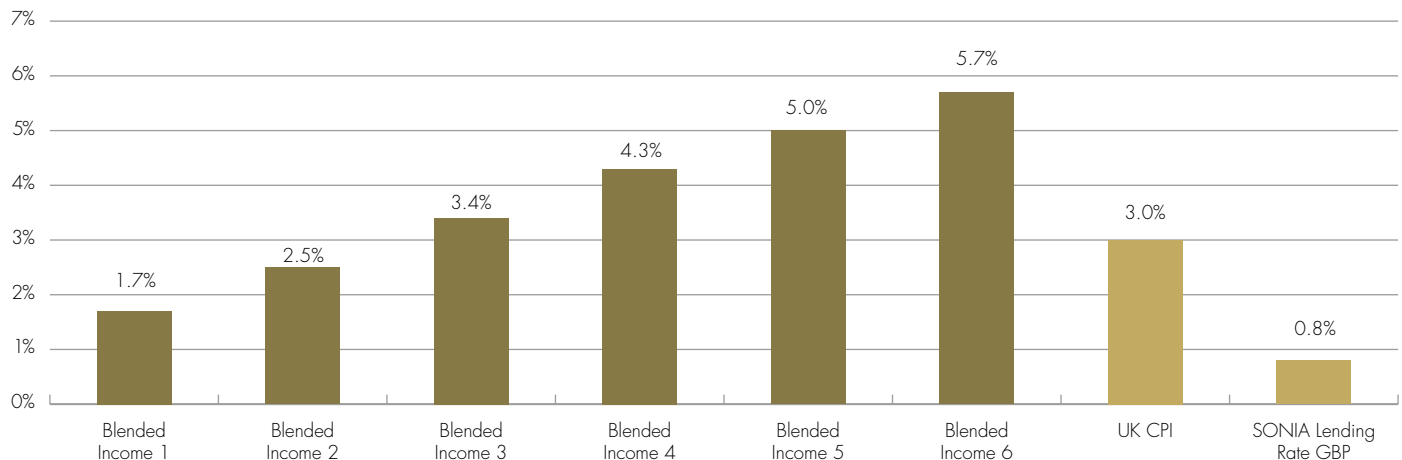
Equity regions that delivered positively included the UK, US, Japan and emerging markets, while Europe and Asia ex-Japan were slight negatives. The leading contributors included JOHCM UK Dynamic, Schroder Income Maximiser, Fidelity index US, Man GLG Japan Core Alpha, Fidelity index Emerging Markets and JP Morgan US Equity Income. BlackRock Continental Europe Income weighed, however, as did alternatives through Liontrust Diversified Real Assets.

MPS Blended Income Portfolios: Q3 2023



Source: Morningstar, Liontrust, 30.09.23. Performance of portfolios are given gross of any deduction of fees with the exception of underlying assets. Deduction of fees will have the effect of reducing these returns. Note: CPI = Consumer Price Index (Bank of England current CPI target is 2%). CPI and SONIA are used to reflect returns from inflation and cash, and are not formal performance comparators for the portfolios.

MPS Blended Income Portfolios: Annualised returns since inception



Source: Morningstar, Liontrust. The above graph is based on data from 31.05.14 to 30.09.23. Performance of portfolios are given gross of any deduction of fees with the exception of underlying assets. Deduction of fees will have the effect of reducing these returns. Note: CPI = Consumer Price Index (Bank of England current CPI target is 2%). CPI and SONIA are used to reflect returns from inflation and cash, and are not formal performance comparators for the portfolios. **Past performance does not predict future returns. You may get back less than you originally invested.**

MPS Dynamic Passive

All our portfolios and funds except for our Explorer range delivered moderately positive returns over the quarter despite the negative impacts on global equity and bond markets from the hawkish comments from central bankers about interest rates staying higher for longer. The performances reflected the suitability of our multi-asset solutions' positioning to current market conditions.

Overall, our holdings in equities and bonds delivered mixed performances, even within the asset classes and equity regions. Fixed income generally contributed more to returns, with our active managers playing a role here. Much of the overall positive performance was due to our Strategic Asset Allocation, although a weaker sterling also enhanced the returns from our overseas equity holdings, which are unhedged.

Global government bonds were particularly hard hit by the central bank comments, with the yields on treasuries and some European sovereigns reaching multi-year highs. Our target exposure to global government bonds is just 1% in our medium- to low-risk models and our higher risk models have none, with a more substantial (albeit underweight) exposure to gilts, so the negative impact was limited. In our most recent Tactical Asset Allocation (TAA) review, we reduced our target exposures to short duration gilts and global government bonds in our medium- to low-risk models, although we have raised it modestly to longer duration gilts and corporate bonds, where we are seeing attractive opportunities.

We believe gilts now offer the prospect of delivering real yields in the medium term once the inflationary spike abates, while the spreads that investment grade corporate bonds now offer over sovereign bonds mean that quality businesses are trading at good value and offer attractive nominal yields. High yield bond targets remain unchanged, however, in our medium- to low-risk models. Our view on high yield remains neutral rather than underweight. Our higher-risk profile solutions have materially less exposure to fixed income.

Equity markets were mostly negative over Q3, with the exceptions of the UK and Japan. The UK's exposure to energy and basic materials was a significant positive factor, with the oil price rising over the quarter from \$75 a barrel to over \$95. The weakness of sterling versus the greenback was also a contributory factor, given the extent of the earnings generated overseas by listed UK companies.

