AUTUMN
2022

LIONTRUST views

THE CROSSROADS FACING GLOBAL MARKETS

Investing over the next decade is likely to require a different approach from the last

WHY US INFLATION WILL FALL

Could the pace of price rises be dampened in the world's largest economy in the next few months?

RENEWABLE ENERGY'S BENEFITS TRANSCEND CLIMATE BATTLE

Putting the case for renewable energy for environmental, economic and security reasons

LIONTRUST
COURAGE · POWER · PRIDE

CONTENTS

Welcome

to LIONTRUST views – Autumn 2022

Welcome to the autumn 2022 edition of *Liontrust Views*.

This year is on track to be one that investors would rather forget. Financial markets continued to weaken in the third quarter, even after the painful losses in the first half, which had seen the S&P 500 Index suffer its worst start to a year since 1970.

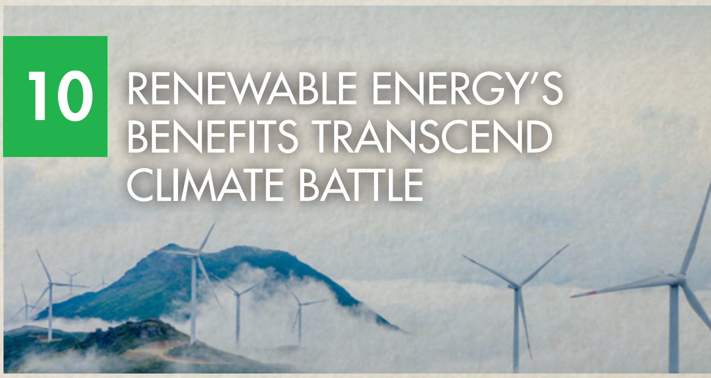
But if Warren Buffett's famous strategy of being greedy when others are fearful is to be followed, then the falls in assets seen this year could present a good buying opportunity for investors who are willing to take a long-term view.

Adopting the right approach will be key to optimising returns, though. On pages 6–7, we look at the factors that will make the 'big picture' over the next decade very different to the last one for investors. A less liberated, less globalised and more troubled world is already apparent but we will also see a multi-speed world in which national economies diverge significantly. Our view is that investors will have to adapt as new realities emerge, such as many asset types reverting to their mean performances.

Given rising inflation is one of the key worries for investors, on pages 10–11 we examine whether it is set to run away in the world's largest economy. US inflation began rising strongly in 2021 when the Covid pandemic impacted supply chains. The main contributor to price rises just before Covid had been the services sector, but this quickly changed to goods and energy. As the world normalises post-Covid, there are several disinflationary forces emerging that could dampen prices faster than many expect.

One of the biggest factors raising the cost of living in Europe though has been the soaring price of natural gas, thanks to supplies being cut by Russia. This price shock has highlighted the dependency of our economies on energy and how poorer people are impacted disproportionately by it. On pages 8–9, we highlight how investing in cheaper, renewable energy can have benefits beyond just tackling climate change.

Please do enjoy reading this issue of *Liontrust Views*.



OVERALL

- Our overall target tactical asset allocation (TAA) scorecard remains at three (on a scale of one to five, with five the most bullish), having reduced it from four in the previous quarter. Navigating higher inflation and slowing growth calls for slightly more defensive positioning. We feel risks to the downside are more prevalent than in previous quarters, so the lower ranking is still warranted.

- Financial markets continue to be hampered by the deep uncertainties caused this year by the war in Ukraine and worries over how far central banks will raise interest rates to tame inflation. Rate hikes by central banks have accelerated over the last quarter and there were expectations that the Bank of England would have to raise rates even higher than anticipated because of the fiscally-loose Budget announced by the new UK government under Prime Minister Liz Truss.

- We continue to believe that inflation is transitory, albeit sticky, especially when a key driver has been oil price rises that appear to have peaked, and the economic recession will prove to be one with a small 'r' rather a protracted downturn. Strong inflationary impulses will start to abate, we believe, at the end of 2022 as the rolling base effects from Covid shutdowns work their way through the system. That should allow central banks to tread carefully and be less aggressive on the hiking front than markets are currently predicting but there also remains a risk of policy surprise or unintended consequences, neither of which are supportive for markets.

