

Cashflow Solution

November 2025 review

Liontrust GF European Smaller Companies Fund



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Key takeaways

- The European smaller companies market was flat over the period, with the month characterised by pronounced swings in investor sentiment.
- Top performers in November included Games Workshop, which signalled a strong first half with sales and profits set to rise, and Kainos Group, which delivered robust top-line growth in the first half of 2025.
- UK property portal Rightmove fell after announcing increased investment in AI and a rebuild of its digital infrastructure, prompting concerns over near-term profitability.

Performance

The Fund's A3 share class returned 1.3%* in euro terms in November. This Fund's target benchmark, the MSCI Europe Small Cap Index, returned 0.0%.

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.

The MSCI Europe Index was led by healthcare (+5.4%) and financials (+2.9%), alongside solid contributions from consumer staples (+2.5%), utilities (+2.3%), energy (+1.5%), materials (+1.4%). The weakest segments were communication services (-2.8%), industrials (-2.9%) and technology (-4.0%).

Games Workshop (+22%), the manufacturer and retailer of tabletop war-game systems and fantasy miniatures, signalled a strong first half, with both sales and profits set to increase. In a trading update, the company announced estimated revenues of at least £310 million for the six months to November, up 15% from £269 million a year earlier. Pre-tax profit is expected to reach around £135 million, compared with nearly £127 million in the prior period.

Kainos Group (+12%), a position we added mid-month, delivered solid top-line growth in the first half of 2025, reporting a 7% rise in revenue to £196 million, supported by broad-based momentum across its divisions. Adjusted pre-tax profit declined as higher costs came through, but the company reiterated its full-year profit guidance and announced a £30 million share buyback programme. Workday Products remained a standout performer, with annual recurring revenue rising 19% and surpassing the \$100 million milestone.

French cement producer **Vicat** (+8.8%) reported a 1.4% rise in third-quarter sales to €992 million, ahead of analyst expectations. The company also reaffirmed its 2025 guidance, maintaining its outlook for like-for-like sales growth and for EBITDA to increase by 2% to 5% on a like-for-like basis.

UK property portal **Rightmove** (-18%) dropped after announcing increased investment in AI and a rebuild of its digital infrastructure, prompting concerns over near-term profitability. In its latest update, the company guided to underlying operating profit growth of 3-5% in 2026, compared with 4-9% expected across 2024-25. We exited our position in Rightmove following its profit warning, after which the shares continued to decline.

Playtech (-11%) shares fell after the gambling-technology group was downgraded by a covering analyst, who pointed to heightened uncertainty stemming from an ongoing US legal dispute between the company and rival Evolution.

IONOS Group (-9.4%) slid after the German web hosting group reported weaker-than-expected third-quarter revenue, weighed down by softness in its Core and Cloud divisions and a sharp downturn in its advertising technology (AdTech) segment, with revenue dropping 66% to €27.5 million, significantly below market expectations. Management has opted to sell the AdTech business, which will be reclassified as discontinued operations.

Positive contributors to performance included:

Games Workshop (+22%), Kainos Group (+12%) and Vicat (+8.8%)

Negative contributors to performance included:

Rightmove (-18%), Playtech (-11%) and IONOS Group (-9.4%)

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

	Sep-25	Sep-24	Sep-23	Sep-22	Sep-21
Liontrust GF European Smaller Companies A3 Acc EUR	8.2%	21.1%	14.2%	-20.7%	59.1%
MSCI Europe Small Cap	8.4%	20.3%	14.0%	-26.9%	38.0%

	Sep-20	Sep-19	Sep-18
Liontrust GF European Smaller Companies A3 Acc EUR	-1.9%	-6.7%	2.0%
MSCI Europe Small Cap	0.2%	-1.8%	3.4%

*Source: Financial Express, as at 30.11.25, total return (net of fees and income reinvested).

**Source: Financial Express, as at 30.09.25, total return (net of fees and income reinvested). Discrete data is not available for ten full 12-month periods due to the launch date of the portfolio (01.02.17). Investment decisions should not be based on short-term performance.

Key Features of the Liontrust GF European Smaller Companies Fund

Investment objective & policy ¹	The investment objective of the Fund is to achieve long term capital growth by investing primarily in European smaller companies. The Fund may invest in all economic sectors in all parts of the world, although it is intended it will invest primarily in equities and equity related derivatives (i.e. total return swaps, futures and embedded derivatives) in European companies (including the UK and Switzerland). The majority of the assets of the Fund (more than 85%) are expected to be invested in smaller companies (with a market capitalisation of less than 5 billion euros at the time of the initial investment). In normal conditions, the Fund will aim to hold a diversified portfolio, although at times the Investment Adviser may decide to hold a more concentrated portfolio, and it is possible that a substantial portion of the Fund could be invested in cash or cash equivalents. The Fund may use FX forwards to hedge the Fund's currency exposures. The Fund has both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign exchange contracts to protect returns in the base currency of the Fund.
Recommended investment horizon	5 years or more
Risk profile (SRRI) ²	6
Active/passive investment style	Active
Benchmark	The Fund is considered to be actively managed in reference to MSCI Europe Small -Cap Index net total return (the "Benchmark") by virtue of the fact that it seeks to outperform the Benchmark. However 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.com/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.

The Fund may, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Fund volatility in both up and down markets by hedging against the general market.

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.

The Fund uses derivative instruments that may result in higher cash levels. Outside of normal conditions, the Fund may choose to hold higher levels of cash. Cash may be deposited with several credit counterparties (e.g. international banks) or in short dated bonds. A credit risk arises should one or more of these counterparties be unable to return the deposited cash.

There is no guarantee that a positive absolute return will be generated over any time period.

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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