

ECONOMIC ADVANTAGE

The world-class opportunities at home in the UK

Mansion House | 17 June 2025



For professional investors and advisers only



Welcome



13.30	Welcome	<ul style="list-style-type: none"> John Ions, Chief Executive Officer, Liontrust and Kristian Cook, Head of Global Distribution, Liontrust
13.40	The world-class opportunities at home in the UK	<ul style="list-style-type: none"> Victoria Stevens and Matt Tonge, Fund Managers, Liontrust Economic Advantage team
14.05	Keynote speaker	<ul style="list-style-type: none"> Sir Nicholas Lyons, Alderman in the City of London, Chair of Phoenix Group
14.25	Break	
14.45	Fireside chat: an economist's perspective	<ul style="list-style-type: none"> Kallum Pickering, Chief Economist, Peel Hunt in discussion with Alex Game, Fund Manager, Liontrust Economic Advantage team
15.10	Company panel: UK companies setting the pace on innovation	<ul style="list-style-type: none"> Dr Eben Upton, Chief Executive Officer, Raspberry Pi Jon Stanton, Chief Executive Officer, Weir Group, Elizabeth Walton, Director of Investor Relations, AstraZeneca, Chaired by Natalie Bell, Fund Manager, Economic Advantage team
15.55	In conclusion	<ul style="list-style-type: none"> Anthony Cross, Head of the Economic Advantage team
16.00	Drinks and canapes	

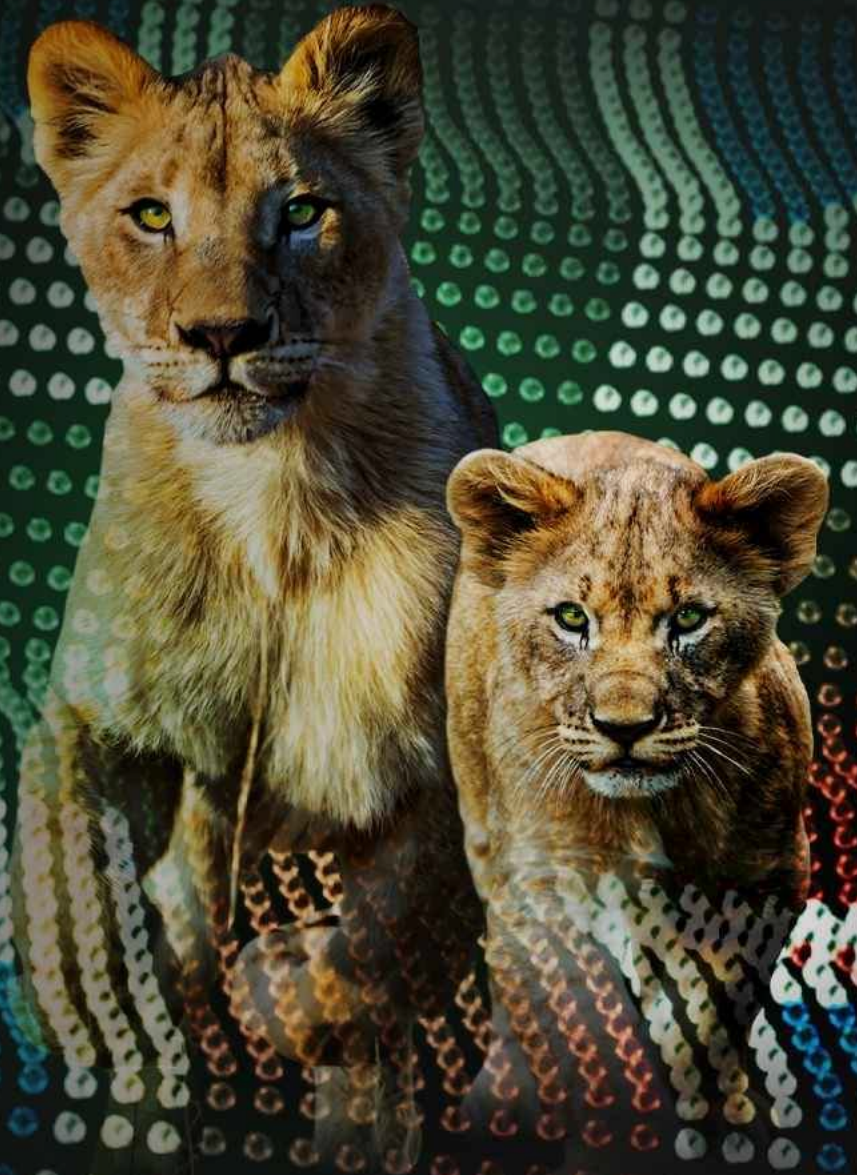
- Understand the world-class investment opportunities in the UK stock market
- Identify companies leading on innovation
- Explain the outlook for the UK economy
- Understand the potential policy decisions to boost the UK stock market



ECONOMIC ADVANTAGE

The world-class opportunities at home in the UK

Victoria Stevens & Matt Tonge
Fund Managers, Economic Advantage team

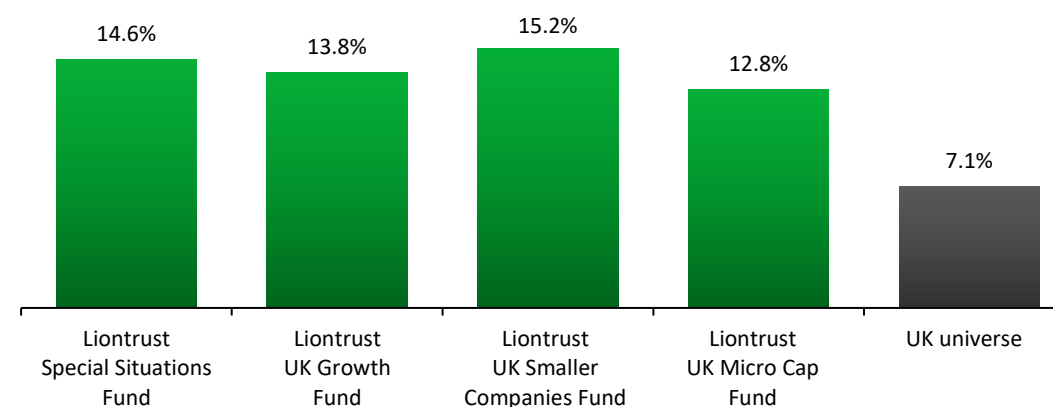


Economic Advantage investment process

Intangible barriers to competition



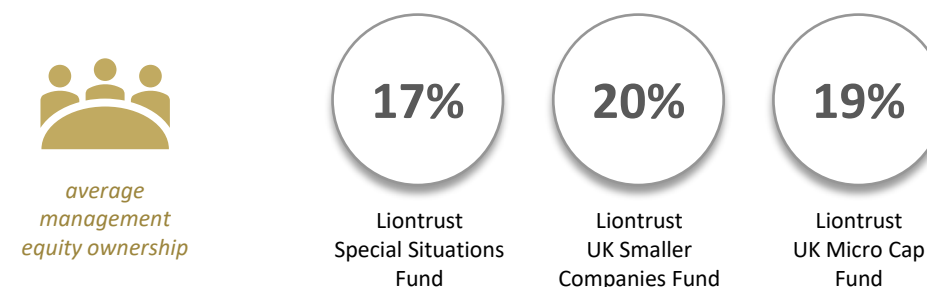
Cash flow return on invested capital (CFROC)



Valuation



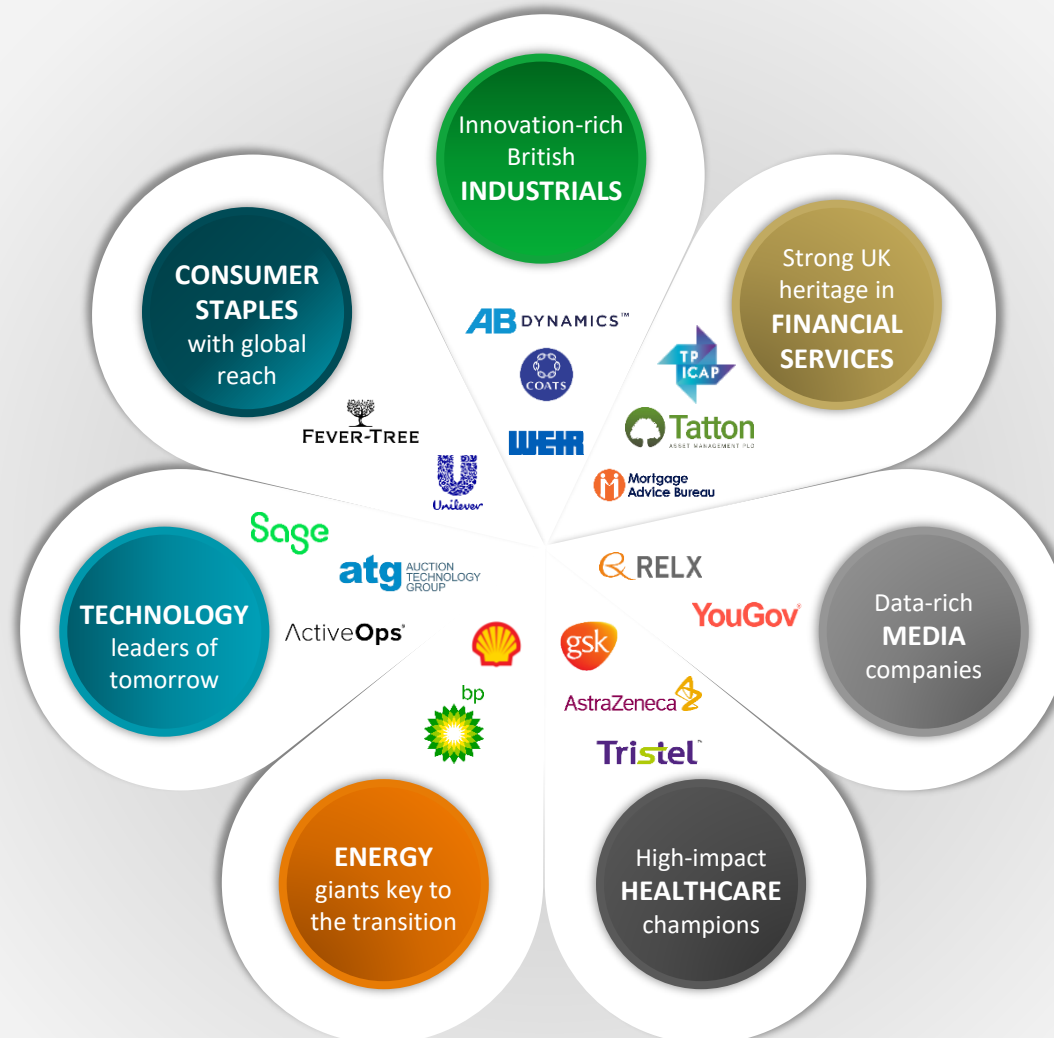
Management ownership



Stocks scored across matrix of 13 risk categories to determine target position weight

