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November 2025 review

Liontrust European Dynamic Fund

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Key takeaways

- European equities posted modest gains in November, with market leadership rotating towards healthcare and financials.
- Top performers in November included ArcelorMittal, which gained on expectations that stronger European policy support will benefit the steel sector, and Deutsche Post, which outperformed expectations in its third-quarter results.
- Detractors included BE Semiconductor, which fell amid a broader market sell-off driven by concerns over elevated valuations and the durability of AI-related spending.

Performance

The Fund returned 0.3% in sterling terms in November. The MSCI Europe ex-UK Index comparator benchmark returned 0.6% and the average return made by funds in the IA Europe ex-UK sector, also a comparator benchmark, was -0.4%.

Commentary

European equities posted modest gains in November. The month was marked by sharp swings in sentiment with markets surging early on, led by financials, on relief around the US government shutdown and solid earnings expectations. However, volatility picked up mid-month amid concerns over stretched valuations in AI-linked technology stocks.

European markets were led by healthcare (+4.5%) and financials (+3.4%), alongside solid contributions from energy (+2.5%), consumer staples (+1.8%), materials (+1.7%), and utilities (+1.5%). The weakest segments were industrials (-2.0%), communication services (-3.2%), and technology (-4.1%).

ArcelorMittal (+13%) advanced after noting that increased European policy support for the steel sector is set to bolster performance next year and over the medium term. The company expects a cumulative uplift of around $2.1 billion in EBITDA (earnings before interest, tax, depreciation and amortisation) over the coming years, with approximately $700 million in 2025 and $800 million in 2026.

Deutsche Post (+12%) outperformed market expectations in the third quarter, reporting stronger-than-anticipated operating profit and reiterating its 2025 targets. The German logistics specialist posted a 7.6% rise in operating profit to €1.5 billion, roughly 12% ahead of consensus. Management attributed the improvement to effective price adjustments and faster-than-expected benefits from its cost-cutting programme.

French construction and concessions company Eiffage (+11%) rose after reporting strong Q3 results, with sales exceeding forecasts, driven by solid performance in its Contracting division, 7% order-book growth, and a confirmed full-year revenue outlook.

BE Semiconductor (-12%), the Dutch manufacturer of integrated semiconductor assembly equipment, declined amid a broader market sell-off driven by concerns over elevated valuations and the sustainability of AI-related spending.

German healthcare specialist Fresenius (-5.7%) shares declined over the period despite the company lifting its profit outlook, supported by strong performances from its hospital operations and Kabi, its division specialising in intravenous generics and therapies for critically ill patients. The group now anticipates operating profit growth of up to 8% at constant currencies for the year, compared with its prior guidance of up to 7%.

Belimo (-10%) shares fell after a broker cut its price target and reduced earnings estimates, citing more pronounced margin headwinds.

Positive contributors to performance included:

ArcelorMittal (+13%), Deutsche Post (+12%) and Eiffage (+11%)

Negative contributors to performance included:

BE Semiconductor (-12%), Belimo Holding (-10%) and Fresenius (-5.7%)

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

	Sep-25	Sep-24	Sep-23	Sep-22	Sep-21
Liontrust European Dynamic I Inc	15.2%	12.9%	26.8%	-8.7%	42.8%
MSCI Europe ex UK	13.9%	14.5%	19.0%	-12.8%	20.9%
IA Europe Excluding UK	12.1%	14.6%	18.7%	-16.1%	22.4%
Quartile	2	4	1	1	1

*Source: Financial Express, as at 30.11.25, total return (net of fees and income reinvested), bid-to-bid, institutional class. Non fund-related return data sourced from Bloomberg.

**Source: Financial Express, as at 30.09.25, total return (net of fees and income reinvested), bid-to-bid, primary class.

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

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. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.

The Fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.

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.

Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.

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