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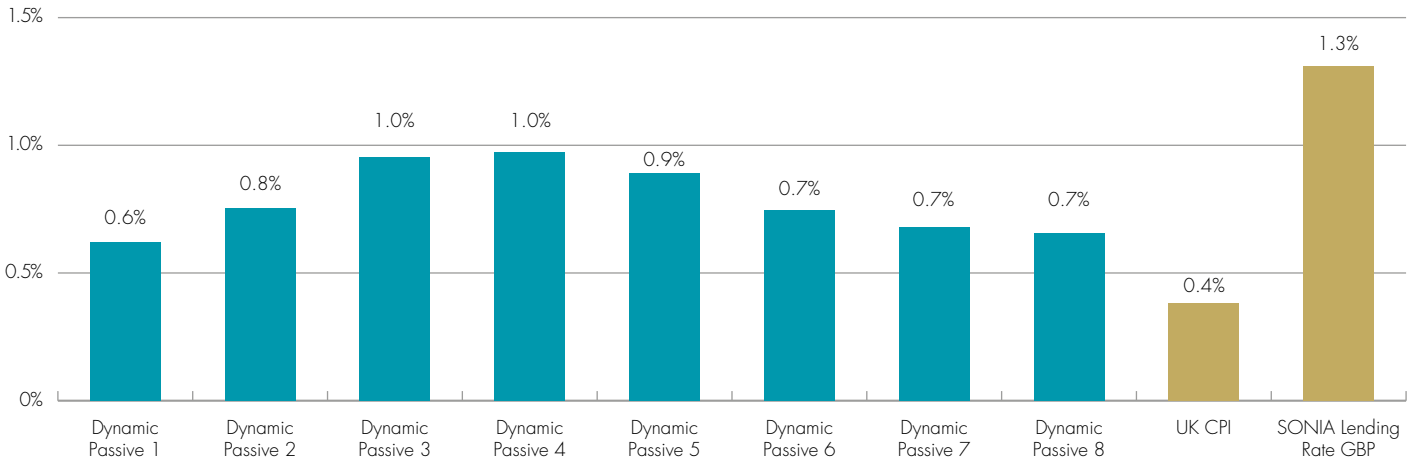
Our positive contribution from emerging markets in Q3 followed the previous quarter of negative contributions from the region. Several factors were behind the decline in emerging markets over the quarter. The higher-for-longer message from leading central banks has reduced risk appetite and concerns about China's economy and its property sector have also caused market jitters. Individual countries faced specific problems, too. For example, political uncertainty ahead of impending parliamentary elections in Poland and falling prices for lithium, a key export for Chile, meant both countries propped up the performance table, while a power crisis continues to hamper South Africa. But there were bright spots, including Egypt, Turkey and India.

In fixed income, short-duration gilts and developed market high yield bonds delivered positive contributions to performance while global ex-UK fixed income and medium-term gilts weighed slightly. Royal London Short Duration Gilts, iShares Corporate Bond Index, L&G Sterling Corporate Bond Index, L&G Active Global High Yield Bond and AXA US Short Duration High Yield were positive contributors, while Vanguard Global Bond Index and iShares UK Gilts All Stocks Index were negatives.

Equities contributed less than bonds to overall performance but exposure to the US, UK, emerging market and Japanese regions delivered positive contributions, while Europe and Asia ex-Japan were negatives. Notable performers included Fidelity Index US, Fidelity Index UK, Fidelity Index Emerging Markets and Fidelity Index Japan. Fidelity Index Europe, Barings Europe Select, Janus Henderson UK Smaller Companies and Fidelity Index Pacific ex-Japan weighed slightly.

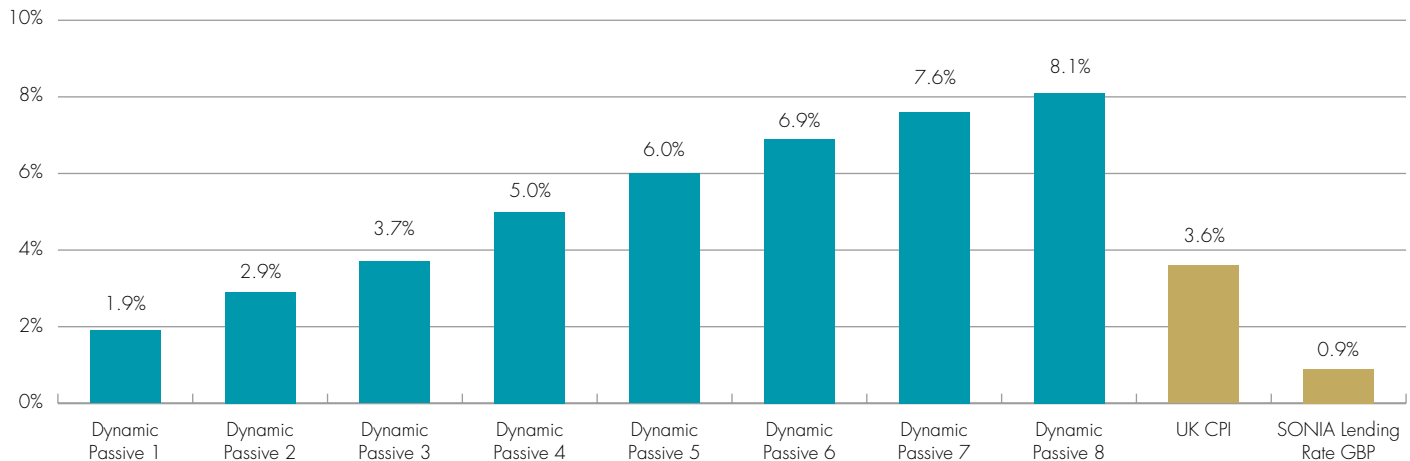
Alternatives delivered negative returns through Liontrust Diversified Real Assets.

