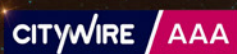


LIONTRUST EUROPEAN DYNAMIC FUND

INVESTMENT
WEEK
FUND MANAGER
OF THE YEAR
AWARDS 2022
WINNER
Europe ex UK

INVESTMENT
WEEK
FUND MANAGER
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FOR PROFESSIONAL INVESTORS
AND ADVISERS ONLY
MARKETING COMMUNICATION

LIONTRUST
COURAGE · POWER · PRIDE

The award-winning Liontrust European Dynamic Fund is the top performing fund in the IA Europe ex-UK sector over five years and 3rd over three years.

The fund managers – James Inglis-Jones and Samantha Gleave – apply the Cashflow Solution investment process to seek to deliver

capital growth (5 years). The differentiated process enables the Fund to switch dynamically between investment styles.

Reasons to invest in the Fund

Long-term performance: The Fund has returned 365.0% since launch in 2006 against 169.1% by the IA Europe ex UK sector average and 156.4% by the MSCI Europe ex-UK Index

Rankings: The Fund is in the 1st quartile of the IA Europe ex-UK sector over 1,3 and 5 years and since launch. The Fund is ranked 1st in the sector over 5 years and 3rd over three years

Award-winning: The Fund has won the Award for Best Europe Fund at Investment Week's Fund Manager of the Year Awards in 2022 and 2023

Highly rated: James Inglis-Jones and Samantha Gleave are both AAA rated by Citywire*

Proven investment process: The fund managers believe cash flow is the single most important determinant of shareholder returns. The process seeks to own companies that generate significantly more cash than they need to sustain their planned growth yet are lowly

valued by investors and are run by managers committed to an intelligent use of capital

Cashflow Champions: The managers apply two equally weighted cash flow ratios to the European (ex-UK) investment universe, creating a composite ranking that narrows the universe to the stocks with the best free cash flow generation and the most attractive valuations. The top 20% of the ranked stocks – the Cashflow Champions Watchlist – are subject to qualitative analysis

Dynamic: The Fund's investment process allows it to dynamically switch between growth and value stocks depending on the prevailing market environment

Experienced team: James Inglis-Jones launched the Fund in November 2006 and was joined by Samantha Gleave in 2012. James and Samantha first worked together in 1998 and have an average industry experience of over 25 years

The process focuses on the historic cash flows generated and invested by companies to support their forecast profits growth. As forecasts are often unreliable, the scale of cash invested to support forecasts is key.

The fund managers seek to own companies that generate significantly more cash than they need to sustain their planned growth yet are lowly valued by investors and are run by managers committed to an intelligent use of capital.

To identify companies' annual cash flow, balance sheet development and valuation efficiently across all equity markets, the fund managers have developed a simple screen as a starting point for further qualitative analysis. The investment screen consists of two cash flow ratios that are combined equally to highlight the process characteristics that they seek.

- The two cash flow measures are:
- a quality measure (cash flow relative to operating assets)
 - a value screen (cash flow relative to market value)

Only the top 20% of this ranked universe qualifies for further, qualitative, analysis. We call this list the Cashflow Champions Watchlist.

The fund managers carry out fundamental analysis on the Cashflow Champions Watchlist, rating each stock across four secondary scores based on detailed analysis of companies' report and accounts. These secondary scores capture different types of attributes and style factors:



Momentum
Strong business momentum, high margin (indicative of economic moat), self-funded growth



Cash Return
Stable business with a robust balance sheet returning cash to shareholders through share buyback, debt pay-down and dividend (shareholder yield)



Recovering Value
Recovering business with management focused on reining in capital expenditure and imposing working capital control, eager to return cash to shareholders. Investors generally sceptical hence low conventional valuation