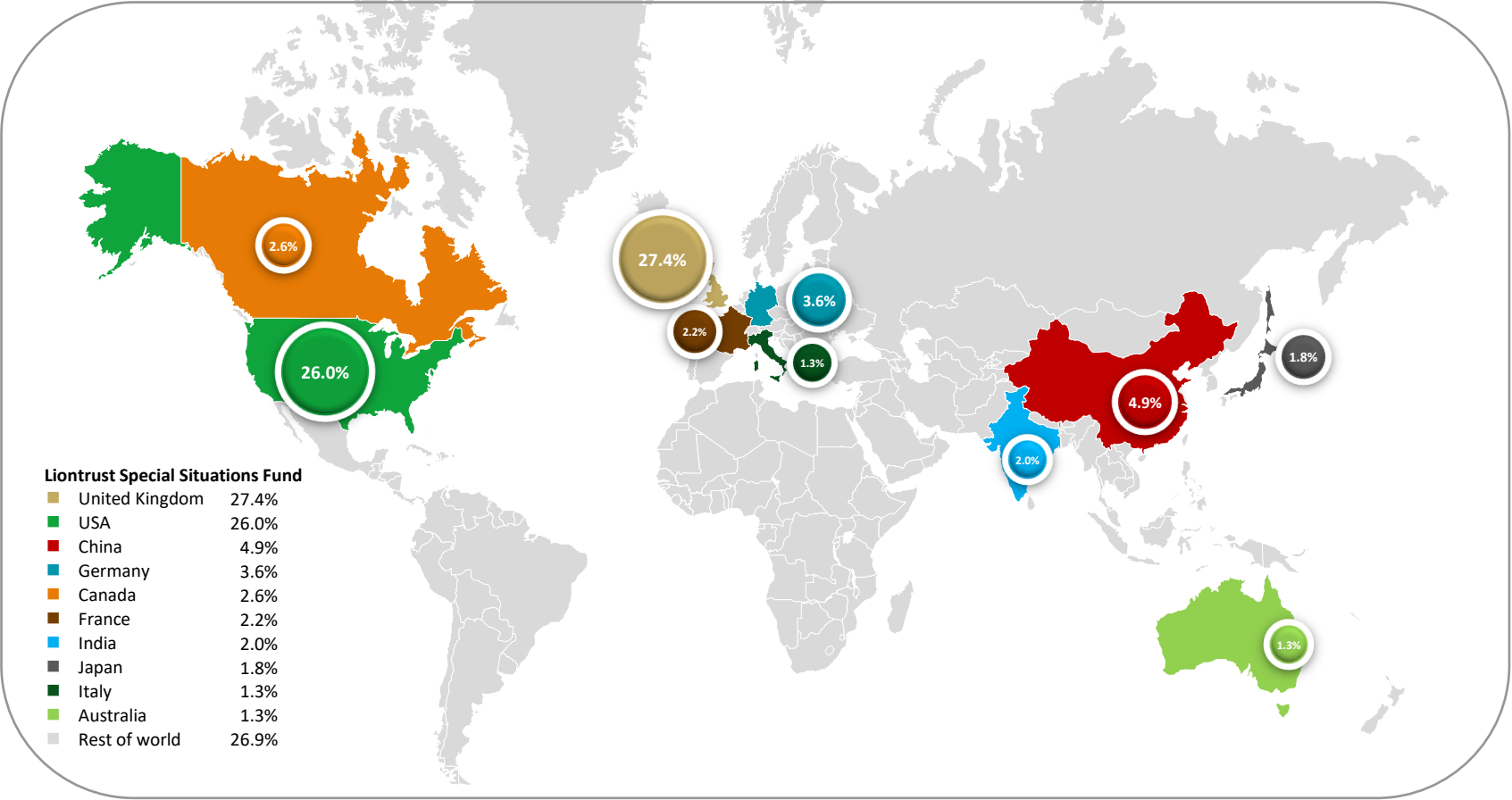
Source: Canaccord Genuity Quest™; prices as at 14.01.25. Cash flow returns on capital: weighted average post-tax, real economic return on total invested capital. UK universe market average. FY(1) is the next (prospective) annual unreported period.*Management equity ownership of the smaller companies held in the Special Situations fund, unweighted mean average as at 13.01.25; UK Smaller Companies, 28.01.25 UK Micro Cap as at 31.12.24

Identifying long term compounders rich in intellectual capital



Source: Liontrust, 31.05.25. All use of company logos, images or trademarks in this presentation are for reference purposes only

Strong international sales footprint



72.6%

Liontrust Special Situations Fund

79.1%

Liontrust UK Growth Fund

46.6%

Liontrust UK Smaller Companies Fund

44.9%

Liontrust UK Micro Cap Fund

Source: Factset/Liontrust as at 31.05.25

18

Completed* takeovers
since January 2022

44%

average premium

3

further holdings
subject to potential
bid

COMPLETED*



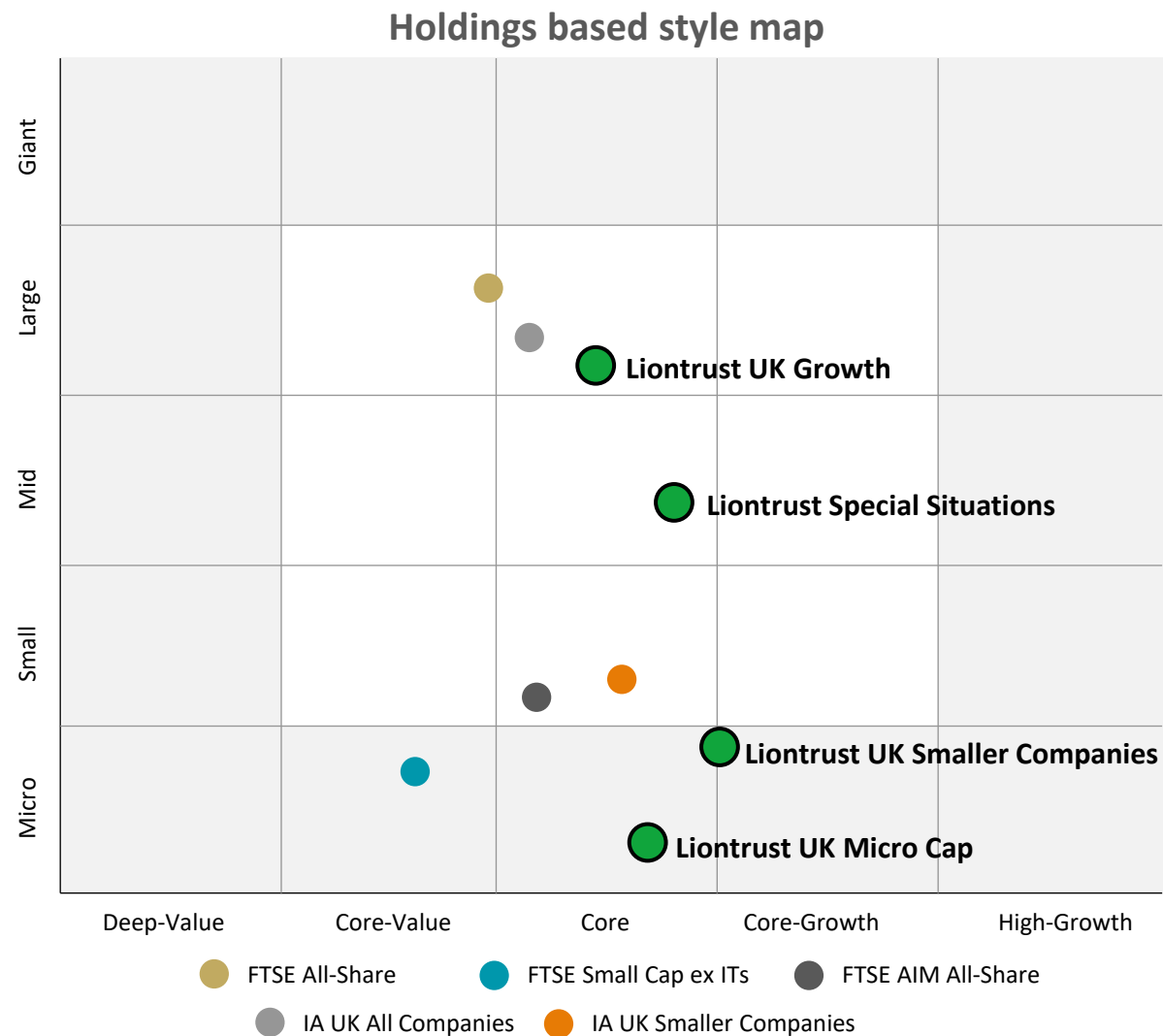
PENDING

ALPHA



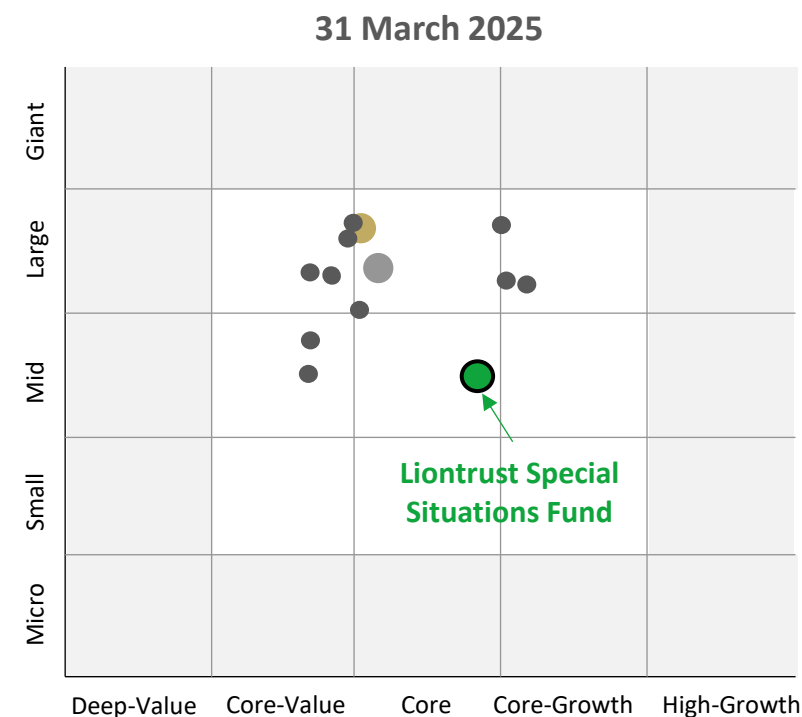
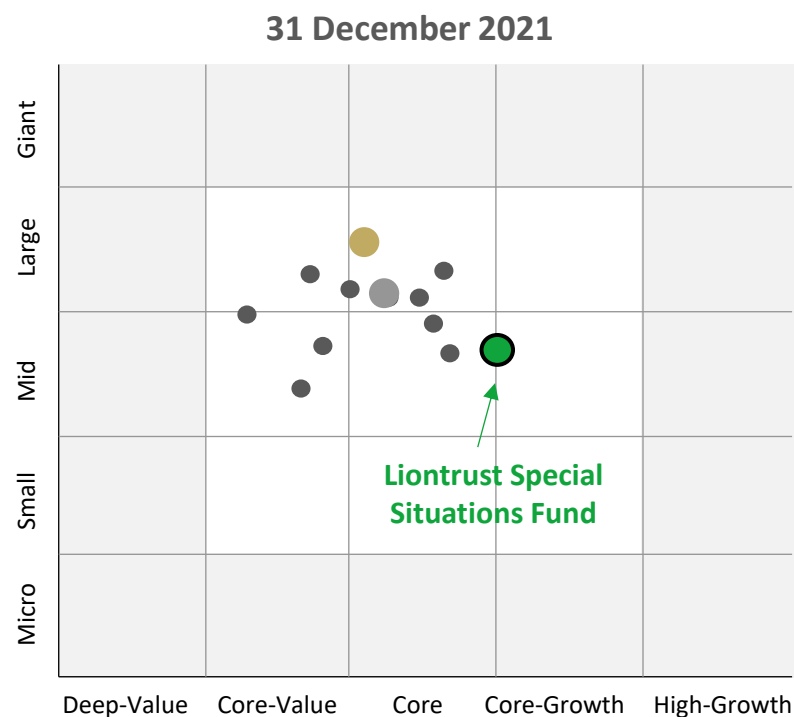
spectris

Source: Liontrust, June 2025. Average premium shows average bid premium to last closing price for completed takeovers since 01.01.22. *Completed includes companies the Fund has fully exited its position ahead of formal takeover completion. All use of company logos, images or trademarks in this presentation are for reference purposes only



Source: Liontrust, Morningstar Direct, 31.03.25

- The Fund retains its high-conviction, long-term overweight towards mid and small cap, while the peer group has meaningfully shifted towards large cap Value



● Liontrust Special Situations ● FTSE All-Share ● IA UK All Companies ● IA UK All Companies sector peers

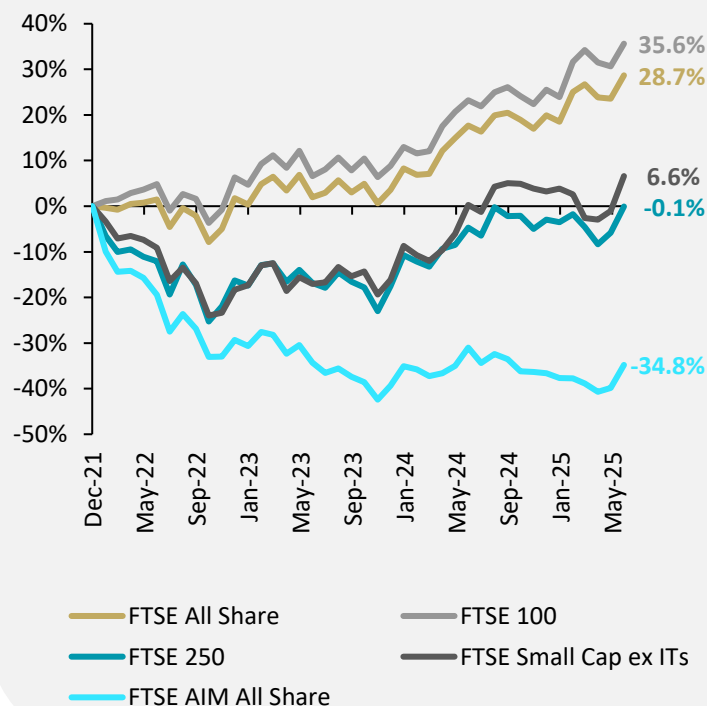
Source: Morningstar, 31.12.21. (LHS), 31.03.25 (RHS). The competitor funds chosen for analysis have been selected in accordance with our internal policy; top 10 AUM funds in the sector excluding trackers and funds less than 5 years old

