



Liontrust GF High Yield Fund

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For professional investors and advisers only



High Yield's perception isn't helped by the media

Proportion of distressed US junk bonds hits 2018 high

Appetite for junk bonds sparks exposure warnings

Junk bonds' nasty year-end offers clues to next downturn

Junk bond market dries up

High yield bonds
Investors flee risky US corporate debt

Investors take flight from junk bonds in 'risk-off' move

Search for yield draws US life insurers to risky places

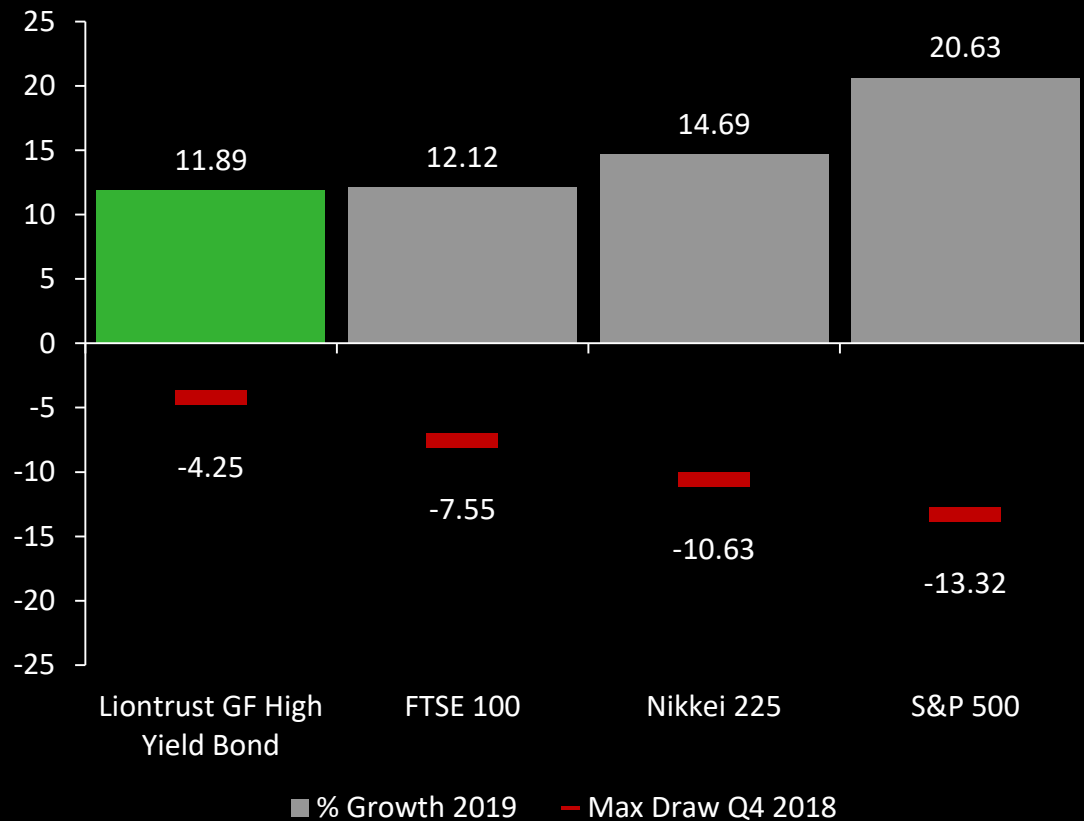
Bonds rated one notch above junk now comprise more than a third of holdings