MPS Dynamic Passive Portfolios: Q3 2023



Source: Morningstar, Liontrust, 30.09.23. Performance of portfolios are given gross of any deduction of fees with the exception of underlying assets. Deduction of fees will have the effect of reducing these returns. Note: CPI = Consumer Price Index (Bank of England current CPI target is 2%). CPI and SONIA are used to reflect returns from inflation and cash, and are not formal performance comparators for the portfolios.

MPS Dynamic Passive Portfolios: Annualised returns since inception



Source: Morningstar, Liontrust. The above graph is based on data from 30.09.15 to 30.09.23. Performance of portfolios are given gross of any deduction of fees with the exception of underlying assets. Deduction of fees will have the effect of reducing these returns. Note: CPI = Consumer Price Index (Bank of England current CPI target is 2%). CPI and SONIA are used to reflect returns from inflation and cash, and are not formal performance comparators for the portfolios. **Past performance does not predict future returns. You may get back less than you originally invested.**

MA Explorer

All our portfolios and funds except for our Explorer range delivered moderately positive returns over the quarter despite the negative impacts on global equity and bond markets from the hawkish comments from central bankers about interest rates staying higher for longer. The performances reflected the suitability of our multi-asset solutions' positioning for current market conditions.

Overall, our holdings in equities and bonds delivered mixed performances, even within the asset classes and equity regions. Fixed income generally contributed more to returns, with our active managers playing a role here. Much of the overall positive performance was due to our Strategic Asset Allocation, although a weaker sterling also enhanced the returns from our overseas equity holdings, which are unhedged.

Global government bonds were particularly hard hit by the central bank comments, with the yields on treasuries and some European sovereigns reaching multi-year highs. Our target exposure to global government bonds is just 1% in our medium- to low-risk models and our higher risk models have none, with a more substantial (albeit underweight) exposure to gilts, so the negative impact was limited. In our most recent Tactical Asset Allocation (TAA) review, we reduced our target exposures to short duration gilts and global government bonds in our medium- to low-risk models, although we have raised it modestly to longer duration gilts and corporate bonds, where we are seeing attractive opportunities.

We believe gilts now offer the prospect of delivering real yields in the medium term once the inflationary spike abates, while the spreads that investment grade corporate bonds now offer over sovereign bonds mean that quality businesses are trading at good value and offer attractive nominal yields. High yield bond targets remain unchanged, however, in our medium- to low-risk models. Our view on high yield remains neutral rather than underweight. Our higher-risk profile solutions have materially less exposure to fixed income.

Equity markets were mostly negative over Q3, with the exceptions of the UK and Japan. The UK's exposure to energy and basic materials was a significant positive factor, with the oil price rising over the quarter from \$75 a barrel to over \$95. The weakness of sterling versus the greenback was also a contributory factor, given the extent of the earnings generated overseas by listed UK companies.

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we have trimmed our exposure to Japanese equities in our highest risk eight level models.

As part of our ongoing manager selection process, we have also changed our Japanese equity allocation in the Explorer and Blended ranges. We have sold our allocation to Man GLG Japan and moved our M&G exposure from small cap only to an all-cap strategy managed by the same team. We believe the new blend gives us a better balance of risks, market capitalisation and sector exposure in the region.

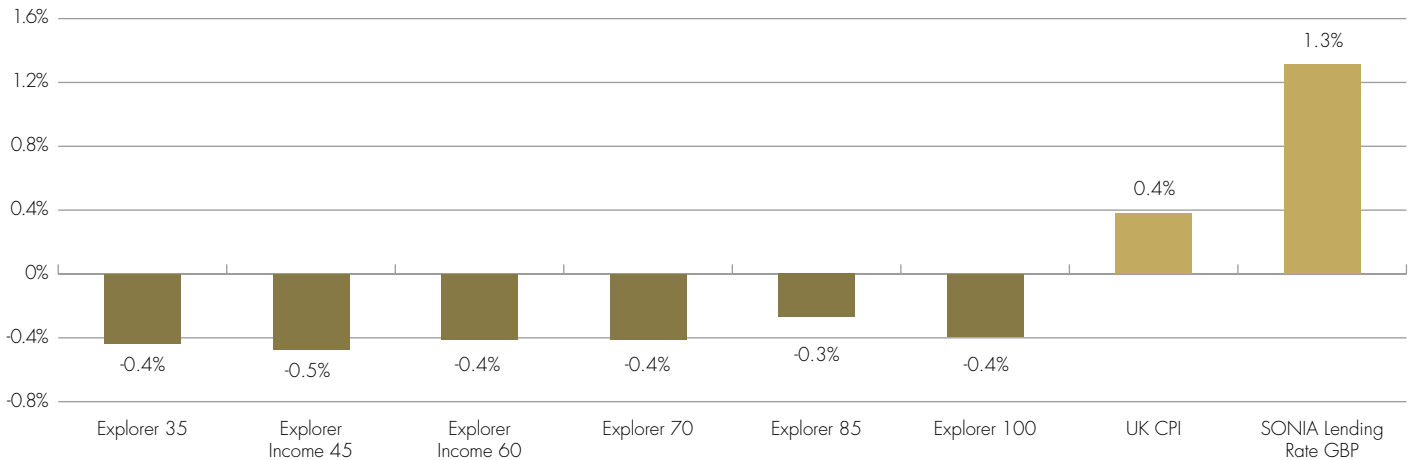
Our positive contribution from emerging markets in Q3 followed the previous quarter of negative contributions from the region. Several factors were behind the decline in emerging markets over the quarter. The higher-for-longer message from leading central banks has reduced risk appetite and concerns about China's economy and its property sector have also caused market jitters. Individual countries faced specific problems, too. For example, political uncertainty ahead of impending parliamentary elections in Poland and falling prices for lithium, a key export for Chile, meant both countries propped up the performance table, while a power crisis continues to hamper South Africa. But there were bright spots, including Egypt, Turkey and India.