Three years of size, style and sector headwinds

Past performance does not predict future returns

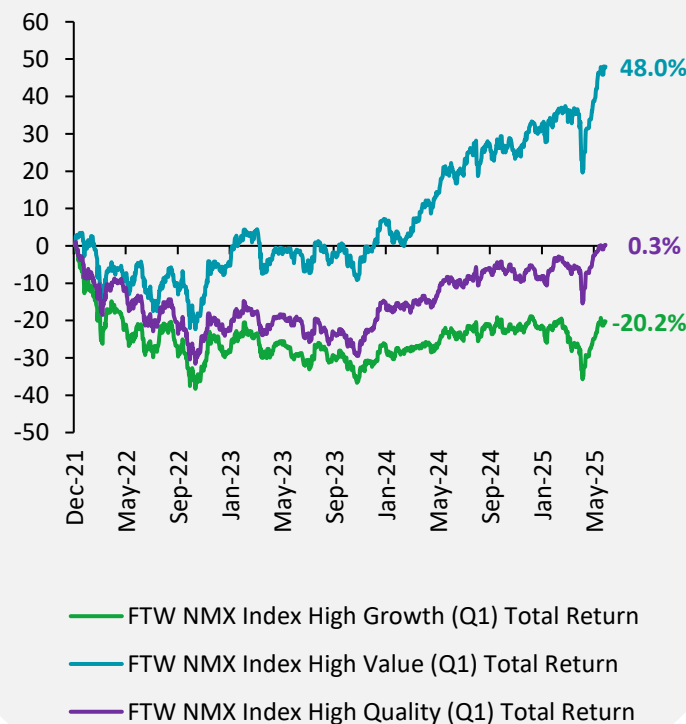
Size

- Material outperformance of large cap since start of 2022; AIM the clear laggard



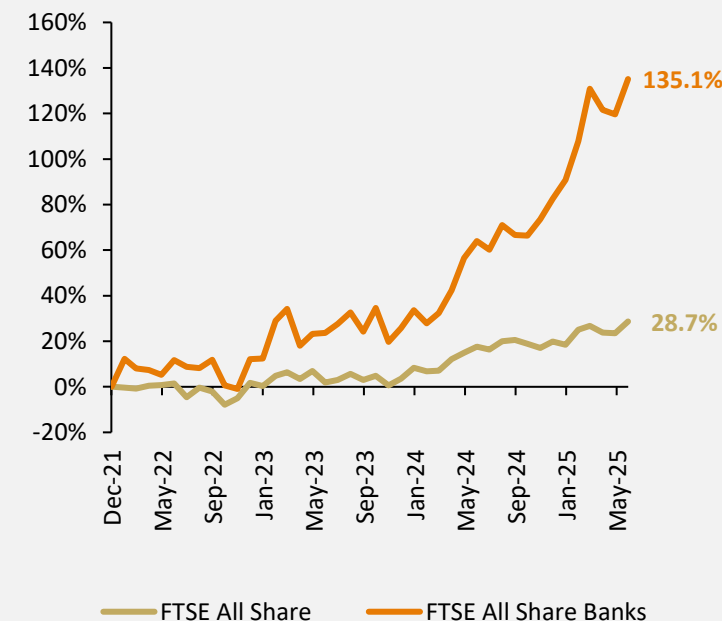
Style

- Value has outperformed Quality as interest rates have risen



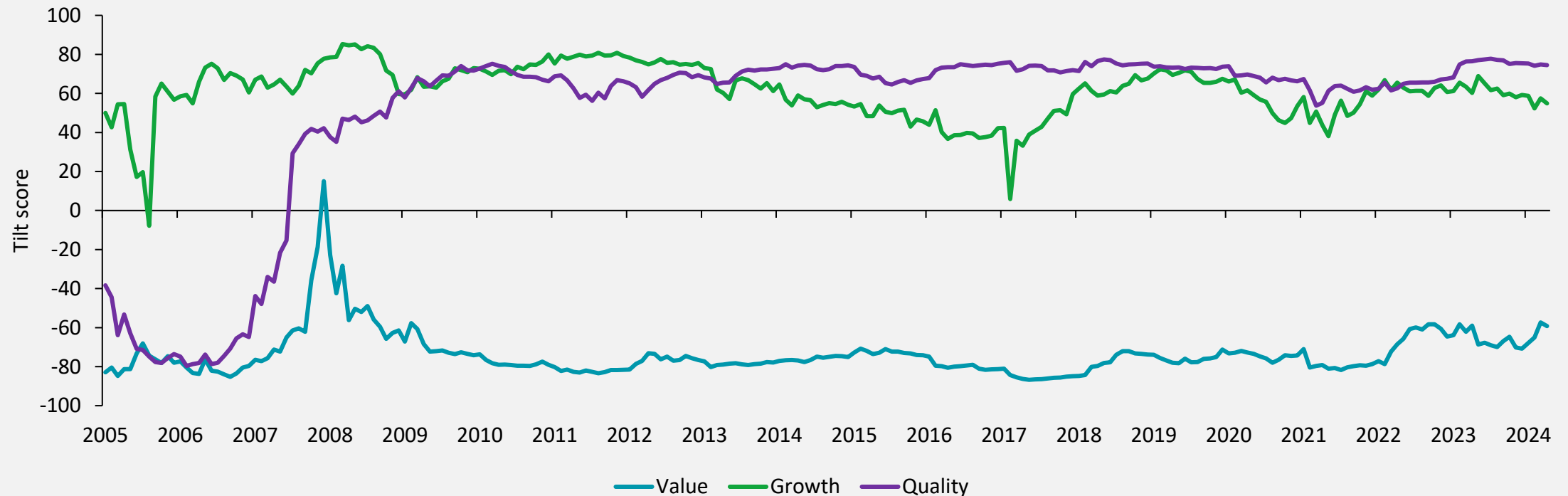
Sector

- Banks – where the Funds have zero exposure – have cost -10% relative since start of 2022

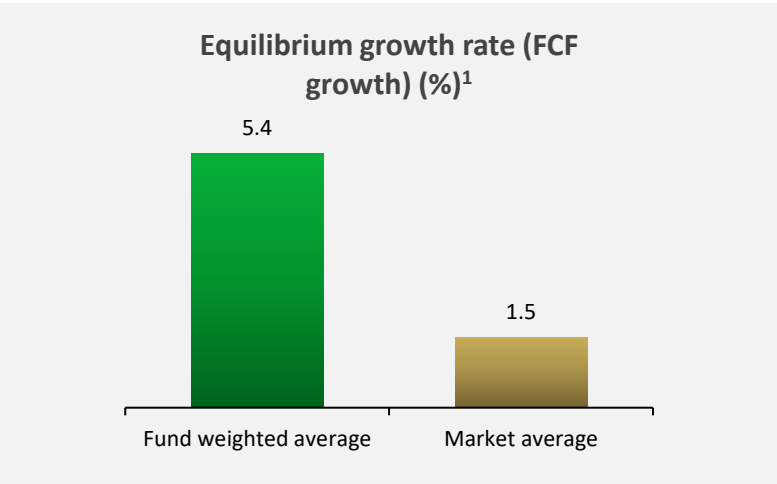
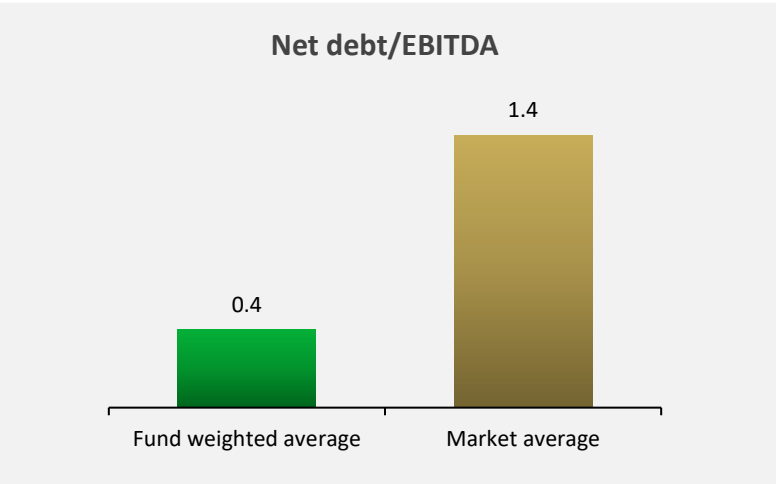
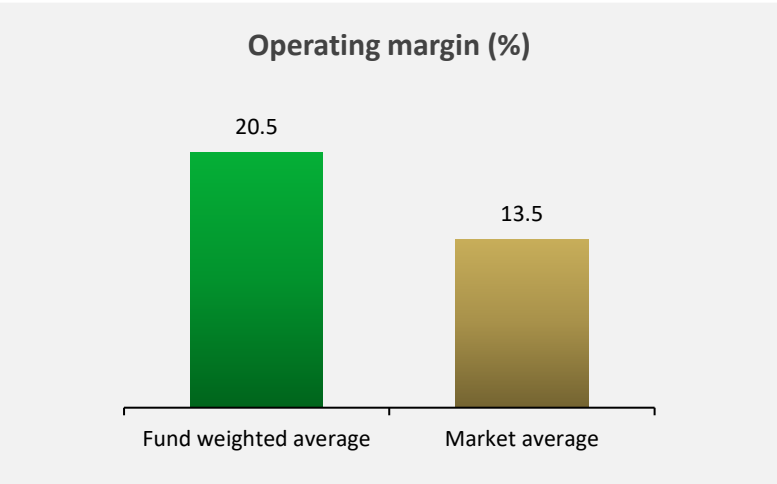
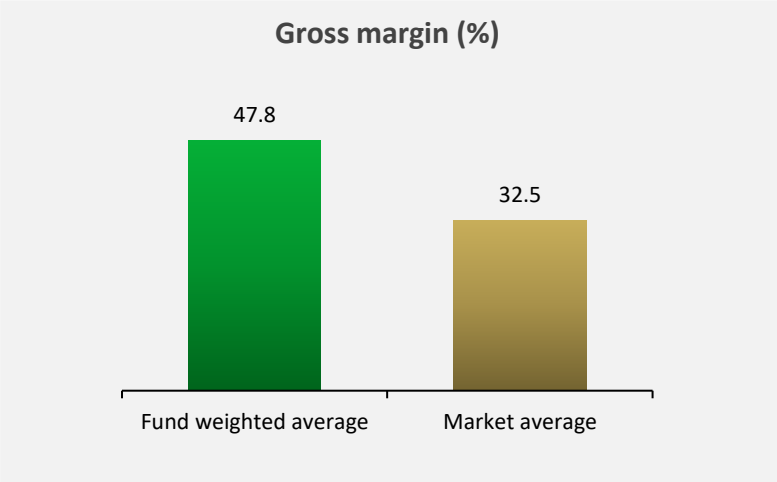
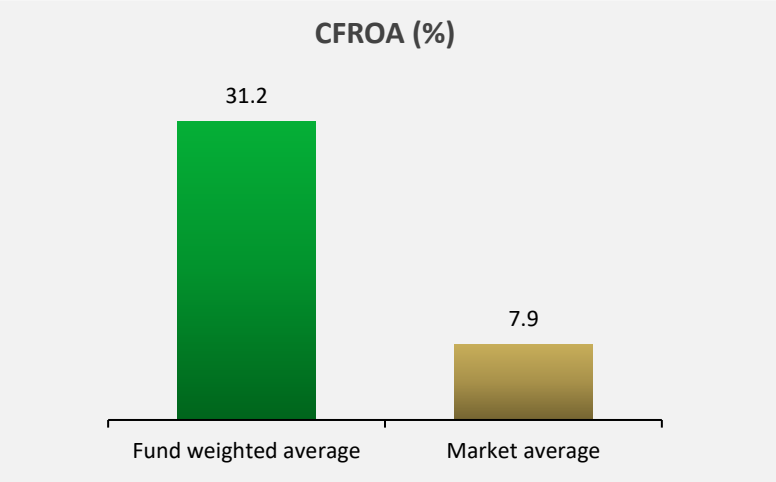
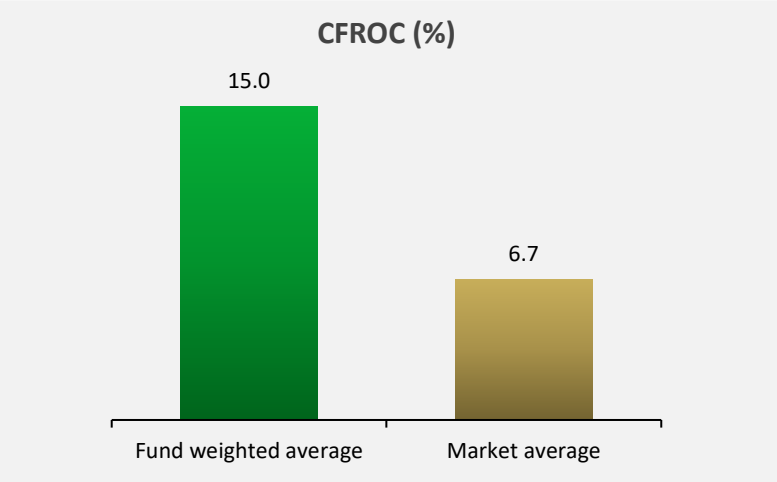