US credit markets dry up as volatility rattles investors

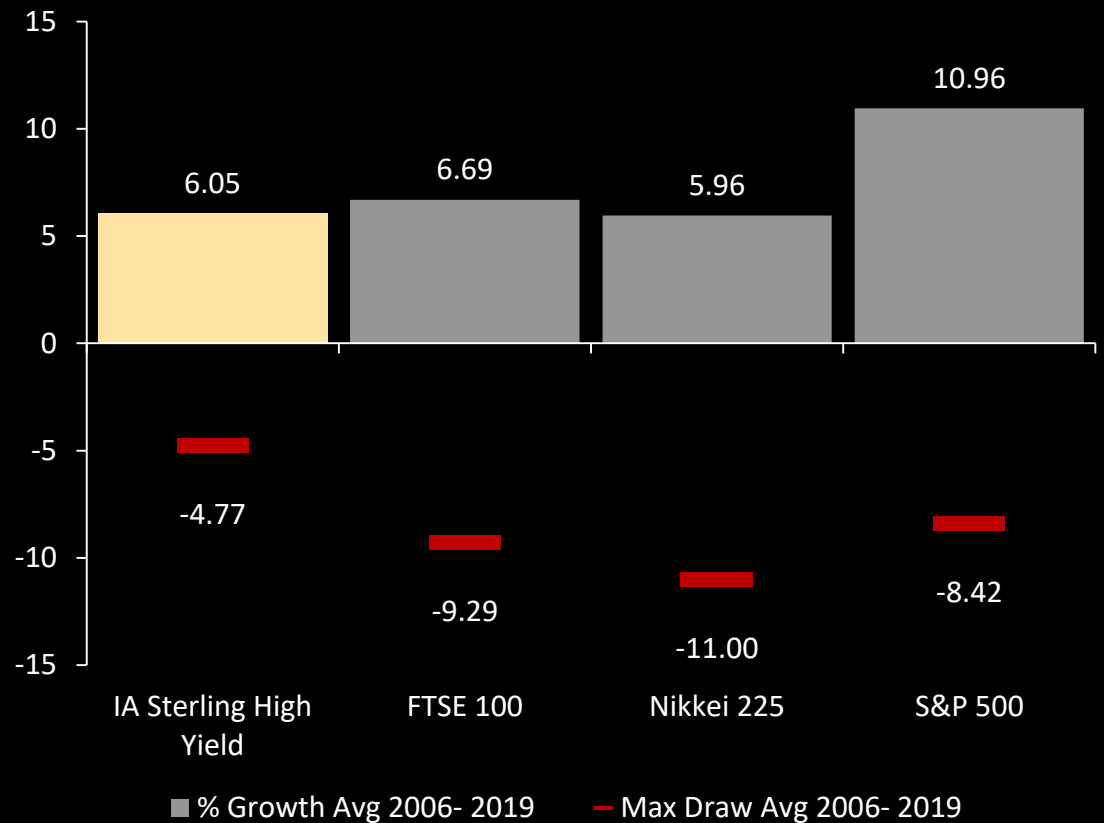
December on course to be first month without junk bond sale since Lehman crash

Reality: excellent risk adjusted returns versus equities

Year to date 2019



14 discrete years – average



Source: Liontrust, FE Analytics as at 31.10.19. The Liontrust GF High Yield fund's comparator benchmark is the IA Sterling High Yield index; FTSE 100, Nikkei 225 and S&P 500 are used as reference indices. Past performance is not a guide to future performance, investments can result in total loss of capital. Please refer to the Key Risks slide for more information

Reality: "Junk" is misleading

80%

public market listed
(+ Liberty Global
subsidiaries)

\$24bn

average market cap of
listed companies held in
our fund

\$25bn

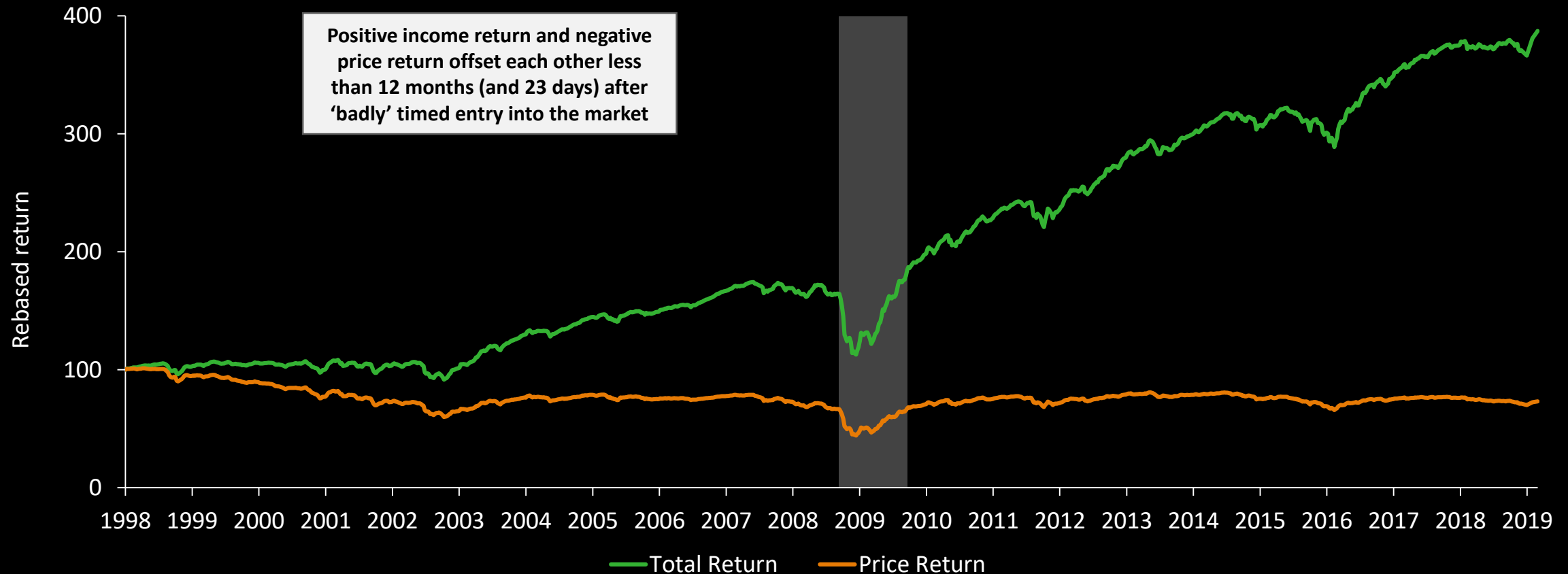
average market cap of
FTSE 100 companies