Equities provided the strongest contribution to performance through the UK, US and Japan regions. Key performers here included JOHCM UK Dynamic, Liontrust UK Equity, Ossiam Shiller Barclays CAPE US Sector Value Liontrust GF Sustainable Future US Growth, Loomis Sayles US Growth Equity and Man GLG Japan CoreAlpha Professional. Other regions were negatives, mostly Europe ex-UK but emerging markets and Developed Asia ex-Japan weighed slightly, too. BlackRock European Dynamic and BlackRock Emerging Markets were the poorest performers, but there were some positives in these regions, including Federated Hermes Asia ex-Japan Equity and Liontrust European Dynamic.

In fixed income, corporate and high yield bonds and short gilts were positive contributors, with leading funds including Man GLG Sterling Corporate Bond Professional, Liontrust Sustainable Future Corporate Bond, Barings Global High Yield Bond and Lyxor UK Government Bond 0-5Y. Global ex-UK fixed income as a sector detracted the most overall from the Funds' performances through HSBC Global Aggregate Bond Index and Vanguard Global Aggregate Bond while Barings Emerging Markets Sovereign Debt and iShares UK Gilts All Stocks Index also weighed slightly.

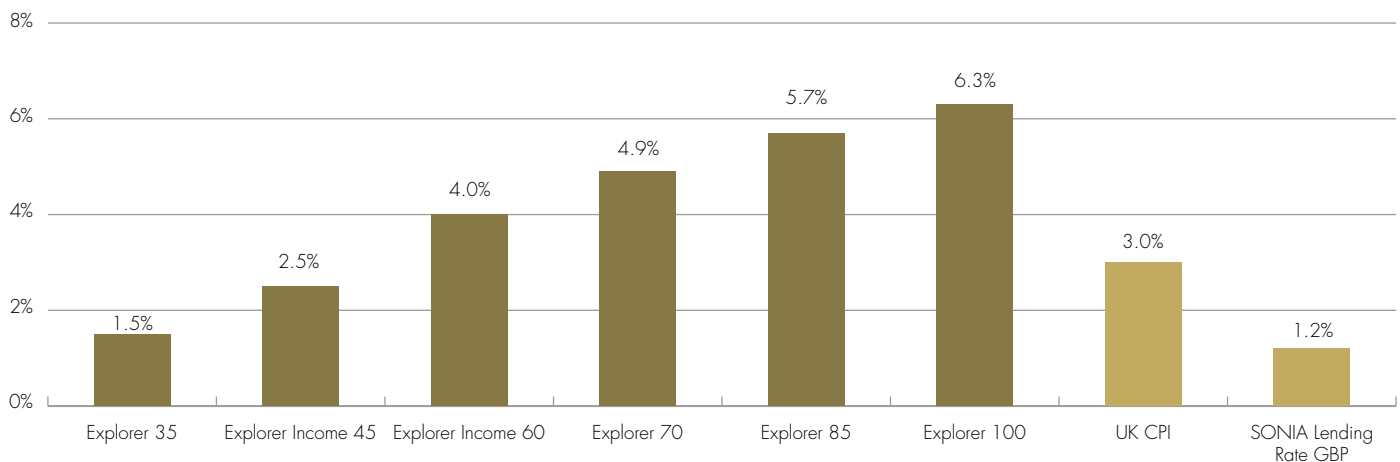
Our alternatives holding was a positive, with WisdomTree Enhanced Commodity performing well with some support from iShares Physical Gold and iShares UK Property.

MA Explorer Funds: Q3 2023



Source: FE Analytics, as at 30.09.23. Primary share class, total return figures are calculated on a single pricing basis with net income (dividends) reinvested. Performance figures are shown in sterling. Transaction costs are included for the period shown but may differ in the future as these costs cannot be determined with precision in advance. Note: CPI = Consumer Price Index (Bank of England current CPI target is 2%). CPI and SONIA are used to reflect returns from inflation and cash, and are not formal performance comparators for the portfolios.

MA Explorer Funds: Annualised returns since inception



Source: FE Analytics, as at 30.09.23. Performance is from 10.04.07 to provide a single inception point but some of the funds launched before that date. Primary share class, total return figures are calculated on a single pricing basis with net income (dividends) reinvested. Performance figures are shown in sterling. Transaction costs are included for the period shown but may differ in the future as these costs cannot be determined with precision in advance. Note: CPI = Consumer Price Index (Bank of England current CPI target is 2%). CPI and SONIA are used to reflect returns from inflation and cash, and are not formal performance comparators for the portfolios. **Past performance does not predict future returns. You may get back less than you originally invested.**

