

Cashflow Solution

May 2024 review

Liontrust GF Pan-European Dynamic Fund



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The Fund's A5 share class returned 3.9%* in euro terms in May. This Fund's target benchmark, the MSCI Europe Index, returned 3.3%*.

Global markets performed strongly in May as investors continued to anticipate interest rate cuts from central banks. Despite economic data showing that eurozone CPI increased to 2.6% in May from 2.4% in April, investors in Europe continue to expect a 25 basis point rate cut when the ECB meets in June. Sector returns for the MSCI Europe Index were largely positive in May with the exception of energy (-1.8%). The financials (+6.3%), industrials (+5.3%), real estate (+5.1%) sectors led the way with strong returns for the period.

Swiss bank **UBS** (+17%) was among the top performers in May, returning to profit after two straight quarterly losses, driven by its wealth management and investment banking divisions. The company reported net profit of \$1.8 billion in the first three months of the year, well ahead of analyst estimates. Its wealth management business posted new assets of \$27 billion, with revenues up \$500 million to \$6.1 billion, driven by the Americas, Switzerland and Asia-Pacific markets.

Shares in **Auto Trader** (+17%), the automotive marketplace, rose as the company benefitted from robust demand in the used car market. In the year to March, the company saw revenue increase by 14%, from £500 million to £571 million. Sales rose 12 per cent to £530million, while leasing specialist Autorama saw a 51 per cent increase to £41.2million.

French carmaker **Renault** (+19%) performed strongly towards the end of the month following two separate ratings upgrades.

Sage Group (-12%) was among the detractors for the period after the company cut organic revenue growth guidance for the year. Despite reporting a surge in profit to £254 million for the six months to 31 March 2024, the UK-listed software company announced that it expected fiscal 2024's organic total revenue growth to be

broadly in line with the c.9% seen in the first half of the year, down from guidance provided in November which was around 10%.

Remote access and remote control computer software provider **TeamViewer** (-6.6%) slid after its Q1 billings figures missed average estimates due to lower contribution from multi-year deals with full upfront payments.

Swedish gaming company **Evolution** (-6.0%) continued its slide following a lacklustre earnings release last month.

Positive contributors to performance included:

Renault (+19%), UBS Group (+18%), Auto Trader (+17%)

Negative contributors to performance included:

Sage Group (-12%), TeamViewer (-6.6%), Evolution -5.9%)

* Source: Financial Express, as at 31.05.24, total return (net of fees and income reinvested).

Key Features of the Liontrust GF Pan-European Dynamic Fund

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

Notes: 1. As specified in the PRIIP KID of the fund; 2. SRI = Summary Risk Indicator. Please refer to the PRIIP KID for further detail on how this is calculated.

For a comprehensive list of common financial words and terms, see our glossary at:

<https://www.liontrust.co.uk/glossary>.

Key Risks

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

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

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

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

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

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

The issue of units/shares in Liontrust Funds may be subject to an initial charge, which will have an impact on the realisable value of the investment, particularly in the short term. Investments should always be considered as long term.

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