

# Cashflow Solution

December 2025 review

## Liontrust GF Pan-European Dynamic Fund



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### Key takeaways

- European equities finished December on a firm footing, supported by improving sentiment and expectations of policy stability into 2026.
- Financials were a key driver of Fund performance, led by UBS Group and UniCredit.
- Outside financials, AP Moller-Maersk and Wärtsilä also performed well, helped by broker rating upgrades.

### Performance

The Fund's A5 share class returned 3.5%\* in euro terms in December. This Fund's target benchmark, the MSCI Europe Index, returned 2.7%.

### Commentary

European equities ended December on a constructive note, with the market supported by improving macro sentiment and expectations for policy stability into 2026. The European Central Bank kept rates unchanged and reiterated a careful stance as inflation cools and growth remains fragile. Elsewhere, US markets absorbed a quarter-point Fed cut, but a more cautious outlook on further easing left rate expectations finely balanced into 2026.

European markets were led by financials (+6.6%), alongside solid contributions from materials (+4.0%), industrials (+3.0%) and consumer discretionary (+2.2%), with more modest gains from information technology (+1.4%) and healthcare (+1.2%). The weakest segments were energy (-1.4%), consumer staples (-0.9%) and real estate (-0.7%).

Financials continued to be a standout contributor to Fund performance over the year, with the sector again delivering strong returns in December and featuring prominently among the Fund's best-performing holdings. UBS Group (+19%) and UniCredit (+10%) led the gains, supported by further strength from Banco Santander (+8.6%), CaixaBank (+8.3%) and Deutsche Bank (+7.8%).

With regard to specific newsflow, **UBS Group** shares moved higher on expectations that the Swiss government may soften parts of its proposed banking reforms that would have increased UBS's required capital buffer. The adjustment appears focused on how certain balance-sheet items, such as deferred tax and software assets, are treated, which could meaningfully reduce the additional capital UBS would need to hold. While a major element of the package, requiring greater capitalisation of foreign subsidiaries, is still expected to proceed, the prospect of a lower overall capital burden was viewed positively by the market.

Away from the financials sector, Danish shipping giant **AP Moller-Maersk** (+13%) and **Wartsila** (+8.6%), the Finnish provider of technologies and lifecycle solutions for the marine and energy markets, also ranked among the top performers following a ratings upgrade from a covering analysts.

#### Positive contributors to performance included:

UBS Group (+19%), AP Moller-Maersk (+13%) and UniCredit (+10%)

#### Negative contributors to performance included:

Auto Trader (-8.0%), Imperial Brands (-2.5%) and Next Plc (-2.2%)

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

	Dec-25
Liontrust GF Pan-European Dynamic Fund A5	19.7%
MSCI Europe	19.4%

\*Source: Financial Express, as at 31.12.25, total return (net of fees and income reinvested), A5 class.

\*\*Source: Financial Express, as at 31.12.25, 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.

#### Key Features of the Liontrust GF Pan-European Dynamic Fund

Investment objective & policy <sup>1</sup>	<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 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</p>
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	<p>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) <sup>2</sup>	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.com/glossary>.

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## 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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