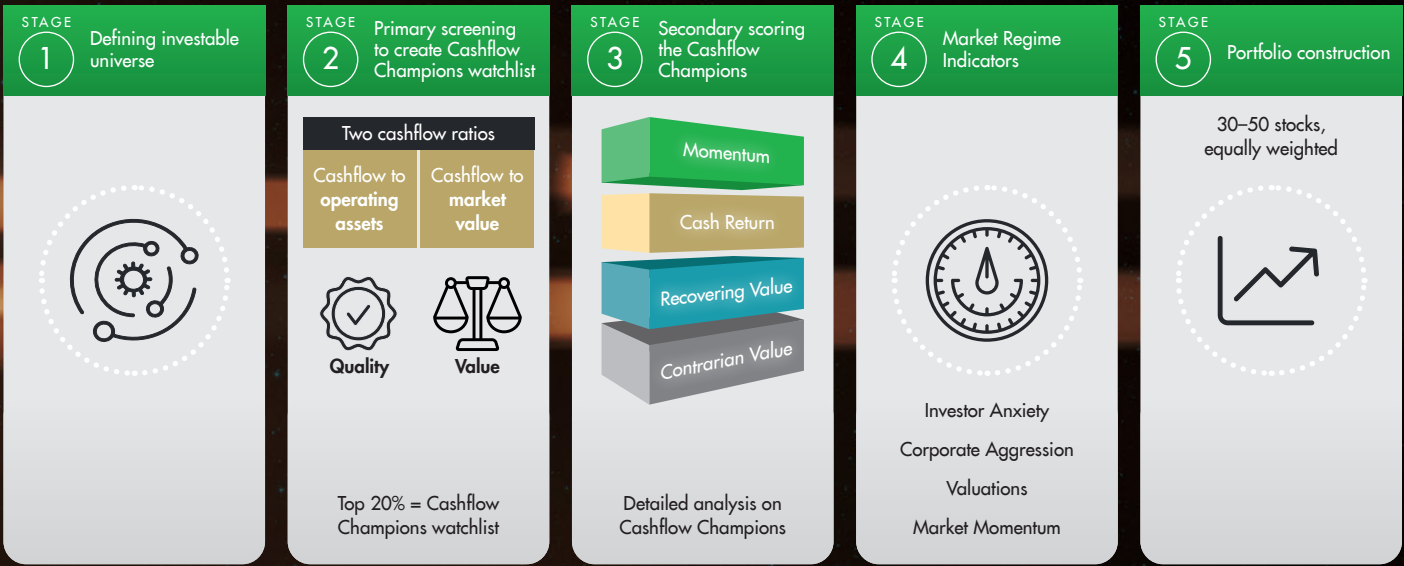


Contrarian Value
Has experienced prolonged tough trading conditions, management responding by restructuring and selling off assets. Investors are very sceptical

Source: FE Analytics, as at 30.09.23. Liontrust European Dynamic, total return, (net of fees, income reinvested), bid-to-bid, primary share class versus comparative benchmarks MSCI Europe ex UK and IA Europe excluding UK. Quartiles, as at 30.09.23. *AAA rated by Citywire for their risk-adjusted performance for 3 years to 31.10.23

Past performance does not predict future returns. You may get back less than you originally invested. Please refer to the Key Risks on page 7 for more information.

The Cashflow Solution investment process



The fund managers analyse the market through key Market Regime Indicators, which include Investor Anxiety, Valuations, Corporate Aggression and Market Momentum. These indicators allow the team to determine whether to tilt the portfolio towards growth or value and establish which secondary scores and Cashflow Champions Watchlist constituents offer the best upside potential.

The Fund's portfolio comprises 30 to 50 stocks with the highest scores and which match the managers' Market Regime Indicators.

Performance of the European Dynamic Fund

Cumulative returns (since launch)



Source: FE Analytics, 15.11.06 to 30.09.23. Liontrust European Dynamic Fund, total return, (net of fees, income reinvested), bid-to-bid, primary share class versus MSCI Europe ex UK and IA Europe ex UK comparator benchmarks.

Past performance does not predict future returns. You may get back less than you originally invested. Please refer to the Key Risks for more information.