Source: FE Analytics, 31.12.21 to 31.05.25; Bloomberg FTW (Factor To Watch) index returns are derived from the FTSE 350 based upon Bloomberg's proprietary equity factor models for Value, Quality and Growth

- The Fund's style tilt towards Quality and Growth and away from Value has remained very consistent over time
- Within the peer group, the Fund is within the 8th decile for Value, but is 3rd decile for Growth and is **top decile for Quality**



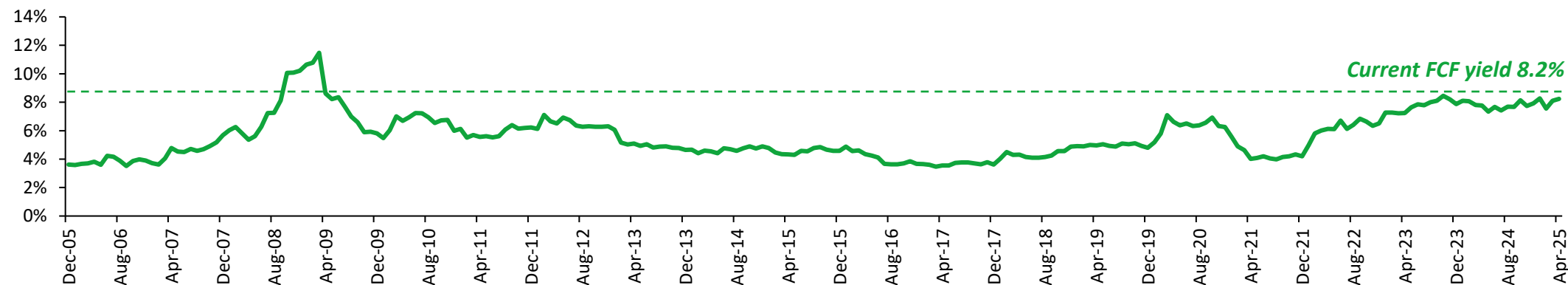
Source: Style Analytics, 30.04.25, and 31.12.24. Liontrust Special Situations Fund. Data is available for 202 peers within the IA UK All Companies sector peer group



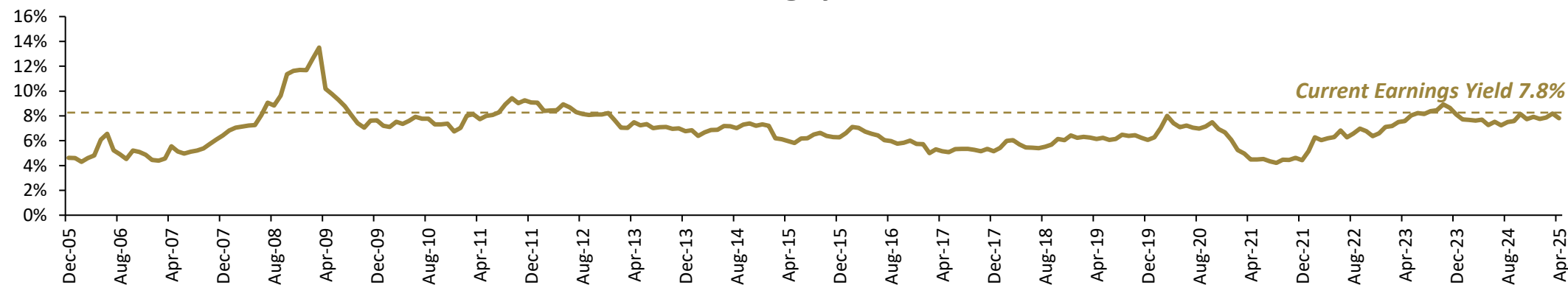
Source: Canaccord Genuity, 04.06.25. Liontrust Special Situations Fund statistics are a weighted average of holdings in the portfolio. 1. Equilibrium Growth is the real rate of capital growth which a company can generate from internally generated free cash flow, calculated after paying out interest, tax, dividends, buybacks and maintenance capex, data as at 20.05.25

Valuation at generational lows

Free cash flow yield



Earnings yield

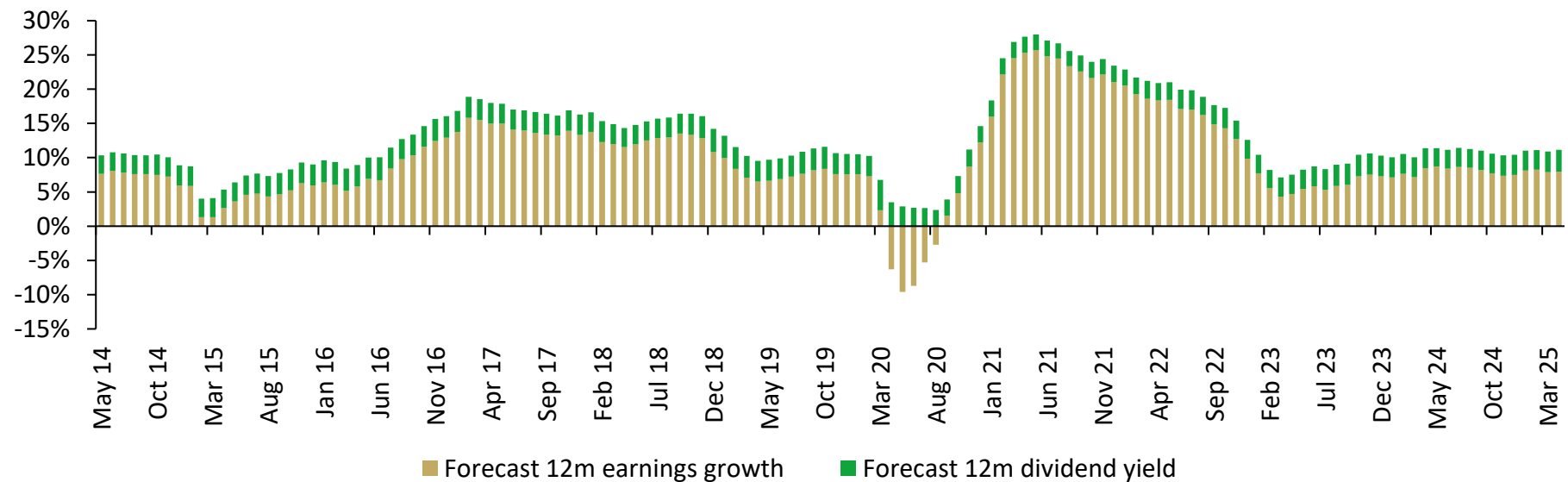


Source: Style Analytics, 30.04.25, Liontrust Special Situations Fund

Compelling total return outlook

Past performance does not predict future returns

Expected total return (%)



~3%

Dividend
yield

~8%

Earnings
growth

Sources of upside

+2%

p.a.
cyclical earnings
recovery*

+5%

p.a.
re-rating to
LRA^

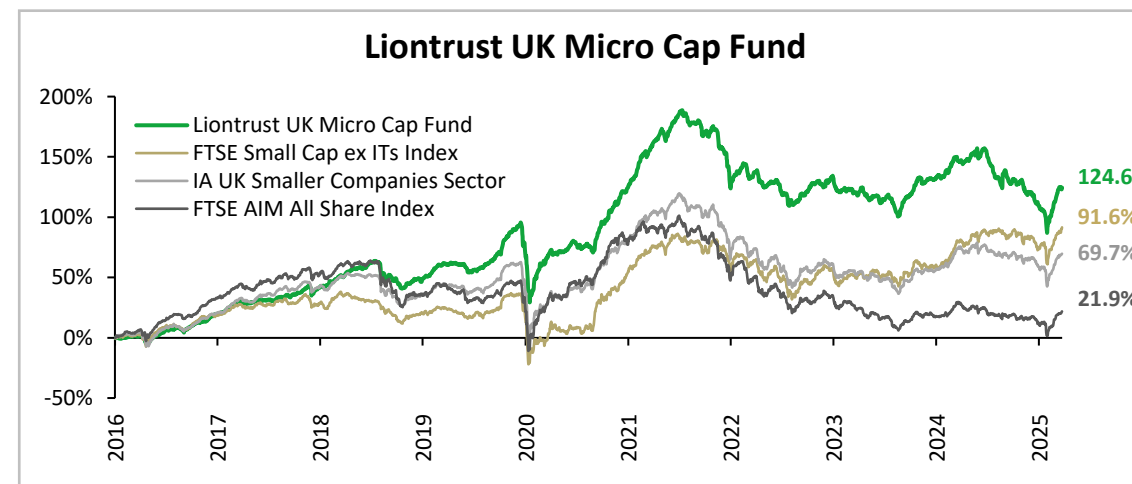
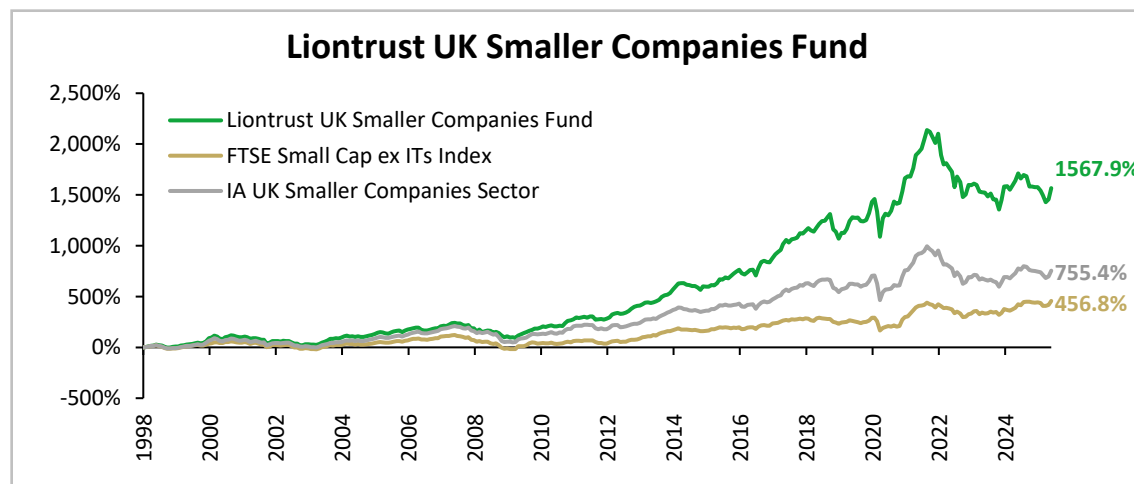
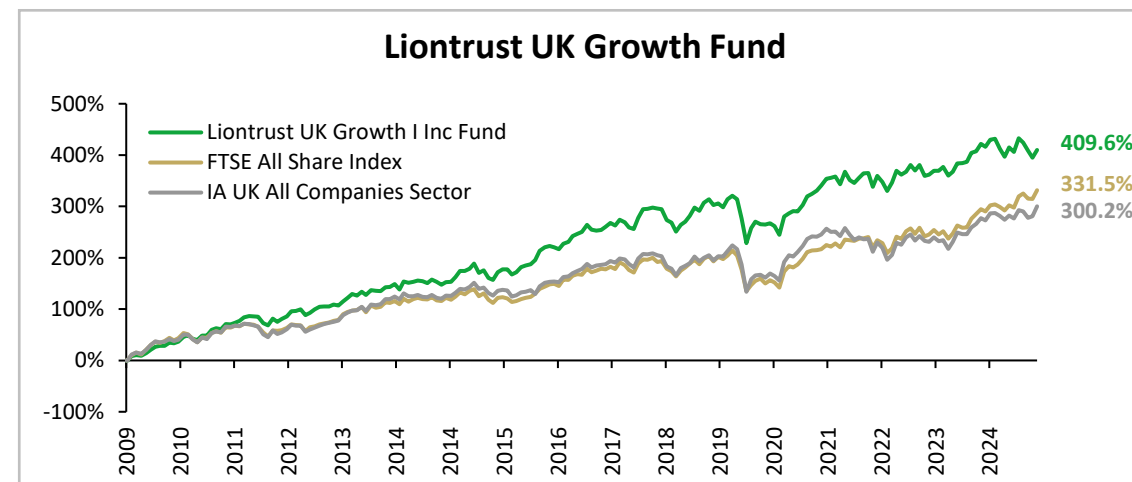
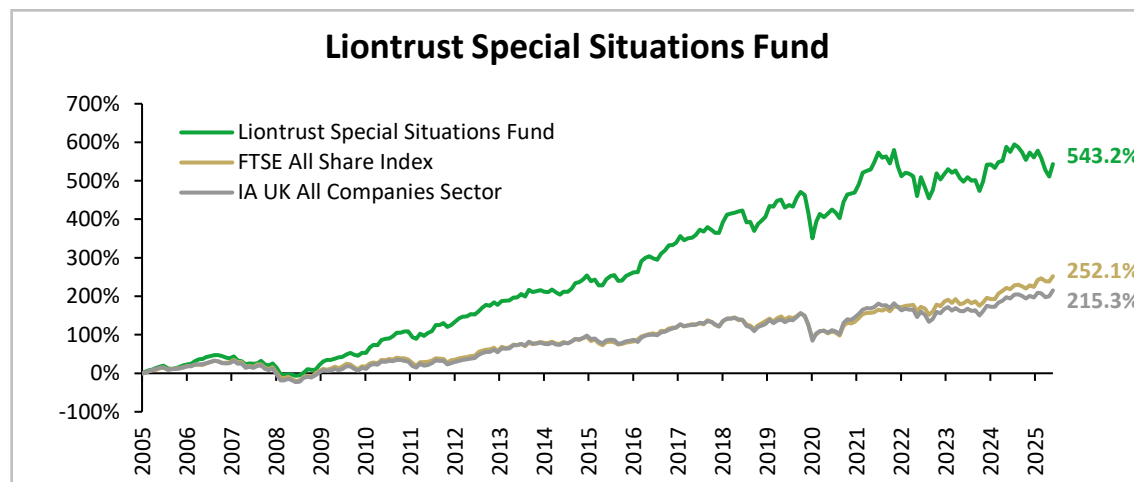
8%