MA Blended

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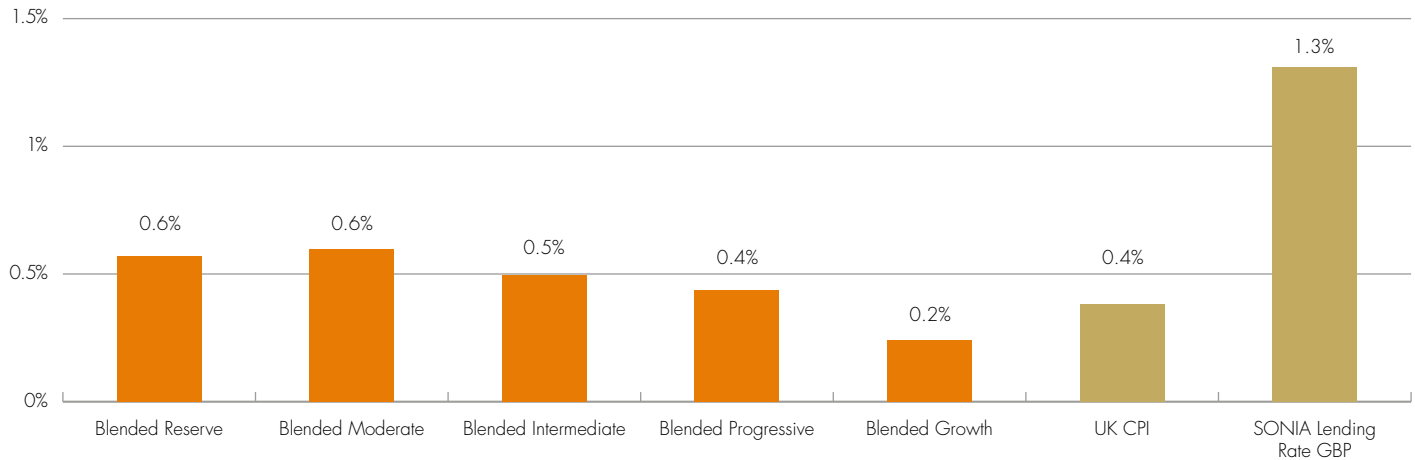
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The most significant contributions to performance came from corporate bonds and US and UK equities, but short-duration gilts, high yield bonds and Japanese and emerging market equities were also positives. Leading fixed income contributors included Vanguard UK Investment Grade Bond Index, iShares Corporate Bond Index, Lyxor UK Government Bond 0-5Y, SPDR Bloomberg 1-5Y Gilt and Barings Global High Yield Bond. On the equities side, leading contributors included L&G US Index, OssiAm Shiller Barclays CAPE US Sector Value, JOHCM UK Dynamic, Liontrust UK Equity, Man GLG Japan Core Alpha Professional, iShares Japan Equity Index and L&G Emerging Markets Equity Index.

Funds that weighed slightly included HSBC Global Aggregate Bond Index, iShares UK Gilts All Stocks Index, Vanguard UK Government Bond Index, BlackRock European Dynamic, iShares Continental European Equity Index, L&G Pacific Index and BlackRock Emerging Markets.

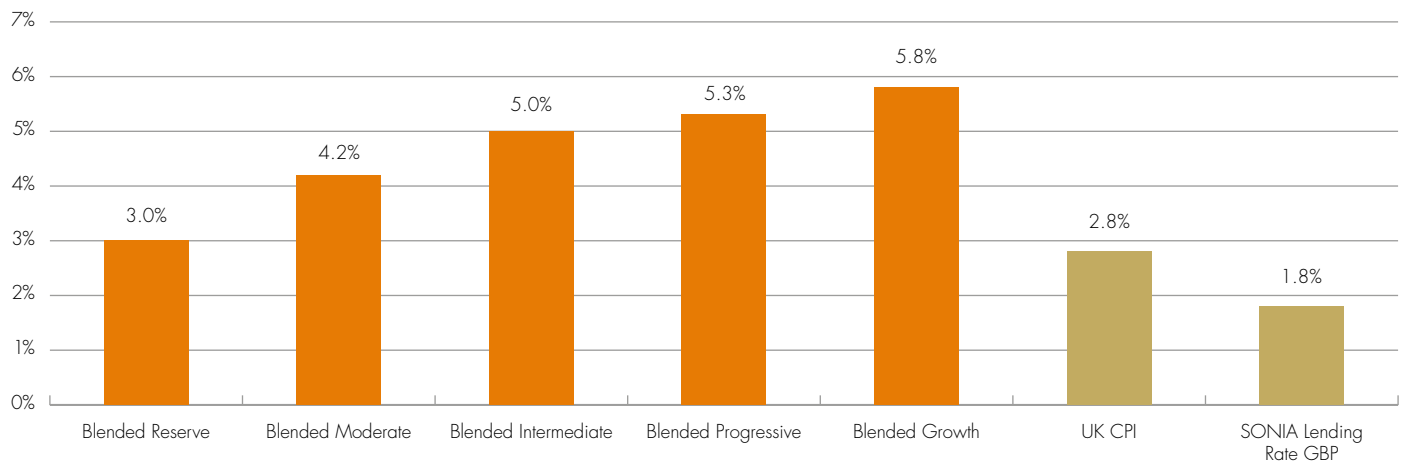
Our alternatives holding was a slight negative, with L&G Global Infrastructure Index and iShares Environment & Low Carbon Tilt Real Estate Index weighing, but WisdomTree Enhanced Commodity was the most significant positive with some support from iShares Physical Gold and iShares UK Property.

MA Blended Funds: Q3 2023



Source: FE Analytics, as at 30.09.23. Primary share class, total return figures are calculated on a single pricing basis with net income (dividends) reinvested. Performance figures are shown in sterling. Transaction costs are included for the period shown but may differ in the future as these costs cannot be determined with precision in advance. Note: CPI = Consumer Price Index (Bank of England current CPI target is 2%). CPI and SONIA are used to reflect returns from inflation and cash, and are not formal performance comparators for the portfolios.

