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Cashflow Solution

July 2025 review

Liontrust GF Pan-European Dynamic Fund

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- European equities moved higher in July, buoyed by easing trade tensions and encouraging earnings reports.
- **Wartsila** continued its strong momentum into July, while **eBay** and **Belimo** also delivered robust performances.
- **Kongsberg** declined due to rising Q2 costs and weaker order trends, while **Renault** cut its 2025 earnings forecast amid soft June sales and a deteriorating automotive market outlook.

The Fund's A5 share class returned 2.4%* in euro terms in July. This Fund's target benchmark, the MSCI Europe Index, returned 0.7%.

European equities moved higher in July, buoyed by easing trade tensions and encouraging earnings reports. Gains were particularly notable in the energy (+4.9%) and financial (+4.8%) sectors, with the latter rising as a number of European banks reported solid quarterly performances.

Conversely, the information technology (-6.1%) sector lagged, weighed down by underwhelming earnings and cautious forward guidance from prominent European software and semiconductor firms.

Meanwhile, the European Central Bank maintained its benchmark interest rate at 2% during the month. President Christine Lagarde, speaking in June, had signalled that the current cycle of monetary policy easing was approaching its conclusion.

The top performer in July was **eBay** (+26%) after the company delivered strong Q2 results and issued an optimistic outlook for the current quarter, driven by robust demand in both US and international markets.

Revenue climbed 6.1% year-over-year to $2.73 billion, beating estimates of $2.64 billion. Adjusted EPS increased 16% to $1.37, topping expectations of $1.30. Gross merchandise volume rose 6% to $19.51 billion, also above forecasts. For Q3, eBay projects revenue between $2.69 billion and $2.74 billion, exceeding the consensus estimate of $2.65 billion.

Finnish engineering specialist **Wartsila** (+21%) reported second-quarter orders that exceeded analyst expectations, boosted by a newly announced contract for 15 large Wartsila engines for a 282-megawatt U.S. data centre. Marine orders also performed strongly, surpassing consensus estimates.

Belimo (+19%), the Swiss manufacturer of heating, ventilation and air conditioning (HVAC) equipment, rose after reporting a 31% increase in first-half net income, driven by broad-based sales growth, improved margins, and strength in the data centre segment – most notably in the US and Canada.

Pre-tax profits at **Deutsche Bank** (+15%) surged to €2.4 billion in the three months to June, a significant jump from €400 million in the same period last year. This improvement was partly driven by the release of €85 million in legal provisions, compared with charges of €1.3 billion a year earlier linked to a prolonged legal dispute over the acquisition of Postbank.

The income boost helped the bank improve its cost-income ratio to 62.3% in the first half of 2025, down from 78.1% a year ago. Management has set a target of achieving a full-year ratio below 65%.

Kongsberg Gruppen (-20%), a leading aerospace and defence specialist, was the heaviest detractor after its second-quarter results noted rising costs, a dip in cash reserves and mixed order intake across its divisions.

Renault (-16%) was also weak after the French multinational carmaker revised its 2025 earnings forecast downward. The adjustment followed weaker-than-expected sales results in June and the company's warning of continued negative market trends over the next six months.

In its earnings release, Renault projected an operating margin of approximately 6.5% for the 2025 fiscal year, down from the previous estimate of over 7%. This revision was attributed to "deteriorating automotive market conditions," "growing commercial pressure from competitors," and an anticipated "ongoing decline in the retail market."

Shares in audio streaming platform **Spotify Technology** (-16%) fell despite exceeding expectations for subscriber and user growth in the second quarter. The company reported 276 million premium subscribers, up from 268 million in Q1 and above the forecast of 273 million. Monthly active users rose to 696 million from 678 million, also beating estimates of 689 million.

However, Spotify posted an unexpected quarterly loss of €86 million, compared to a €274 million profit a year earlier. The loss was driven by higher costs, including personnel and marketing expenses.

Positive contributors to performance included:

eBay (+26%), Wartsila (+21%) and Belimo (+19%)

Negative contributors to performance included:

Kongsberg Gruppen (-20%), Renault (-16%) and Spotify Technology (-16%)

Discrete years' performance (%) to previous quarter-end**:

	Jun-25
Liontrust GF Pan-European Dynamic Fund A5	10.0%
MSCI Europe	8.1%

*Source: Financial Express, as at 31.07.25, total return (net of fees and income reinvested), A5 class.

**Source: Financial Express, as at 30.06.25, total return (net of fees and income reinvested), bid-to-bid, A5 class. Discrete data is not available for ten full 12-month periods due to the launch date of the portfolio (27.02.24). Investment decisions should not be based on short-term performance.

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Key Features of the Liontrust GF Pan-European Dynamic Fund

Investment objective & policy[1]	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. The Fund is considered to be actively managed in reference to MSCI Europe Index (the "Benchmark") by virtue of the fact that 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. 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. 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.

	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.
Recommended investment horizon	5 years or more
Risk profile (SRI)[2]	4
Active/passive investment style	Active
Benchmark	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.

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.

Disclaimer