free cash flow
yield
**

Source: Style Analytics to 30.04.25. Liontrust Special Situations Fund, earnings growth and dividend yield figures based on 12m forecast consensus; *assumes recovery back to long term 10% p.a. EPS growth trend, ^assumes current discount of 28% to the long run average P/E ratio re-rates to 0 over the next 5 years, ** current free cash flow yield available for productive investment – M&A, buybacks, growth capex

Liontrust Economic Advantage UK funds

Past performance does not predict future returns



Source: FE Analytics, as at 31.05.25. Primary share classes performance, bid to bid, total return (net of fees, interest/income reinvested) versus FTSE All-Share and IA UK All Companies comparator benchmarks for Liontrust UK Growth Fund and Liontrust Special Situations Fund and FTSE Small Cap ex ITs and IA UK Smaller Companies for Liontrust UK Smaller Companies and Liontrust UK Micro Cap Funds. FTSE AIM All-Share is also a comparator benchmark to Liontrust UK Micro Cap Fund. Since fund inception and manager inception (UK Smaller Companies Fund and UK Growth Fund)

You may get back less than you originally invested. Please refer to the Key Risks slide for more information.



Keynote speaker

Sir Nicholas Lyons | Alderman in the City of London,
Chair of Phoenix Group



Fireside chat: an economist's perspective

Kallum Pickering | Chief Economist, Peel Hunt

Alex Game | Fund Manager, Economic Advantage team



ECONOMICS

The shifts and the shocks

Assessing the key global macro themes

JUNE 2025

**PEEL
HUNT**

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Key themes:

- Trade wars – the case for muddling through
- End of US exceptionalism = make Europe great again?
- UK – permanently weak or a bad case of the jitters?
- Global outlook – shrinking growth gaps, sticky(ish) inflation
- The great interest rate normalisation

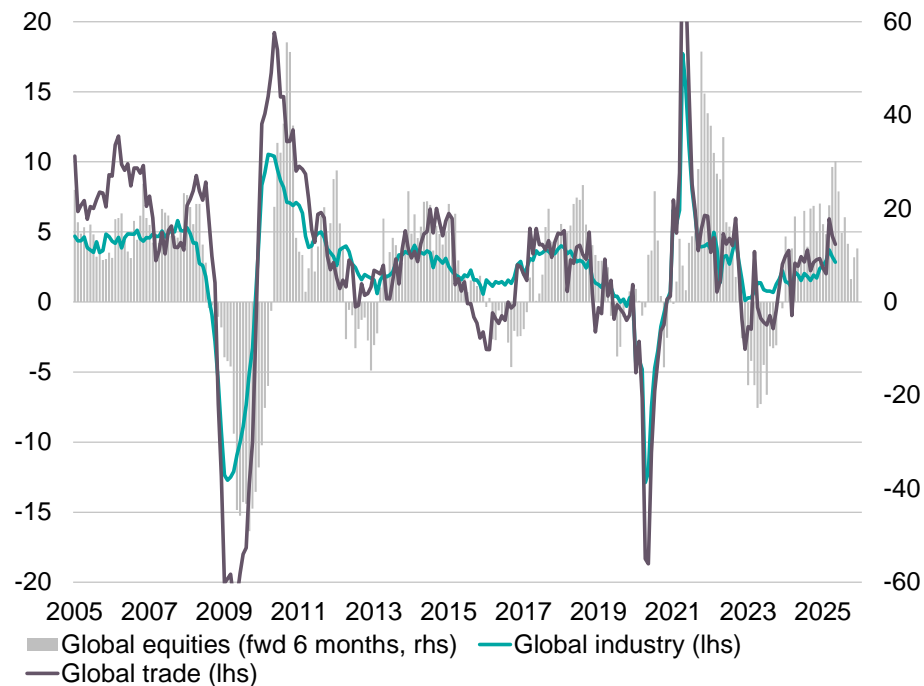
US tariffs cloud the outlook for trade, production and markets

Muddling through - rising global equities remain consistent with expanding global trade and production

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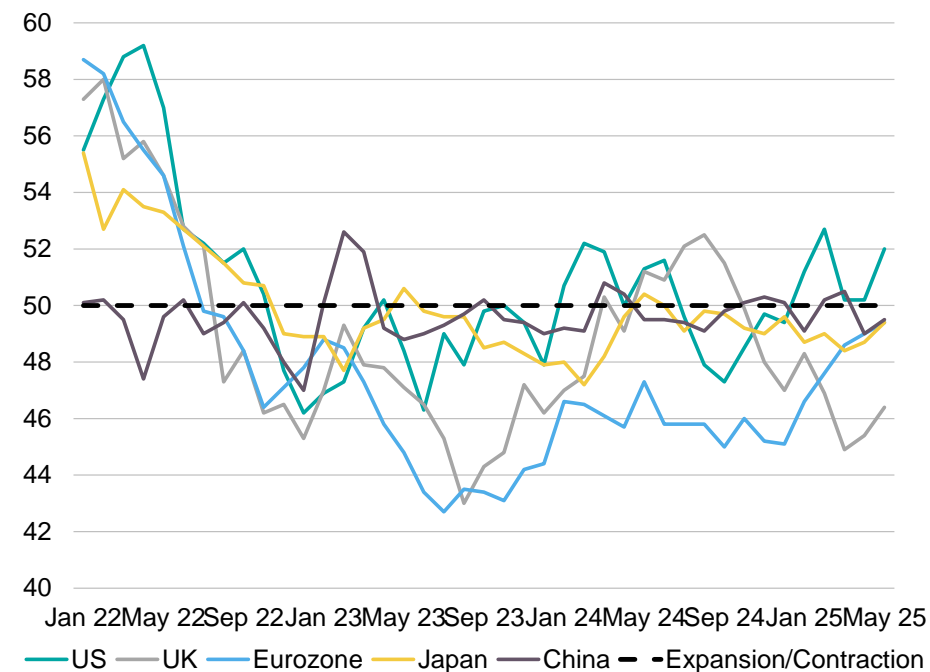


Global trade, production and equities



In % YoY. Global trade based on world trade merchandise exports. Global equities based on Dow Jones Global Index. Monthly data.
Source: CPB Netherlands Bureau for Economic Policy Analysis, Dow Jones.

Still soft - PMI manufacturing in major economies



50+ = expansion. Monthly data. Source: S&P Global, China Federation of Logistics & Purchasing

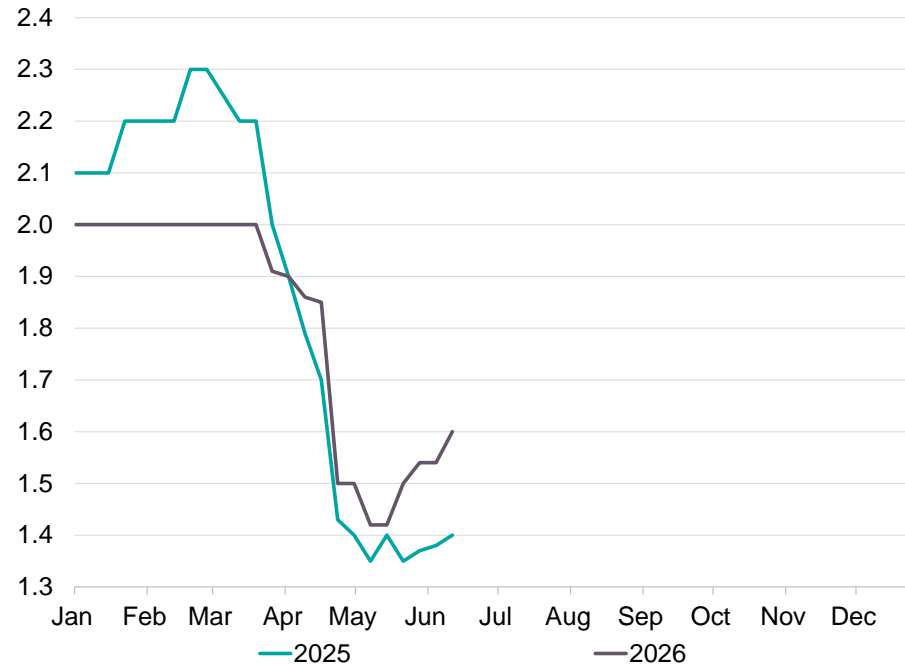
US vs. China – are US tariffs backfiring?

Economists' clear verdict that the US's tariffs will hit home markets the hardest

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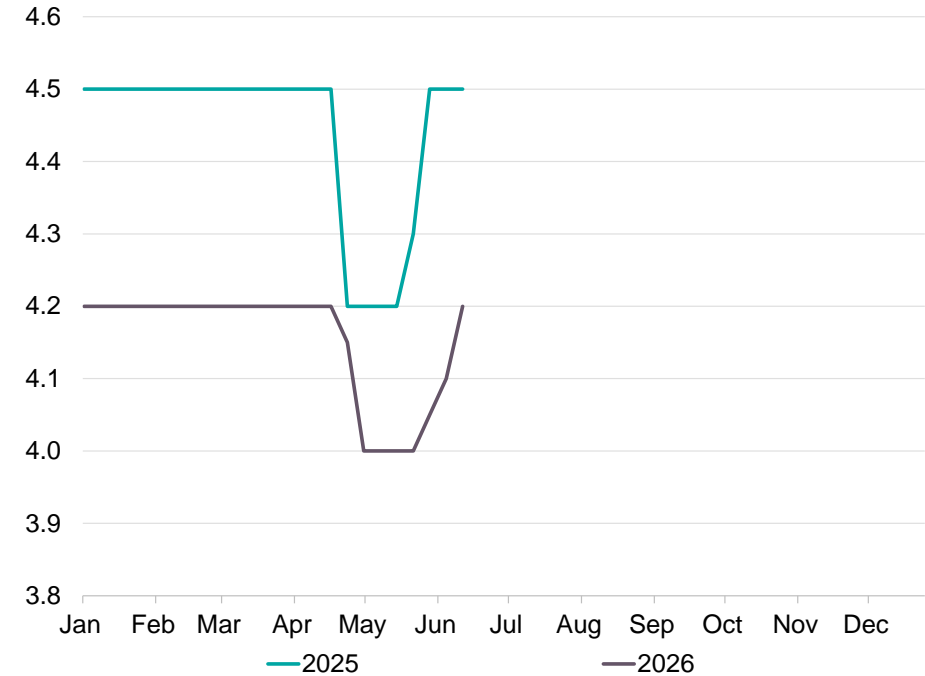
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US: consensus real GDP growth expectations