MA Blended Funds: Annualised returns since inception



Source: FE Analytics, as at 30.09.23. Performance is from 07.04.03 to provide a single inception point but some of the funds launched before that date. Primary share class, total return figures are calculated on a single pricing basis with net income (dividends) reinvested. Performance figures are shown in sterling. Transaction costs are included for the period shown but may differ in the future as these costs cannot be determined with precision in advance. Note: CPI = Consumer Price Index (Bank of England current CPI target is 2%). CPI and SONIA are used to reflect returns from inflation and cash, and are not formal performance comparators for the portfolios. **Past performance does not predict future returns. You may get back less than you originally invested.**

MA Dynamic Passive

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Overall, our holdings in equities and bonds delivered mixed performances, even within the asset classes and equity regions. Fixed income generally contributed more to returns, with our active managers playing a role here. Much of the overall positive performance was due to our Strategic Asset Allocation, although a weaker sterling also enhanced the returns from our overseas equity holdings, which are unhedged.

Global government bonds were particularly hard hit by the central bank comments, with the yields on treasuries and some European sovereigns reaching multi-year highs. Our target exposure to global government bonds is just 1% in our medium- to low-risk models and our higher risk models have none, with a more substantial (albeit underweight) exposure to gilts, so the negative impact was limited. In our most recent Tactical Asset Allocation (TAA) review, we reduced our target exposures to short duration gilts and global government bonds in our medium- to low-risk models, although we have raised it modestly to longer duration gilts and corporate bonds, where we are seeing attractive opportunities.

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Equity markets were mostly negative over Q3, with the exceptions of the UK and Japan. The UK's exposure to energy and basic materials was a significant positive factor, with the oil price rising over the quarter from \$75 a barrel to over \$95. The weakness of sterling versus the greenback was also a contributory factor, given the extent of the earnings generated overseas by listed UK companies.

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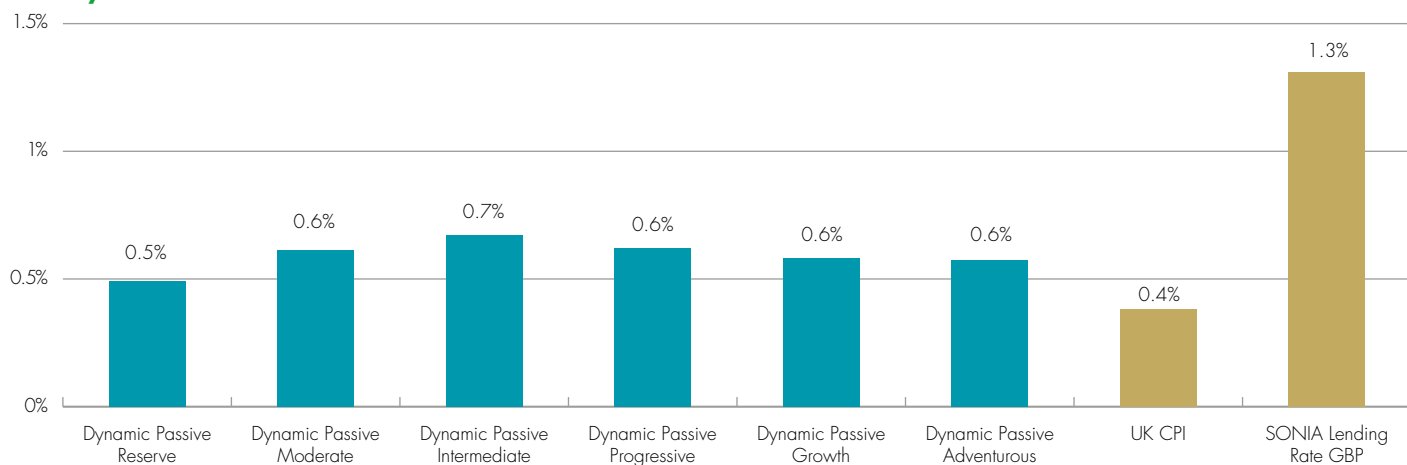
Our holdings in equities and bonds delivered mixed performances. The US, UK, emerging markets and Japan contributed the most on the equities side while corporate and high yield bonds and short-duration gilts provided a positive fixed income contribution.

Leading equity performers included L&G US Index, HSBC American Index, L&G UK Index, iShares UK Equities Index, HSBC FTSE All Share Index, iShares Emerging Markets Equity Index, L&G Emerging Markets Equity Index, iShares Japan Equity Index and HSBC Japan Index. Vanguard UK Investment Grade Bond Index, iShares Corporate Bond Index, Lyxor UK Government Bond 0-5Y, SPDR Bloomberg 1-5Y Gilt and iShares Euro High Yield Corporate Bond ESG were also positives.

Developed Asia and Europe ex-UK equities were the most significant detractors from performance, with L&G Pacific Index, HSBC Pacific Index, iShares Continental Europe Equity Index and HSBC Europe Index weighing here. Global ex-UK fixed income and medium-duration gilts also detracted slightly through HSBC Global Aggregate Bond Index, iShares UK Gilts All Stocks Index and Vanguard UK Government Bond Index.