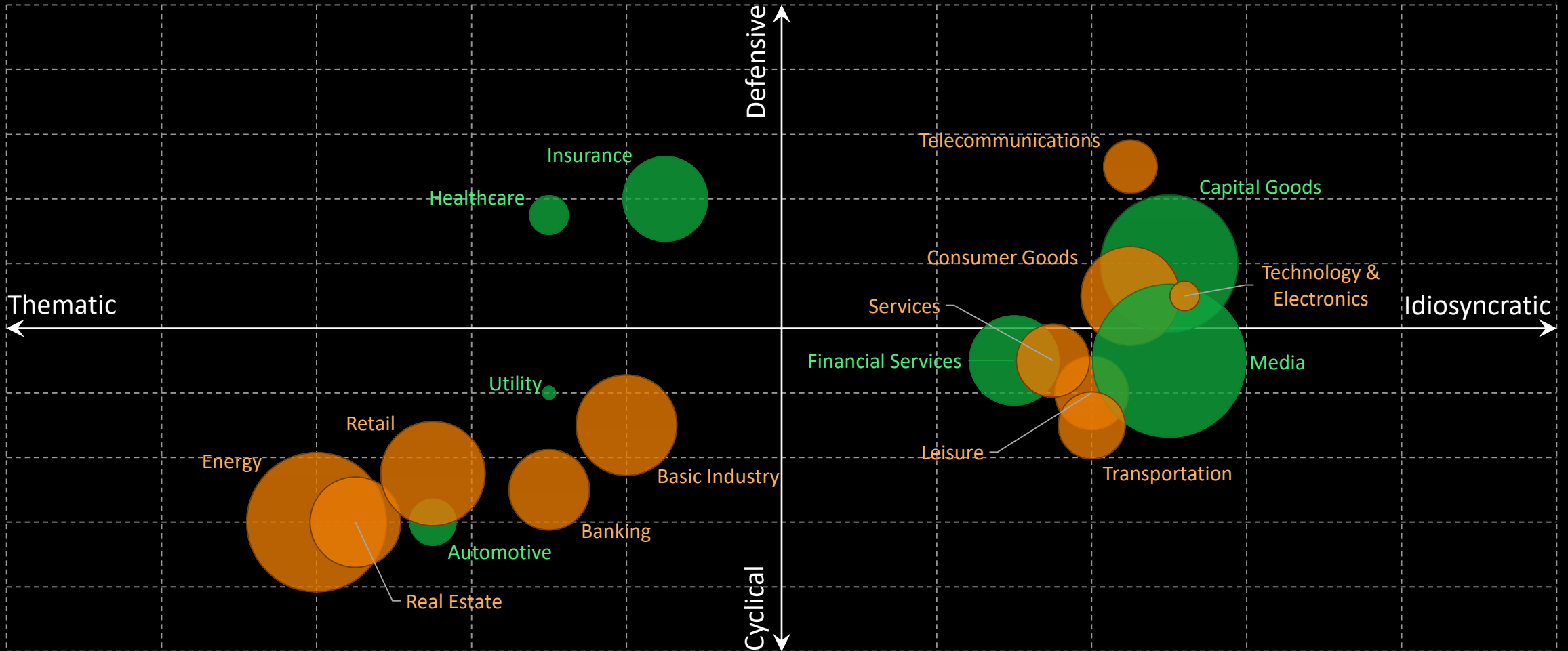
No junk here!