% YoY. Weekly data. Source: Bloomberg

China: consensus real GDP growth expectations

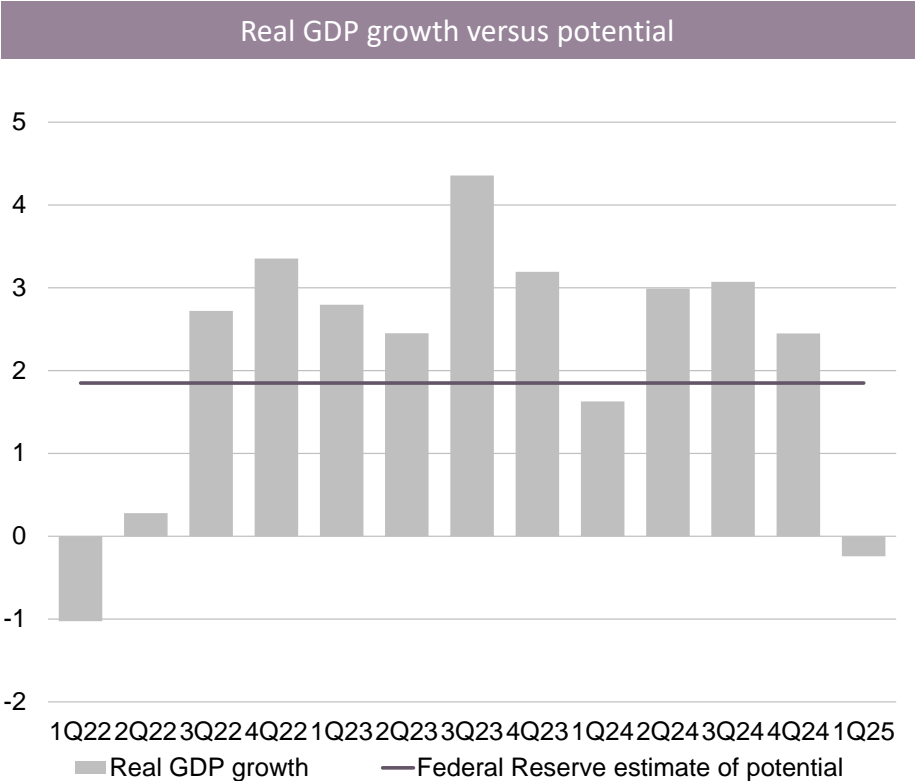


% YoY. Weekly data. Source: Bloomberg

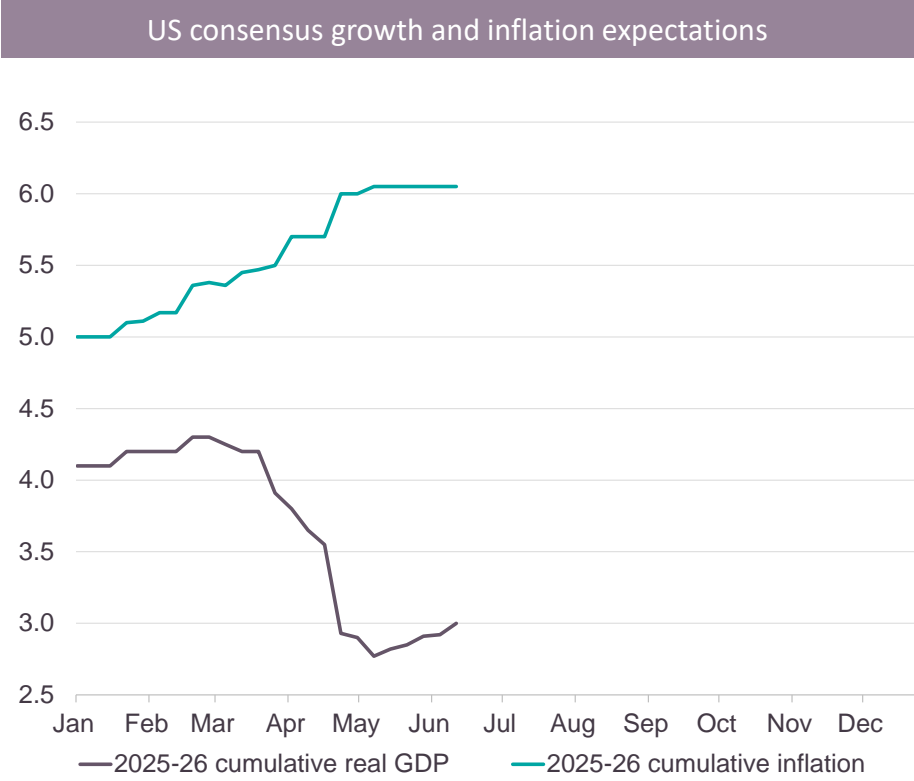
The end of US exceptionalism?

After three years of outsized growth, consensus expectations now hint at a stagflation risk

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Quarterly data. % annualised. Sources: BEA, Federal Reserve



Aggregate % change. Weekly data. Source: Bloomberg

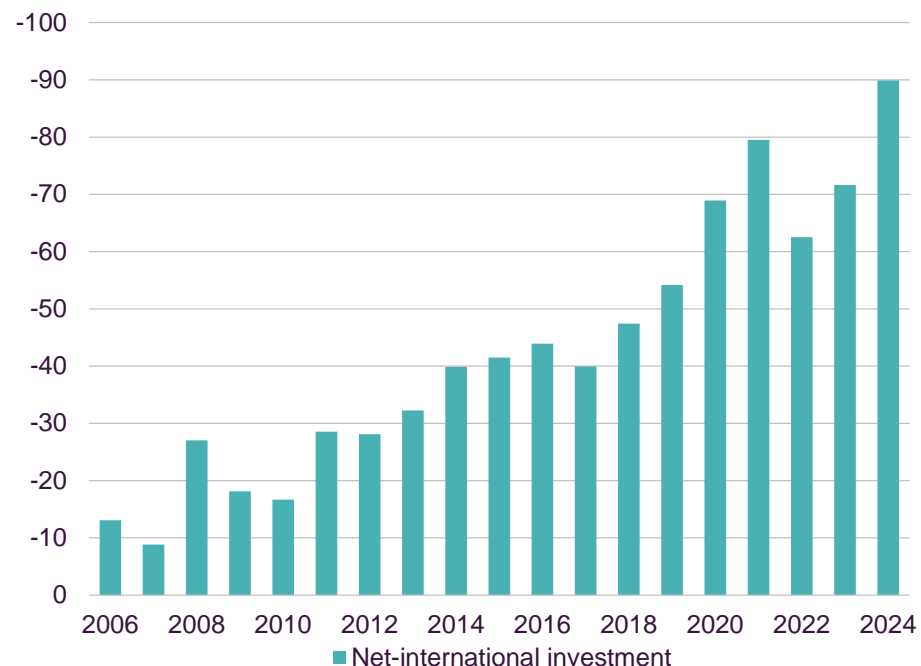
Could the tidal wave of global money to the US go into reverse?

Lessons from past dollar depreciations suggest the trend away from the US could be a multi-year one

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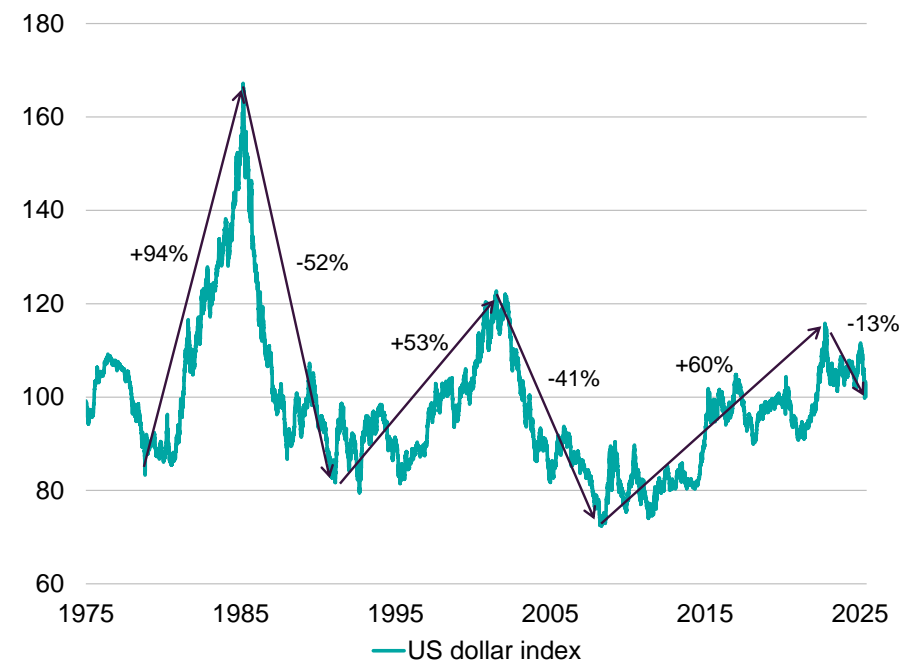


US net-international investment



% of US GDP. Quarterly data. Source: BEA

US dollar trade-weighted indexes



Broad trade-weighted exchange rates. January 2006 = 100. Monthly data. Sources: Federal Reserve Board

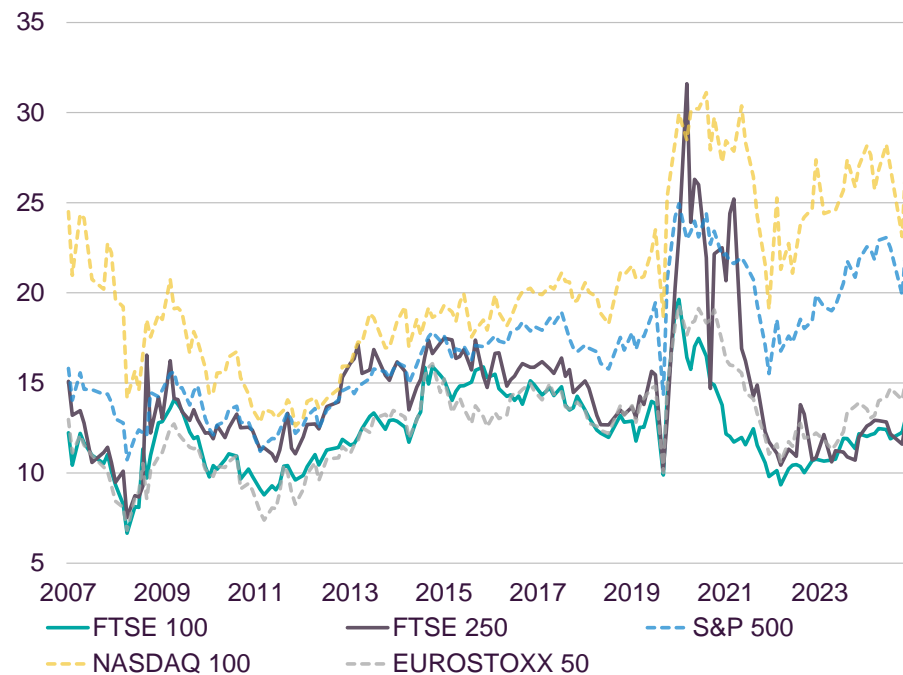
US versus Europe – how much of price gap is still justified?

UK and European equities now look cheap relative to the US as growth and risk gaps narrow

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US expensive while Europe remains cheap