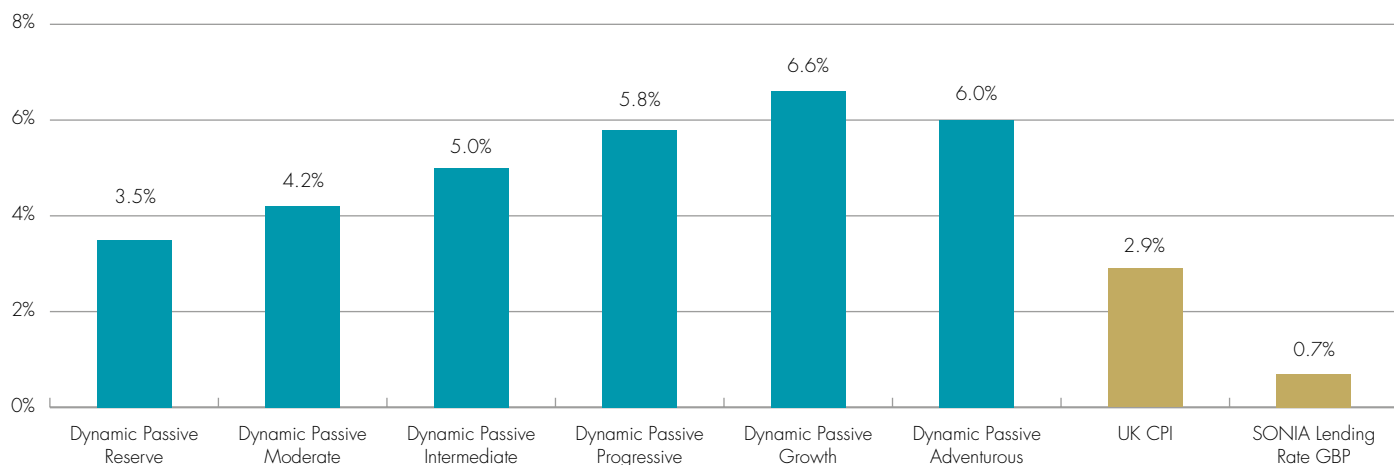
Alternatives delivered a flat performance, with WisdomTree Enhanced Commodity and iShares Physical Gold in positive territory and L&G Global Infrastructure Index and iShares Environment & Low Carbon Tilt Real Estate Index weighing slightly.

MA Dynamic Passive Funds: Q3 2023



Source: FE Analytics, as at 30.09.23. Primary share class, total return figures are calculated on a single pricing basis with net income (dividends) reinvested. Performance figures are shown in sterling. Transaction costs are included for the period shown but may differ in the future as these costs cannot be determined with precision in advance. Note: CPI = Consumer Price Index (Bank of England current CPI target is 2%). CPI and SONIA are used to reflect returns from inflation and cash, and are not formal performance comparators for the portfolios.

MA Dynamic Passive Funds: Annualised returns since inception



Source: FE Analytics, as at 30.09.23. Performance is from 08.03.11 to provide a single inception point but some of the funds launched before that date. Primary share class, total return figures are calculated on a single pricing basis with net income (dividends) reinvested. Performance figures are shown in sterling. Transaction costs are included for the period shown but may differ in the future as these costs cannot be determined with precision in advance. Note: CPI = Consumer Price Index (Bank of England current CPI target is 2%). CPI and SONIA are used to reflect returns from inflation and cash, and are not formal performance comparators for the portfolios. **Past performance does not predict future returns. You may get back less than you originally invested.**

Discrete performance for MPS Blended Growth

	Year 1 01.10.18 to 30.09.19	Year 2 01.10.19 to 30.09.20	Year 3 01.10.20 to 30.09.21	Year 4 01.10.21 to 30.09.22	Year 5 01.10.22 to 30.09.23
Liontrust MPS Blended Growth 1	3.1	-0.6	6.3	-7.0	2.6
Liontrust MPS Blended Growth 2	4.6	-1.0	9.4	-10.3	3.9
Liontrust MPS Blended Growth 3	6.3	-1.4	12.6	-13.6	5.5
Liontrust MPS Blended Growth 4	4.9	-1.8	16.6	-13.4	6.0
Liontrust MPS Blended Growth 5	3.9	-2.2	19.7	-13.4	6.4
Liontrust MPS Blended Growth 6	2.8	-2.2	22.7	-13.2	6.9
Liontrust MPS Blended Growth 7	3.2	-1.3	22.3	-13.1	5.9
Liontrust MPS Blended Growth 8	3.5	-0.2	22.1	-13.0	4.7

Source: Morningstar, Liontrust, 30.09.23. Performance of portfolios are given gross of any deduction of fees with the exception of underlying assets. Deduction of fees will have the effect of reducing these returns. **Past performance does not predict future returns. You may get back less than you originally invested. Please refer to page 38 for more information.**

Discrete performance for MPS Blended Income

	Year 1 01.10.18 to 30.09.19	Year 2 01.10.19 to 30.09.20	Year 3 01.10.20 to 30.09.21	Year 4 01.10.21 to 30.09.22	Year 5 01.10.22 to 30.09.23
Liontrust MPS Blended Income 1	2.6	-1.8	6.6	-5.8	1.9
Liontrust MPS Blended Income 2	3.9	-2.6	10.1	-8.6	2.8
Liontrust MPS Blended Income 3	5.2	-3.5	13.7	-11.2	4.1
Liontrust MPS Blended Income 4	3.9	-3.6	16.9	-10.8	4.9
Liontrust MPS Blended Income 5	3.0	-3.6	19.3	-10.6	5.4
Liontrust MPS Blended Income 6	2.0	-3.7	21.8	-10.4	6.3

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Discrete performance for MPS Dynamic Passive

	Year 1 01.10.18 to 30.09.19	Year 2 01.10.19 to 30.09.20	Year 3 01.10.20 to 30.09.21	Year 4 01.10.21 to 30.09.22	Year 5 01.10.22 to 30.09.23
Liontrust MPS Dynamic Passive 1	3.2	-0.8	5.9	-6.4	2.6
Liontrust MPS Dynamic Passive 2	4.7	-1.1	9.0	-9.5	3.9
Liontrust MPS Dynamic Passive 3	6.2	-1.6	12.0	-12.5	5.6
Liontrust MPS Dynamic Passive 4	5.9	-2.2	15.3	-12.0	5.9
Liontrust MPS Dynamic Passive 5	5.7	-2.6	18.0	-11.6	6.1
Liontrust MPS Dynamic Passive 6	5.3	-3.1	20.6	-11.3	6.6
Liontrust MPS Dynamic Passive 7	5.9	-1.5	20.0	-10.8	5.3
Liontrust MPS Dynamic Passive 8	6.3	0.1	19.2	-10.3	3.9