- Concerns are rising around slowing growth but not all recessions are created equal. We feel a more technical, 'small R' recession (two consecutive quarters of negative growth) is more likely than a 'real' aggressive one in which a protracted slowdown emerges.

- Once market corrections have played out, our view is that indiscriminate selling will have created a rich seam of opportunities. Once inflation has stabilised, we anticipate seeing a return to greater diversity of returns from asset classes, with equities providing the driving force in terms of real returns.

EQUITIES

- Equities staged a recovery from mid-July to mid-August, including a 16% rise in the S&P 500 Index on hopes that the US Federal Reserve would be less draconian in fighting inflation than previously believed. However, September proved to be another difficult month for equities as the Fed underlined its resolve and central banks' rate hiking broadly continued. Tightening monetary policies and slowing growth remain the most prevalent risks for investors.

- Amid an ongoing value rotation, growth stocks, particularly in the US, have fallen into a bear market, which offers the opportunity to top up growth and quality holdings at better valuations. We have seen the US as prohibitively expensive for much of the last decade and while still not attractive, it is certainly less unattractive after these corrections. We continue to favour markets such as the UK.

- Longer term, in a reflationary environment, we expect the rest of the world to outperform the US, value stocks to outperform growth and small caps to outperform large. These outperformances will not all come at once, however, so we retain prudent diversification rather than taking a significant gamble that one particular thesis pays off. There are also opportunities to add value through allocations to geographical regions and investment styles.

BONDS

- Yields, no longer anchored at rock-bottom levels, will be upward over time as interest rates are climbing, raising the prospect of downward pressure on the prices of bonds. But, as ever, the path will not be linear and the asset class still offers a long-term diversification to equities, some level of inflation protection and increasing income.
- Looking through the short-term 'price shock' rather than the inflationary environment over the next year or so, bonds offer the prospect of a real yield longer term, so they are looking more attractive. It would be a stretch to say they look cheap but the asset class is certainly 'cheaper'.
- For now, we retain a lower duration position in our fixed income allocation as central banks prevaricate over the timing and extent of rate rises and tapering.

CHANGES

- The Strategic Asset Allocation (SAA) of our portfolios has been rebalanced to take account of higher inflation uncertainty and elevated volatility in equity and bond markets. But we remain positive about the future.
- Our TAA rating for equities has fallen from four to three to reflect the greater uncertainties that exist currently with respect to interest rate policies and economic growth. We believe that in the short term, we might have less certainty and this will lead to more volatility generally. It makes sense to tighten up on our risk budgets, at least for the short term.
- While Europe remains attractively valued, we have moved the score for the region's small caps and equities generally from three to two, having reduced both sectors from four in the previous quarter. A protracted conflict in Ukraine, with all the geopolitical fallout and sanctions that it implies, is most problematic for Europe. The European Central Bank has lagged most major central banks in hiking rates to tackle inflation and Europe is heavily dependent on exports so is more sensitive to the global economic cycle and any risk of a slowdown. Further uncertainty came in the form of the Italian general election being won by a far-right coalition led by Giorgia Meloni.
- We raised our ranking on global government bonds from two to three. There are attractive benefits now in diversifying beyond the UK. Yields are above 3% in the US, for example, and while that does not offer the prospect of real, inflation-beating yields, it reflects the fact the Fed is further through its monetary tightening cycle than other developed market central banks.
- We have reduced our rating for Index-linked bonds from three to two. This debt will benefit more versus nominal government bonds if inflation continues to run ahead of expectations, although higher levels look to be reflected in elevated prices.

THE CROSSROADS FACING GLOBAL MARKETS

James Klempster, Deputy Head of the Liontrust Multi-Asset team

The world is at a crossroads. After the disruptions caused by Covid, geopolitical tensions, the simmering trade war between the US and China and unprecedented indebtedness, there is much uncertainty around what direction the global economy and financial markets will take from here.

Several factors will make the next decade's 'big picture' very different to the last one. We are already seeing a less liberal global environment with weaker capital flows and reduced movement of goods and labour.