12-month forward price-to-earnings ratio. Monthly data. Source: Bloomberg

Stock markets to GDP ratio hints at US bubble

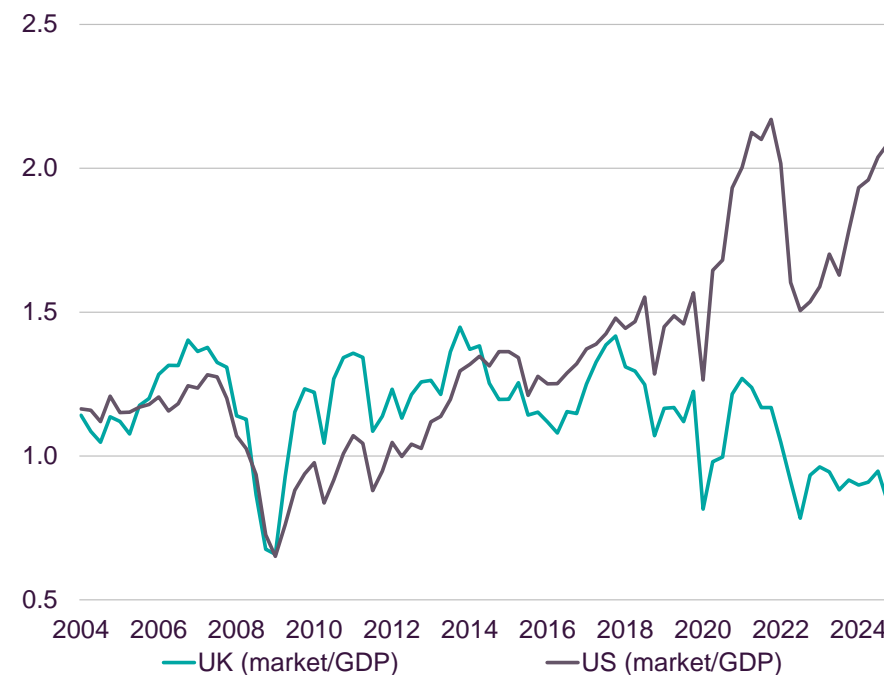
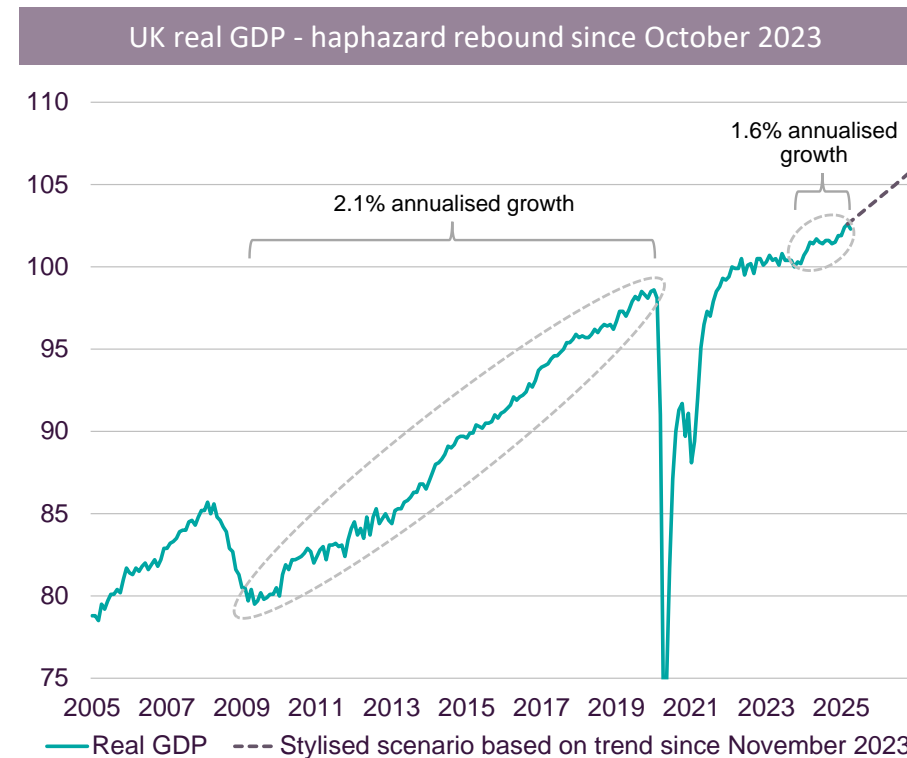
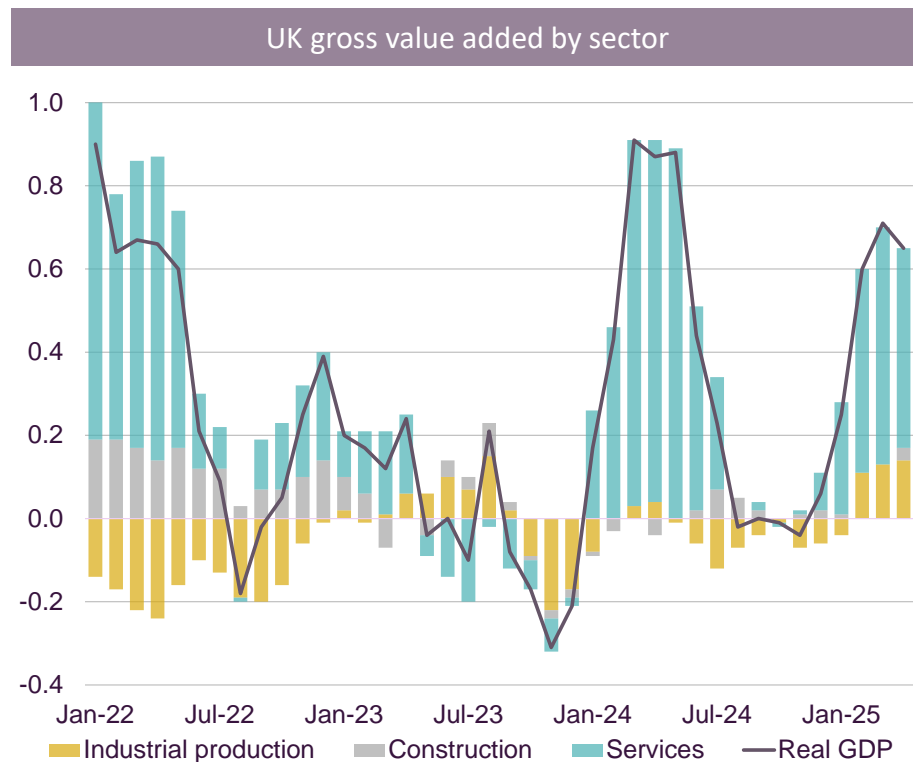


Chart shows the total value of country stock markets divided by GDP – all data based in USD terms. Quarterly data. Source: Bloomberg

UK recovery is haphazard – fundamentals vs. downside risks

Like after the 2008 crash, early recovery momentum is stop and start, and downside risks remain elevated

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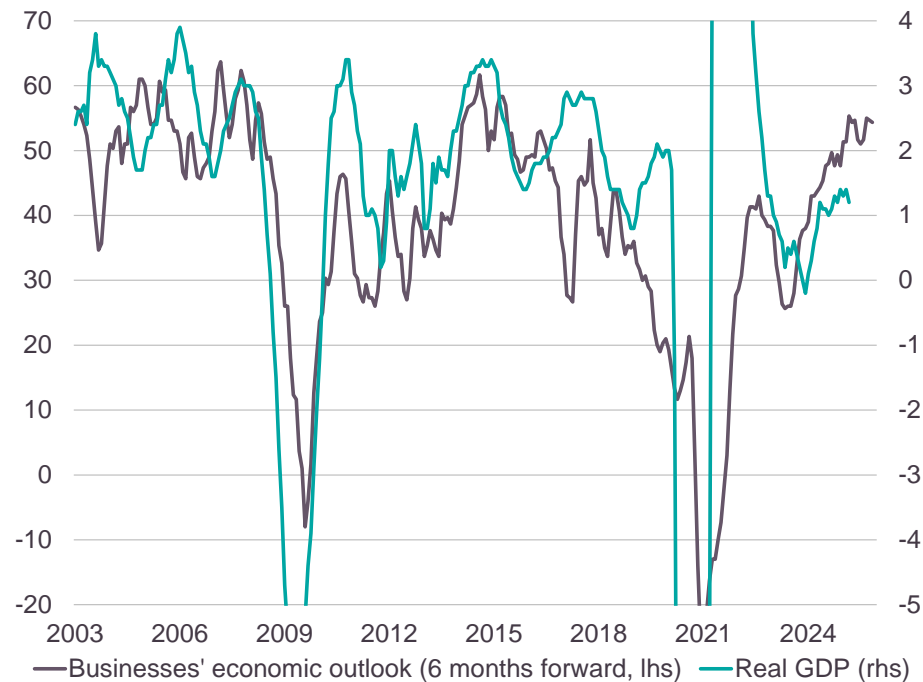
UK leading indicators have turned up, but consumers are skittish

Household income growth is healthy, but ultra-high saving points to factors beyond higher interest rates

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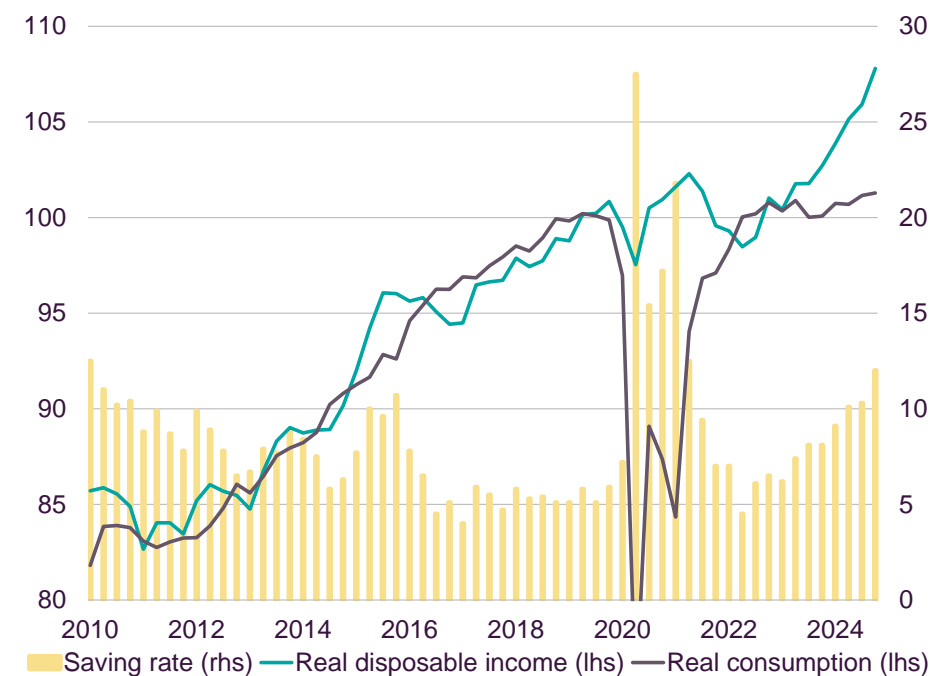
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UK GDP growth versus business confidence



Business barometer as % balance. Real GDP in % YoY, three month moving average. Monthly data. Sources: ONS, Lloyds

Household real incomes, consumption, and saving rate

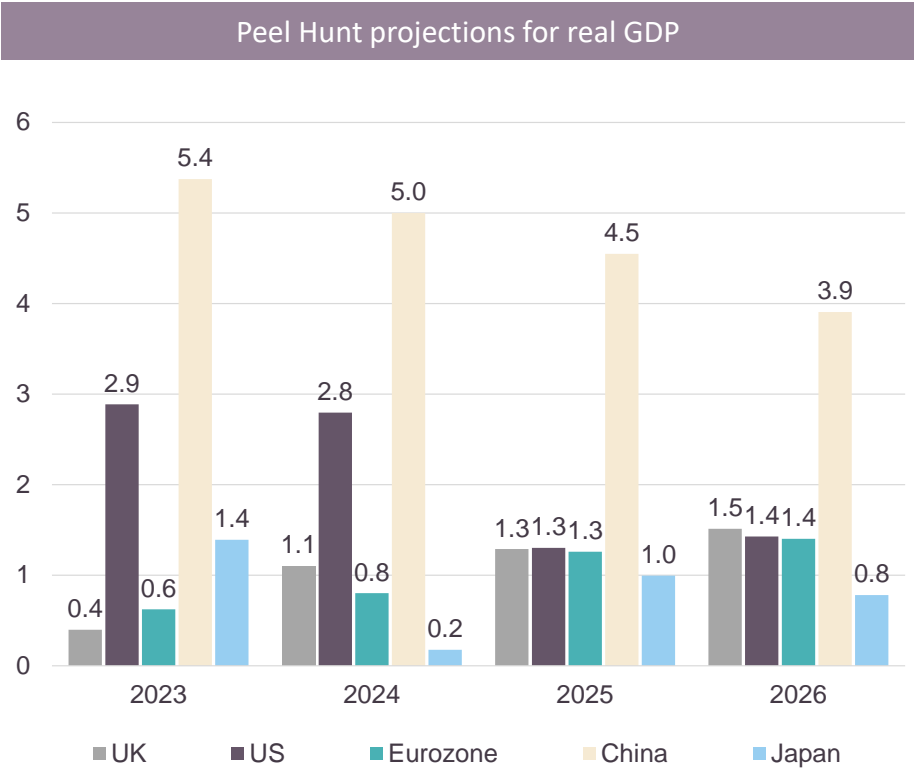


Real income and consumption index at 2019 = 100. Savings rate in %. Quarterly data. Source: ONS