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Discrete performance for MA Explorer

	Year 1 01.10.18 to 30.09.19	Year 2 01.10.19 to 30.09.20	Year 3 01.10.20 to 30.09.21	Year 4 01.10.21 to 30.09.22	Year 5 01.10.22 to 30.09.23
Liontrust MA Explorer 35 Fund S Acc	5.8	0.8	0.1	-18.3	2.0
Liontrust MA Explorer Income 45 Fund S Acc	7.0	1.4	5.1	-19.1	4.5
Liontrust MA Explorer Income 60 Fund S Acc	6.1	0.2	12.7	-14.8	7.0
Liontrust MA Explorer 70 Fund S Acc	4.7	-1.4	17.3	-14.5	9.1
Liontrust MA Explorer 85 Fund S Acc	4.5	-2.0	22.6	-11.9	9.7
Liontrust MA Explorer 100 Fund S Acc	5.8	1.4	22.9	-11.0	9.6

Source: FE Analytics, as at 30.09.23. Total return figures are calculated on a single pricing basis with net income (dividends) reinvested. Performance figures are shown in sterling. Transaction costs are included for the period shown but may differ in the future as these costs cannot be determined with precision in advance. **Past performance does not predict future returns. You may get back less than you originally invested. Please refer to page 38 for more information.**

Discrete performance for MA Blended

	Year 1 01.10.18 to 30.09.19	Year 2 01.10.19 to 30.09.20	Year 3 01.10.20 to 30.09.21	Year 4 01.10.21 to 30.09.22	Year 5 01.10.22 to 30.09.23
Liontrust MA Blended Reserve Fund S Acc	6.6	-0.1	3.6	-17.0	3.2
Liontrust MA Blended Moderate Fund S Acc	6.3	-0.3	7.8	-14.5	4.1
Liontrust MA Blended Intermediate Fund S Acc	5.1	-1.1	12.1	-12.7	5.5
Liontrust MA Blended Progressive Fund S Acc	3.6	-2.0	15.9	-11.3	7.3
Liontrust MA Blended Growth Fund S Acc	3.6	-2.4	20.8	-8.5	8.5

Source: FE Analytics, as at 30.09.23. Total return figures are calculated on a single pricing basis with net income (dividends) reinvested. Performance figures are shown in sterling. Transaction costs are included for the period shown but may differ in the future as these costs cannot be determined with precision in advance. **Past performance does not predict future returns. You may get back less than you originally invested. Please refer to page 38 for more information.**

Discrete performance for MA Dynamic Passive

	Year 1 01.10.18 to 30.09.19	Year 2 01.10.19 to 30.09.20	Year 3 01.10.20 to 30.09.21	Year 4 01.10.21 to 30.09.22	Year 5 01.10.22 to 30.09.23
Liontrust MA Dynamic Passive Reserve Fund S Acc	10.0	0.7	4.8	-14.2	1.8
Liontrust MA Dynamic Passive Moderate Fund S Acc	9.0	-0.1	7.6	-12.5	2.8
Liontrust MA Dynamic Passive Intermediate Fund S Acc	7.5	-0.8	11.5	-9.8	4.0
Liontrust MA Dynamic Passive Progressive Fund S Acc	6.5	-2.5	16.0	-7.2	5.0
Liontrust MA Dynamic Passive Growth Fund S Acc	6.0	-3.8	21.5	-4.9	6.8
Liontrust MA Dynamic Passive Adventurous Fund S Acc	7.1	-0.9	22.6	-4.7	6.4

Source: FE Analytics, as at 30.09.23. Total return figures are calculated on a single pricing basis with net income (dividends) reinvested. Performance figures are shown in sterling. Transaction costs are included for the period shown but may differ in the future as these costs cannot be determined with precision in advance. Past performance does not predict future returns. You may get back less than you originally invested. Please refer to page 38 for more information.

Key risks

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

The Funds and Model Portfolios managed by the Multi-Asset Team may be exposed to the following risks:

Credit Risk: There is a risk that an investment will fail to make required payments and this may reduce the income paid to the fund, or its capital value. The creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay;

Counterparty Risk: The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss;

Liquidity Risk: If underlying funds suspend or defer the payment of redemption proceeds, the Fund's ability to meet redemption requests may also be affected;

Interest Rate Risk: Fluctuations in interest rates may affect the value of the Fund and your investment. Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result;

Derivatives Risk: Some of the underlying funds may invest in derivatives, which can, in some circumstances, create wider fluctuations in their prices over time;

Emerging Markets: The Fund may invest in less economically developed markets (emerging markets) which can involve greater risks than well developed economies;

Currency Risk: The Fund invests in overseas markets and the value of the Fund may fall or rise as a result of changes in exchange rates.

Index Tracking Risk: The performance of any passive funds used may not exactly track that of their Indices.

Any performance shown in respect of the Model Portfolios are periodically restructured and and/or rebalanced. Actual returns may vary from the model returns.

The issue of units/shares in the Liontrust Multi-Asset 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.

For the Multi-Asset Model Portfolios, any performance shown represents model portfolios which are periodically restructured and/or rebalanced. Actual returns may vary from the model returns. There is no certainty the investment objectives of the portfolio will actually be achieved, and no warranty or representation is given to this effect, whether express or implied. The portfolios therefore should be considered as long-term investments.

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