Governments will be more inward-looking, devoting fiscal policies to benefiting domestic populations more by raising expenditure on public services and infrastructure. China, for example, which has seen such phenomenal growth thanks to globalisation, has already begun to exchange a higher quantum of growth for higher quality, focusing more on its domestic consumer market and developing a technology sector with greater value-add.

We see a multi-speed world in which national economies diverge in behaviour and monetary and fiscal policies will no longer be in lockstep as governments deal with their domestic conditions and outlook rather than just following the US Federal Reserve.

Past divergences

A handful of prevalent divergences in performances characterise financial markets over the last decade, including the comparative performances between growth and value; emerging versus developed markets; and small versus large caps.

Value and growth have gone through periods of comparative out- and under-performance over several decades, but since 2012, growth has been the clear winner. The general decline in interest rates was beneficial for 'growth' companies, which saw their share prices boosted disproportionately because their future profits were discounted less. Growth became harder to come by, but the extraordinarily high liquidity pulled bond yields into unattractive territory and encouraged investment into higher risk assets such as equities. Growth stocks benefited from this to a much greater extent than their value counterparts.

The growth phenomenon was seen most profoundly in the US. Dominated by technology companies, the US stock market outstripped the rest of the world, typified by the eye-watering performance delivered by Facebook, Apple, Amazon, Netflix and Google (FAANGs). Covid accelerated this outperformance as the stay-at-home aberration of the lockdown pushed growth companies, such as Peloton and Netflix, to incredible multiples.

Over the long term, emerging markets and small caps have significantly outperformed developed markets and large caps, which is to be expected, given the comparative risk premiums and growth trajectories pertaining to these assets. However, over the last decade, developed markets and large caps have been the relative winners by some margin.

Reverting to longer term trends

Going forward, we expect to see many assets reverting to performances that are more akin to longer term trends and directions of travel as economies adjust to new (old) realities. A key lesson from history is that markets ebb and flow.

Over time, for example, we would expect the strong economic growth trajectory, favourable demographics, governance improvements and risk premiums of emerging markets to bear fruit for the patient investor. We are also optimistic over the longer term that investors in small cap companies will be rewarded, given their nimbleness and growth profile.

Regarding the growth versus value style trade-off, US tech stocks' astounding outperformance over the last decade was an anomaly that it would be unwise to assume will persist indefinitely. We have had an overweight in value for a couple of years that has started to come to fruition. But we believe some of the extreme valuation spread is behind us. We are drifting towards a more neutral view now and will continue to adjust exposure according to market conditions. Stylistic exposure should be a matter of emphasis rather than a binary approach, meaning that we retain a broad allocation to global markets even when expressing a preference for a particular style.

Two other market aberrations are worthy of investors' consideration. The high correlation between bonds and equities that has frustrated investors looking to diversify their portfolios year to date will likely abate as market conditions normalise in the longer term. The sudden rising strength of the US dollar recently should also make investors who are long the greenback wary because it won't remain so strong forever. Trying to predict when asset classes will out-perform is a hazardous pursuit. But being laser-focused on a handful of assets just because they might have done well in the past would be a mistake, too.

Playing future opportunities

The factors causing financial markets to be so volatile in 2022 – rising inflation and interest rates, looming recession, supply disruptions and the war in Ukraine – will either drift into history or cease to provide as acute a source of investor concern. Likewise, the assets that outperformed strongly over the last decade because of pervading conditions are unlikely to be the consistent outperformers over the next as other market drivers come into play. Markets will shift quickly and their cycles shorten as ever greater volumes of information will be delivered more rapidly, and the geopolitical landscape evolves.

In such an environment, it will be important to have an investment process that can cut through the market noise and respond to market nuances, investing in a diversified range of asset classes, styles and funds that will provide steady returns with neither reliance on any one scenario playing out nor wholesale shifts in allocations.

