

Cashflow Solution

February 2026 review

Liontrust GF Pan-European Dynamic Fund



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Key takeaways

- European equities rise but AI concerns continue to influence sector performance.
- ArcelorMittal rose on better-than-expected quarterly earnings, with investors in Eiffage and Novartis also responding positively to results.
- Online travel agency Booking Holdings sold off as it was caught up amid wider fears over the potential for AI tools to threaten a range of businesses, particularly those providing software or online tools.

Performance

The Fund's A5 share class returned 1.7%* in euro terms in February. This Fund's target benchmark, the MSCI Europe Index, returned 4.1%.

Commentary

European equity markets registered gains in February despite ongoing concerns around the impact of AI on certain sectors, as well as a spike in geopolitical risk at the end of the month as the US and Israel launched attacks on Iran.

Software and professional services firms were among those in focus due to the potential for AI tools to undermine their core businesses. At the same time, investors continued to show some nervousness over the scale of capital investment from the biggest AI players.

Most sectors of the MSCI Europe Index were in positive territory in euro terms, although there was a large range of dispersion between the largest gainers, defensive areas including communication services (+10%) and

consumer staples (+9.5%) and the more cyclical laggards such as financials (-0.1%) and consumer discretionary (+1.5%). Real estate (+10.8%) was also a notable gainer.

Steel producer **ArcelorMittal** (+21%) beat analyst estimates with its Q4 EBITDA of \$6.5 billion, equivalent to \$121 per tonne. Investors were also encouraged by a 2026 outlook which predicts a 2% increase in global ex-China demand growth, as well as highlighting the potential for ArcelorMittal to benefit from greater domestic European production as trade tariffs reduce the attractiveness of imports. Following strong cash generation, the company announced a 9% dividend increase and committed to returning 50% of free cash flow via share buybacks.

Shares in French construction and concessions group **Eiffage** (+19%) rallied ahead of 2025 results which showed a 4.8% like-for-like revenue increase to over €25 billion. Over the next year, Eiffage expects revenue growth to slow but operating profit to benefit from improved margins.

This year's strong momentum in **Novartis** (+15%) shares was maintained by 2025 results which detailed 8% net sales growth and a 14% improvement in core operating income. The pharma group is facing a transitional year with the largest patent expiry schedule in its history but still expects to deliver low single-digit growth in revenues and profit.

Online travel agency **Booking Holdings** (-15%) sold off amid wider fears over the potential for AI tools to threaten a range of businesses, particularly those providing software or online tools. The company itself reported 9% growth in room nights in Q4, lifting revenue 11% in constant currency terms. While acknowledging the accelerating pace of change in the travel industry, Booking emphasised the opportunity to deploy generative AI itself and issued an upbeat 2026 outlook of high single digit growth in both bookings and revenues.

Swiss building materials group **Holcim** (-8.9%) lost some ground on speculation that the EU could delay plans to withdraw carbon allowances. This measure had been expected to reduce supply and improve market dynamics for major players, such as Holcim, that can comply with decarbonisation regulations.

Positive contributors to performance included:

ArcelorMittal (+21%), Eiffage (+17%) and Novartis (+15%).

Negative contributors to performance included:

Booking Holdings (-15%), Holcim (-10%) and Deutsche Bank (-9.0%).

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 28.02.26, 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

<p>Investment objective & policy¹</p>	<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 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</p>
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	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.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.

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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