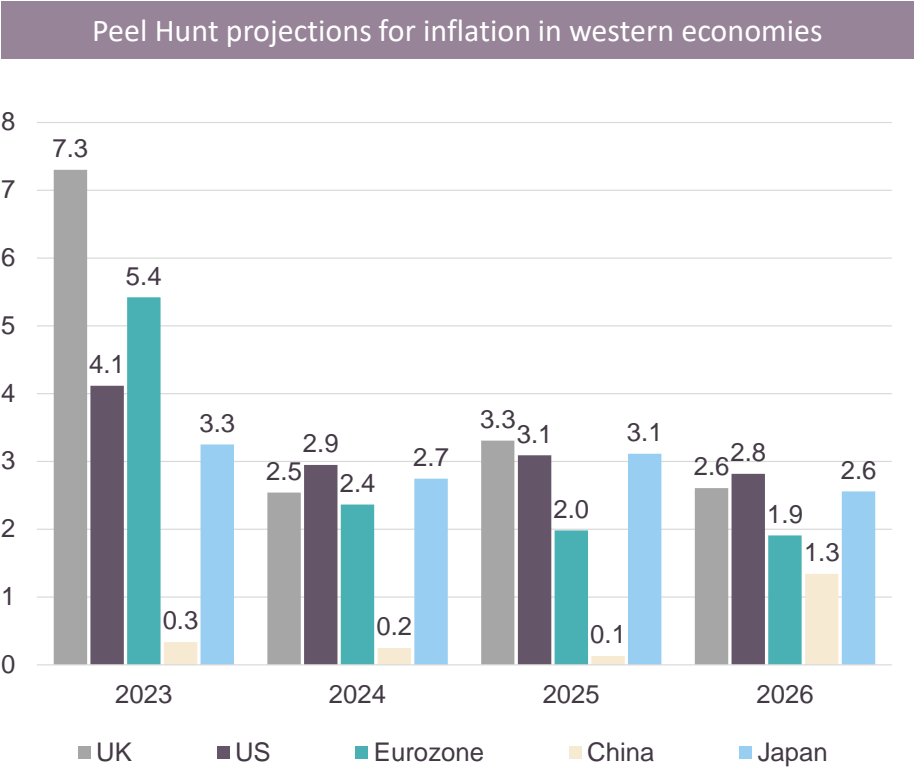
Peel Hunt economic projections

Transatlantic growth gaps are likely to narrow while inflation remains above 2%

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Peel Hunt projections for 2024-26. % YoY. Annual data. Sources: ONS, BEA, Eurostat, China National Bureau of Statistics, Cabinet Office of Japan



Peel Hunt projections for 2024-26. % YoY. Annual data. Sources: ONS, BEA, Eurostat, China National Bureau of Statistics, Cabinet Office of Japan

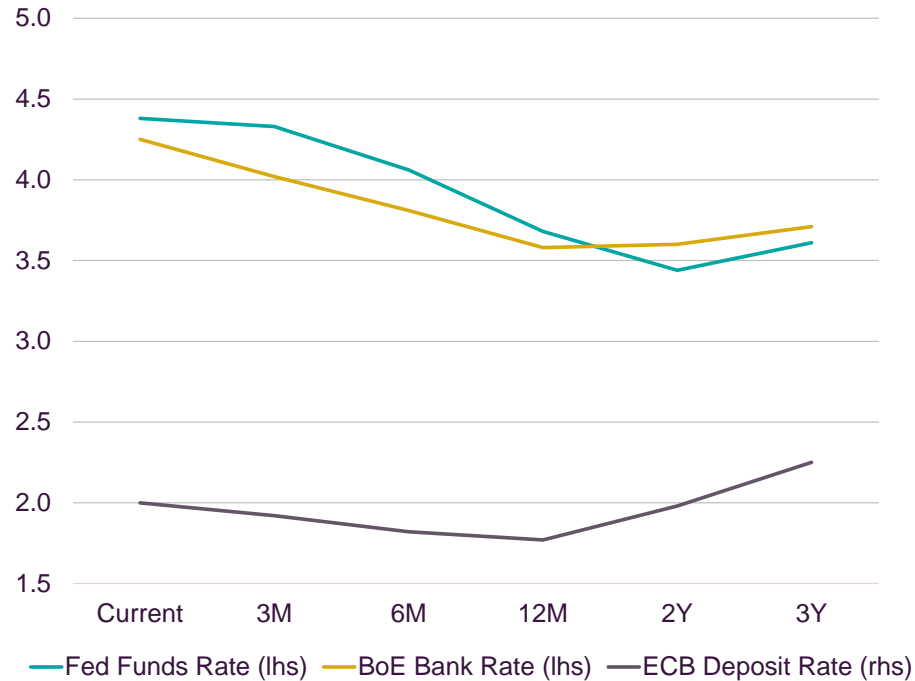
The great interest rate normalisation

Money markets expect further modest central bank rate cuts, but structural factors keep long-term rates up

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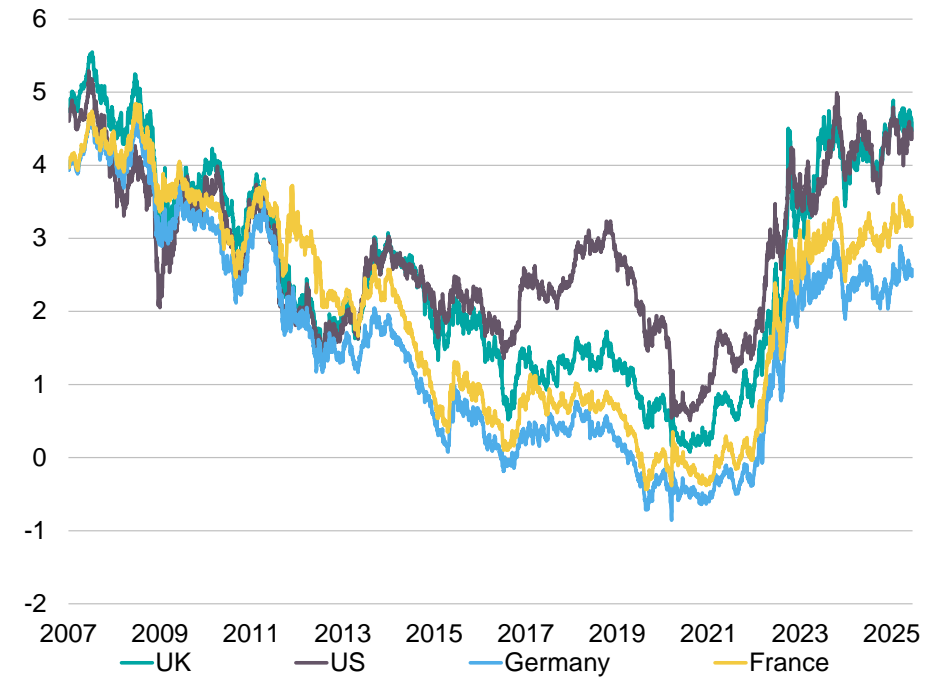
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Money market expectations for central banks



In %. Chart shows money market implied expectations for central bank policy rates. Data taken on 2 June 2025 at 15:00BST. Source: Bloomberg

10-year government bond yields



In %. Daily data. Source: Bloomberg

Summary of economic and financial projections

Bloomberg consensus data taken on 13 June at 13:00 BST

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Peel Hunt economic projections

	GDP				Inflation				Unemployment				Industrial production			
	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026
North America																
US	2.9	2.8	1.3	1.4	4.1	2.9	3.1	2.8	3.6	4.0	4.3	4.3	0.2	-0.3	1.2	1.3
Canada	1.2	1.3	1.2	1.5	3.9	2.4	2.1	2.1	5.4	6.3	6.5	6.3	n/a	n/a	n/a	n/a
Asia and Oceania																
China	5.4	5.0	4.5	3.9	0.3	0.2	0.1	1.3	5.2	5.1	5.1	5.0	4.4	5.6	4.5	4.5
Japan	1.4	0.2	1.0	0.8	3.3	2.7	3.1	2.6	2.6	2.5	2.5	2.5	-1.5	-2.9	0.4	0.3
India	8.2	7.8	6.3	6.6	5.7	4.8	4.6	4.4	8.1	n/a	n/a	n/a	5.8	5.8	4.3	5.3
Australia	2.0	1	2.0	2.5	5.6	3.4	2.8	2.7	3.7	4.2	4.5	4.5	n/a	n/a	n/a	n/a
Europe																
UK	0.4	1.1	1.3	1.5	7.3	2.5	3.3	2.6	4.1	4.4	4.7	4.5	-0.8	-1.2	0.5	1.5
Eurozone	0.6	0.8	1.3	1.4	5.4	2.4	2.0	1.9	6.6	6.4	6.2	5.9	-1.6	-3.1	0.6	1.0
Germany	-0.1	-0.2	0.7	1.5	6.0	2.5	2.3	2.2	3.1	3.4	3.4	3.1	-1.9	-4.6	-1.1	1.2
France	1.6	1.1	0.4	1.0	5.7	2.3	1.4	1.7	7.3	7.4	7.1	6.7	0.8	-0.1	-0.3	0.9

GDP, inflation (CPI basis) and industrial production data in % YoY. Unemployment rate in %

Peel Hunt financial projections

	Current	2Q25	4Q25	2Q26	4Q26	Change
Central banks						
BoE Bank Rate	4.25	4.25	3.75	3.75	3.75	-0.50
Fed Funds Rate (Upper)	4.50	4.50	3.75	3.75	3.75	-0.75
ECB Deposit Rate	2.00	2.00	1.75	1.75	2.25	0.25
10-year bond yields						
UK	4.51	4.60	4.50	4.40	4.40	-0.11
US	4.36	4.20	4.40	4.50	4.50	0.14
Germany	2.49	2.60	2.60	2.60	2.60	0.11
Japan	1.41	1.40	1.40	1.45	1.50	0.09
Currencies						
GBPUSD	1.35	1.35	1.36	1.38	1.40	3.45
GBPEUR	1.17	1.19	1.20	1.22	1.24	5.55
EURUSD	1.15	1.13	1.13	1.13	1.13	-1.99

Notes: 1. Current data taken on 13 June at 13:00 BST 2. Interest rates in % 3. All estimates are for end of period 4. Currency projections may not add up due to rounding 5. Change in percentage points for interest rates and percent for currencies

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Company panel: UK companies setting the pace on innovation

Dr Eben Upton | Chief Executive Officer, Raspberry Pi

Jon Stanton | Chief Executive Officer, Weir Group

Elizabeth Walton | Director of Investor Relations, AstraZeneca

Natalie Bell | Fund Manager, Economic Advantage team





Conclusion

Anthony Cross | Head of Economic Advantage team





**Anthony
Cross**

Head of Economic
Advantage team



**Victoria
Stevens**

Fund
Manager



**Matt
Tonge**

Fund
Manager



**Natalie
Bell**

Fund
Manager



**Alex
Game**

Fund
Manager

Discrete performance

Past performance does not predict future returns

To previous quarter 12 months ending (%)	Mar-25	Mar-24	Mar-23	Mar-22	Mar-21
Liontrust Special Situations I Inc	-3.1	4.3	0.1	5.1	31.1
FTSE All-Share Index	10.5	8.4	2.9	13.0	26.7
IA UK All Companies	5.1	7.6	-1.9	5.4	38.0
Quartile	4	4	3	3	3
Liontrust UK Growth I Inc	0.9	7.3	3.2	13.2	22.6
FTSE All Share	10.5	8.4	2.9	13.0	26.7
IA UK All Companies	5.1	7.6	-1.9	5.4	38.0
Quartile	3	3	1	1	4
Liontrust UK Smaller Companies I Inc	-9.8	3.8	-14.7	2.6	56.7
FTSE Small Cap ex ITs Index	7.4	11.0	-12.9	5.5	74.9
IA UK Smaller Companies	-2.5	5.0	-16.6	-1.7	65.7
Quartile	4	3	2	1	3
Liontrust UK Micro Cap I Acc	-13.7	5.8	-7.1	2.0	67.6
FTSE Small Cap ex ITs	7.4	11.0	-12.9	5.5	74.9
FTSE AIM All-Share	-6.5	-6.3	-21.2	-12.1	76.9
IA UK Smaller Companies	-2.5	5.0	-16.6	-1.7	65.7
Quartile	4	3	1	2	2

Source: FE Analytics as at 31.03.25, total return, (net of fees, income reinvested), bid-to-bid, primary share classes. Funds versus comparator benchmarks. Quartile performance and sector rankings correct as at 31.03.25, generated 08.04.25

You may get back less than you originally invested. Please refer to the Key Risks slide for more information.

Past performance does not predict future returns. You may get back less than you originally invested.

We recommend these funds are held long term (minimum period of 5 years). We recommend that you hold these funds as part of a diversified portfolio of investments.

The Funds managed by the Economic Advantage Team:

May invest in smaller companies and may invest a small proportion (less than 10%) in unlisted securities. There may be liquidity constraints in these securities from time to time, i.e. in certain circumstances, a fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause a fund to defer or suspend redemptions of its shares. May invest in companies listed on the Alternative Investment Market (AIM) which is primarily for emerging or smaller companies. The rules are less demanding than those of the official List of the London Stock Exchange and therefore companies listed on AIM may carry a greater risk than a company with a full listing.

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.

May invest in companies predominantly in a single country which maybe subject to greater political, social and economic risks which could result in greater volatility than investments in more broadly diversified funds.

Outside of normal conditions, 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 risks detailed above are reflective of the full range of Funds managed by the Economic Advantage Team and not all of the risks listed are applicable to each individual Fund. For the risks associated with an individual Fund, please refer to its Key Investor Information Document (KIID)/PRIIP KID.

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.

For investment professionals

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