WHY US INFLATION WILL FALL

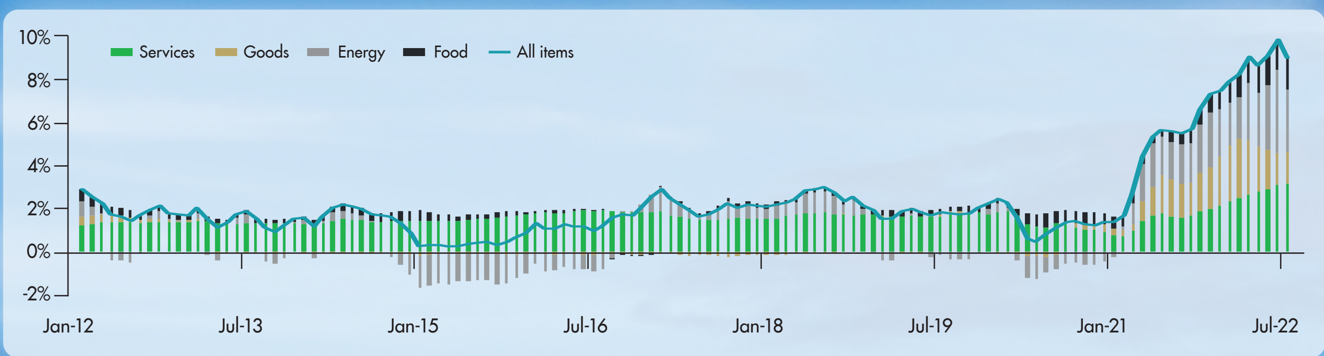
Hong Yi Chen, Fund Manager, Liontrust Global Fundamental team

US inflation has hit 40-year record levels this year. The extent to which the Federal Reserve will hike rates to counter price rises is the key issue facing investors in the world's largest economy this year. But is US inflation set to run away, or are there factors at play that will dampen it in the coming months?

The main contributors to US inflation

There are five main categories that contribute to the US Consumer Price Index (CPI), as shown in the chart below.

Inflation began rising strongly in 2021 when Covid hit supply chains. Goods inflation spiked higher as economic stimulus measures stoked demand and retailers struggled to



Source: Bloomberg, as at August 2022/ CPI = Consumer Price Index

replenish shelves. Food and energy prices grew strongly as transportation bounced back after lockdowns and OPEC+ exhibited strong discipline in maintaining agreed cuts to oil production. Services inflation also increased as shelter inflation climbed with rising house prices and rents.

What impacts will each category have?
Goods inflation could turn into deflation. The biggest contributor post-Covid to goods inflation has been new and used cars. This has been driven by the well-documented semiconductor shortages in the autos supply chain, which has limited production of new cars. The lack of supply of new cars has driven up prices for used cars.

The Manheim Used Car Index indicates that US used car prices increased more than 60% in 2021. Used car prices started softening in the first half of 2022 though. So far this has been driven by demand, but we expect used car prices to continue to normalise as supply improves in the coming months. The magnitude of the potential correction could even mean goods becomes a deflationary contributor to CPI.

In other goods categories, supply has improved as demand cools. Input costs are also falling as metals prices have corrected sharply with expectations of slowing growth. The Bloomberg Industrial Metals Index has fallen 35% from its peak in early 2022. This should start feeding into goods prices in due course.

Energy market set to remain oversupplied
Oil prices peaked in March and are now down significantly. Supply is estimated to be in surplus as of Q2, according to the US Energy Information Agency. Oil supplies continue to grow, with non-OPEC+ countries adding an estimated 2.5-3mb/d this year. Meanwhile, oil demand is stalling as consumers shun record gasoline prices. Should we see a recession, oil demand could even fall.

Food inflation should slow
Food inflation should slow in the near term as agricultural commodity prices have also fallen in recent months. There tends to be a lag of up to six months before this feeds into grocery prices. In July, Turkey helped Ukraine and Russia reach a deal to resume grain shipments from Black Sea ports. This should help ease soft commodity markets.

Fed tightening is impacting housing market
Shelter inflation makes up about 60% of the weighting within services inflation. It mainly consists of housing costs. It has been the main driver of the recent increase in services inflation as house prices and rents rise.