Reality: strong income characteristics and resilience

Global High Yield Total Return versus Price Return – coupons are king



Process & philosophy: putting ourselves in the position to add value



Source: Liontrust, UBS Delta excluding cash, 31.12.19. * The index is the comparator benchmark ICE BAML Level 3 Sector. Green bubbles denote positive relative values against the comparator benchmark. Past performance is not a guide to future performance, investments can result in total loss of capital. Please refer to the Key Risks slide for more information

Process & philosophy: how to measure our added value

- Second quartile over rolling one year, first quartile over rolling three years
- Do so with large, liquid and listed bonds
- Outperform leading Global High Yield ETF +1.5% net of fees over rolling three years



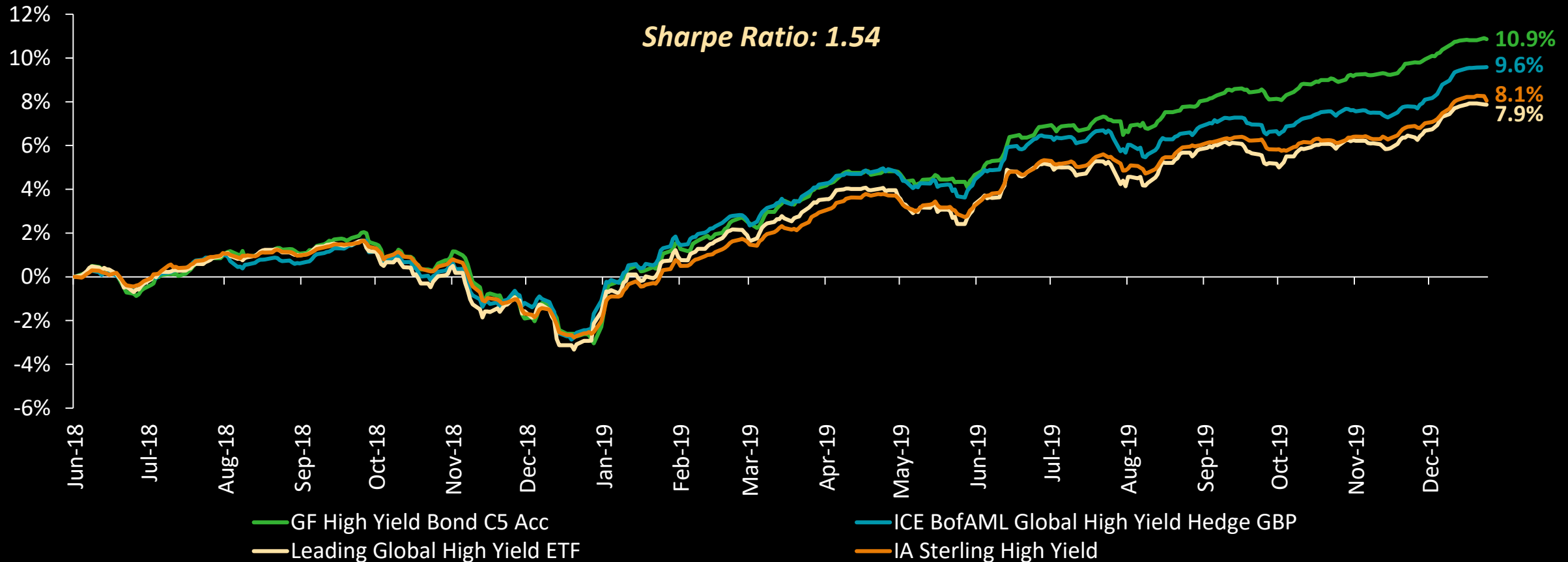
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Past performance is not a guide to future performance, investments can result in total loss of capital. Please refer to the Key Risks slide for more information

How are we doing?

Liontrust GF High Yield Bond fund since inception

Sharpe Ratio: 1.54



Source: Financial Express as at 31.12.19, Liontrust GF High Yield Bond Fund C5 Acc in GBP, income reinvested versus comparator benchmarks ICE BofAML Global High Yield Index hedged in GBP and IA Sterling High Yield in GBP and a leading Global High Yield ETF, since inception (08.06.18). Financial Express: Sharpe ratio as at 31.12.19, risk free rate SONIA.

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Discrete performance

12 months return to last quarter ending (%)	Dec-19	Dec-18	Dec-17	Dec-16	Dec-15
Liontrust GF High Yield Bond Fund C5 Acc	13.8	N/A	N/A	N/A	N/A
ICE BofAML Global High Yield Hedge GBP	12.3	N/A	N/A	N/A	N/A
IA Sterling High Yield	10.9	N/A	N/A	N/A	N/A
Quartile	1	N/A	N/A	N/A	N/A

Source as at 31.12.19: Financial Express: Liontrust GF High Yield Bond Fund, total return, (net of fees, income reinvested), C5 share class in GBP versus comparator benchmarks. Discrete data is not available for five full 12 month periods due to the launch date of the portfolio. Investment decisions should not be based on short-term performance

Past performance is not a guide to future performance, investments can result in total loss of capital. Please refer to the Key Risks slide for more information

Key risks

Past performance is not a guide to future performance. Do remember that the value of an investment and the income generated from them can fall as well as rise and is not guaranteed, therefore, you may not get back the amount originally invested and potentially risk total loss of capital.