Discrete years' performance (%)*

To previous quarter, 12 months ending:	Sep-23	Sep-22	Sep-21	Sep-20	Sep-19
Liontrust European Dynamic I Inc	26.8	-8.7	42.8	3.5	-3.0
MSCI Europe ex UK	19.0	-12.8	20.9	-0.5	5.8
IA Europe Excluding UK	18.7	-16.1	22.4	3.1	2.2
Quartile	1	1	1	2	4

Source: FE Analytics, as at 30.09.23. Liontrust European Dynamic, total return, (net of fees, income reinvested), bid-to-bid, primary share class versus comparative benchmarks MSCI Europe ex UK and IA Europe excluding UK. Quartiles, as at 30.09.23, generated on 09.10.23

Past performance does not predict future returns. You may get back less than you originally invested. Please refer to the Key Risks for more information.



Meet James and Samantha

James Inglis-Jones formed the Cashflow Solution team on moving to Liontrust in March 2006 and was joined by Samantha Gleave in 2012. James and Samantha jointly manage the Cashflow Solution range of funds. They have an average industry experience of over 25 years, and first worked together in 1998.

James began his career at Fleming Investment Management in 1997, assuming responsibility for the management of UK equity portfolios in 1999. Between 1999 and 2002, he worked on JP Morgan Fleming's institutional investment process and managed a wide range of retail and institutional funds as a senior portfolio manager within their European equity group. In 2003, he joined Polar Capital to manage a European market-neutral fund. James graduated in 1990 with a First Class Honours Degree in Modern History from York University. He went on to gain a D.Phil in Modern History from Christ Church, Oxford.

Samantha began her career at Sutherlands Ltd as a Consumer Analyst before moving on to Fleming Investment Management as Senior Investment Analyst covering Europe where she worked with James Inglis-Jones. Samantha moved to Credit Suisse First Boston (Europe) Ltd in 2000 and was in a No 1 ranked equity research sector team (Extel & Institutional Investor Surveys). In 2005, she moved to Bank of America Merrill Lynch and became a Senior Equity Analyst and Director and won awards for Top Stock Pick and Earnings Estimates. Samantha graduated from Aberdeen University in 1995 with an MA Honours degree in Economics & Management.

Stock examples



Novo Nordisk

Novo Nordisk is a global healthcare company with a leading position in the treatment of diabetes, obesity and rare blood diseases. Through the lens of the investment process, this stock generates a high cash return on capital score and is reporting strong business momentum with solid organic revenue growth driven by a market-leading position in the treatment of diabetes patients. This momentum score has also been boosted by the significant growth potential of its recently launched Wegovy weight-loss drug. The company is able to self-fund its own growth, has a solid balance sheet with low debt and rates highly on the cash return secondary score due to its dividends and share buyback programmes.

ASML

ASML

ASML is a global leader in the development and manufacture of photolithography machines which are used to produce computer chips. This includes extreme ultraviolet (EUV) lithography machines that are required to manufacture the most advanced chips. This high-quality growth company is strongly positioned to benefit from a recovery in semiconductor demand in 2024/25 with demand in areas such as artificial intelligence, electric vehicles and renewable energy. ASML has a high cash return on capital score, self-funds its growth and has a good cash return score reflecting its dividend and share buyback policies.



Unicredit

Unicredit is a Europe-wide commercial bank serving both corporates and individual customers with activities including lending, brokerage, capital markets advisory, life insurance, portfolio and fund management. The bank scores in the top 10% of the European universe on recovering value scores. It also has a high free cash flow yield, a good momentum score following net interest income upgrades and cost saving programmes, as well as solid cash return credentials.

INDITEX

Industrio de Diseno Textil

Industrio de Diseno Textil (Inditex) is one of the world's largest fashion retailers with stores across the globe and a variety of brands including Zara, Bershka, Stradivarius, Pull & Bear, Massimo Dutti, Oysho and Zara Home. It combines a solid cash return on capital score with a high free cashflow yield. The company is enjoying strong business momentum with good like-for-like sales growth and improving gross margins. It also rates highly on the cash return and recovering value scores.

Key risks

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

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. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.

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.

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.

Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.

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.

Disclaimer

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To read more about the Liontrust European Dynamic Fund, visit:

www.liontrust.co.uk/funds/european-dynamic-fund



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