There is a long lag between changes in house prices and shelter inflation because of the way it is calculated by the Bureau of Labour Statistics. Furthermore, house price inflation itself lags broader housing market activity, such as Existing Home Sales volumes. Recently, we have seen a significant cooling in activity as mortgage rate rises driven by Fed tightening have impacted affordability.

Given these long lags, despite the sharp downturn in housing market activity in recent months, we will likely only see shelter inflation peak towards the end of 2022 and it will likely remain high before fading in the back half of 2023.

Disinflationary forces are pressuring goods, energy and food inflation
Despite sticky shelter inflation, we see disinflationary forces providing downwards pressure on goods, energy and food inflation in the near to medium term. This is driven by normalising supply chains, in particular normalising used car prices, and demand destruction for crude oil as economic growth slows. Indeed, recessions were historically disinflationary/deflationary, and we think this time will prove no different should the current growth slowdown become a recession.

Covid created a unique environment of increasing demand for goods from stimulus and lockdowns and constrained supply from bottlenecks. This is in the process of reversing as demand is hit by rising costs and fading stimulus, and supply chains ease with the addition of new capacity. This inflation may prove transitory after all.

RENEWABLE ENERGY'S BENEFITS

Peter Michaelis, Head of the Liontrust Sustainable Investment team

The price of natural gas in Europe has risen tenfold since the end of 2020. Supply has been curtailed by Russia just at a point when demand was rising as European economies bounced back from levels depressed through the Covid-19 pandemic.

This price shock has shown just how sensitive and dependent our economies are on energy and how regressive energy price rises are. On average, poorer people spend a higher proportion on energy than wealthier people – there is little discretion about heating your home or using lights in the winter, so the absolute amounts spent are similar.

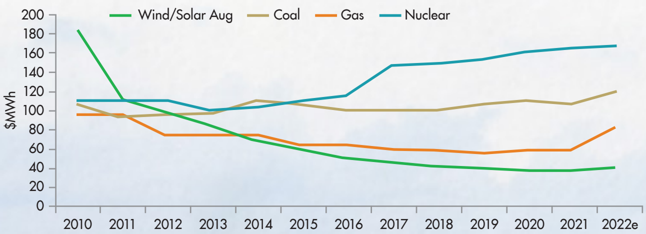
The current crisis has little to do with European climate policies. Yes, some argue that we may have kept more coal-fired power stations operating if we had not been trying to limit carbon emissions; but the dash to gas had more to do with higher efficiencies and better economics of gas powered CCGT (combined cycle gas turbine) than their low carbon attributes. Actually, the main reason for the crisis is to do with over-dependence on a single unreliable supplier. Nevertheless, the negative effect of the price rise has raised the question of how aggressive countries should be in pursuing carbon-dioxide reduction strategies. Simply put, will decarbonising raise energy prices, depress economic growth and place an unfair burden on those least able to afford it?

In his 2020 book, *False Alarm: How Climate Change Panic Costs Us Trillions, Hurts the Poor and Fails to Fix the Planet*, Bjorn Lomborg argues that poverty alleviation is a far greater imperative than curtailing carbon dioxide emissions today. Poorer countries should prioritise increasing wealth, using whatever energy sources do this most effectively, he says: develop first, reduce carbon dioxide emissions later. It is hard to argue against this, especially with Pakistan emitting 15 times less per capita than the US. Lomborg also says developed countries should maximise economic development and effect carbon reduction later, when we are richer and more technologically advanced.

Is this correct? Only if two things are true: firstly, that the cost of low carbon energy is higher than higher-carbon alternatives; and, secondly, that the economic impacts of climate change do not themselves curtail economic progress and hence societal development.

First, it is clear that in region after region, low carbon renewables are outcompeting coal and gas on cost when looked at over the life of a project.

LCOE costs for power generation 2010–21 with 2022 estimate



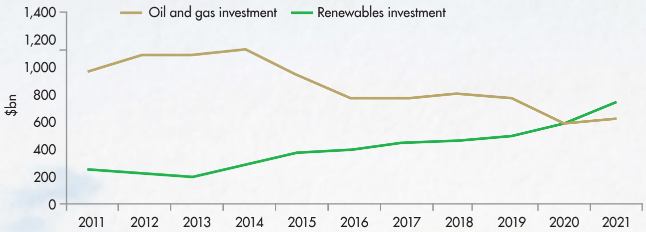
Source: Lazard, Carbontracker.org.
LCOE = levelised cost of energy.