Investment in Funds managed by the Global Fixed Income team involves foreign currencies and may be subject to fluctuations in value due to movements in exchange rates. The value of fixed income securities will fall if the issuer is unable to repay its debt or has its credit rating reduced. Generally, the higher the perceived credit risk of the issuer, the higher the rate of interest. Bond markets may be subject to reduced liquidity. The Funds may invest in emerging markets/soft currencies and in financial derivative instruments, both of which may have the effect of increasing volatility.

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.

GIPS - Global Fixed Income – Global High Yield Fixed Income

Definition of USD Composite

Global Fixed Income fixed interest selections will be based on long-term ability to return income based on taking advantage of market inefficiencies through a thorough understanding of the economic environment and detailed bottom up stock analysis.

The process invests predominantly in a diversified portfolio of US dollar denominated high yield fixed interest securities. Allocations to non-US Dollars denominated fixed interest is hedged back to US Dollars. The process seeks to invest in good investments rather than buying expensive debt in good companies. This means market analysis must always be coupled with an examination of value in order to drive both alpha and beta returns. Typically the portfolio will hold between 50 and 200 stocks aiming to provide long-term high levels of investment income.

Composite:	Global Fixed Income – Global High Yield Fixed Income								
Composite Inception Date:	01 July 2018								
Reporting Currency:	USD								
Reporting Date:	31 December 2018								
Benchmark:	ICE Bank of America Merrill Lynch Global High Yield Index Hedged USD								
	Returns		3 year Standard Deviation		Portfolios	Assets			
Year	Gross of fee return %	Benchmark return %	Composite 3-year std dev (%)	Benchmark 3-year std dev (%)	Year-end Number in Composite	Total Composite Assets (\$m)	GIPS Total Firm Assets (\$m)	Total Firm Advisory Assets (\$m)*	Total Firm Assets (\$m)*
2018 ^	-0.8	-1.9	N/A	N/A	1	30.9	13,773.2	567.7	14,341.0
^ 6 Months from July 2018									
* Supplemental information and is the combination of the GIPS Total Firm & Advisory Assets.									

GIPS - Global Fixed Income – Global High Yield Fixed Income

1. Liontrust Asset Management PLC (“Liontrust” or the “Firm”) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with GIPS standards.
2. Liontrust has been independently verified for the periods 1st January 2000 to 31st December 2018 inclusive. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.
3. For the purposes of GIPS, the Firm is defined as all funds under the management of Liontrust Asset Management PLC.

The “Firm” is known as Liontrust, and this encompasses the combined investment management activities of Liontrust Investment Partners LLP, Liontrust Fund Partners LLP and Liontrust Investments Limited. Liontrust is a specialist fund management company launched in 1995 and listed on the London Stock Exchange in 1999. All Liontrust entities are authorised and regulated by the Financial Conduct Authority.
4. The Firm was redefined from Liontrust Investment Partners LLP to Liontrust Asset Management PLC on 1st January 2018 as this Firm definition is the broadest definition available that includes all assets contained in the Firm’s composites.
5. The Benchmark is the ICE Bank of America Merrill Lynch Global High Yield Index Hedged USD.
6. All performance returns have been calculated gross of investment management fees. Furthermore, no other fees have been deducted bar trading expenses.
7. All performance returns and market values are denominated in US Dollars.
8. Throughout all time periods the number of portfolios contained within the composite was less than five, therefore no measurement of dispersion has been presented.
9. A representative fee schedule for this composite is a yearly Management Fee ranging between 0.30% - 0.50%. Note that fees for institutional investors are assessed on a case-by-case basis.
10. For the purposes of GIPS the composite was created on the 1st July 2018, however the composite has been managed by the Team since 8th June 2018.
11. Liontrust is generally permitted to use financial derivative instruments to more effectively manage the level of investment risk and to facilitate efficient investment and management of cash and liquidity in each Fund. Liontrust may use futures, forwards (including forward rate agreements), options (both writing and purchasing), swaps (including credit default swaps) and contracts for difference, including both exchange traded and over the counter derivative instruments for any Fund. Additional information regarding investments in derivative instruments are available on request.
12. A complete list and description of all the Firm’s composites has been constructed and is available upon request.
13. Additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Disclaimer

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