TRANSCEND CLIMATE BATTLE

Recent events have shown how important security of supply and speed of deployment are. Indeed, looking across multiple criteria, solar and wind have attractive characteristics aside from simply being better on cost.

If we are looking for cheap, available, secure and quick-to-deploy energy, then renewables in many areas fit the bill. For this reason, we have recently seen a crossover in capital expenditure on energy, with renewables now exceeding oil and gas.

Capital investment in global energy 2011–21



Source: BNEF / IEA, CTI Analysis, Carbontracker.org.

With this backdrop, it would be perverse not to continue investing in renewables even in the absence of climate change considerations.

On the second point regarding the likely costs of climate change, Lomborg takes the central scenario forecasts for the negative effects of climate change on economic growth and observes that these are small relative to the compounded economic growth we are likely to see in the coming decades. But this misses the wide range of outcomes we could see as the planet rapidly warms. We are changing the chemistry of our atmosphere at an unprecedented rate. Yes, it could be manageable, but there are also scenarios with very grim outcomes for economies and societies. This suggests we should be precautionary in our approach, and favour solutions that at least start to mitigate further carbon dioxide emissions.

The evidence points to our being at a critical juncture in energy. We now have the means to deliver affordable, secure, low carbon electricity. The current energy crisis will only accelerate investment in solar and wind and therefore we are very confident that our themes related to renewable energy and energy efficiency are intact and that the companies we are invested in have bright futures.

However, it is important to recognise that climate change is not the only issue we need to solve. Poverty, poor health and insecurity must be solved in parallel. Business and investment have a big part to play in these areas too. For this reason, our Sustainable Future investment process has always focused on multiple themes and identifying those companies that will be successful while making our world cleaner, healthier and safer.

Facts & Figures

QUARTERLY DATA

Global high yield bonds	Emerging market bonds	US stocks	US corporate bonds	Global government bonds	Japanese stocks
5.95%	4.22%	3.48%	3.29%	0.74%	0.21%
ICE Bank of America ML Global High Yield Bond Index	JP Morgan Global Emerging Market Bond Index	S&P 500 Composite Index	Bloomberg Barclays US Corporate Bond Index	FTSE G7 Index	TOPIX Index

Asian (but not Japanese) stocks	European corporate bonds	European (but not UK) stocks	UK stocks	Emerging market stocks	UK corporate bonds
-0.79%	-1.17%	-2.37%	-3.45%	-3.63%	-12.88%
Bloomberg Barclays European Corporate Bond Index	Bloomberg Barclays European Corporate Bond Index	FTSE All World Developed Europe excluding UK Index	FTSE All-Share Index	MSCI Emerging Market Index	Bloomberg Barclays Sterling Aggregate Bond Index

To highlight the unpredictability of markets, the table below details the performance of global equity and fixed income indices over the past five years (in sterling terms).

This table demonstrates how volatile markets can be, and shows the benefits of diversifying your investment, or in other words, not putting all your eggs in one basket.

Index percentage growth (%)	1 Oct 2021 to 30 Sep 2022	1 Oct 2020 to 30 Sep 2021	1 Oct 2019 to 30 Sep 2020	1 Oct 2018 to 30 Sep 2019	1 Oct 2017 to 30 Sep 2018
US stocks	2.10	24.65	9.76	10.32	21.31
European (but not UK) stocks	-12.91	21.96	0.71	6.24	2.48
UK stocks	-4.00	27.90	-16.59	2.68	5.87
Japanese stocks	-15.80	13.26	-0.06	-2.82	10.63
Asian (but not Japanese) stocks	-1.83	20.75	-10.43	9.14	7.40
Emerging market stocks	-12.79	13.70	5.72	4.09	2.43
Global government bonds	-5.06	-7.49	1.62	15.26	1.15
Global high yield bonds	-2.76	5.28	-0.96	11.94	4.18
US corporate bonds	-1.59	-2.45	2.85	19.58	1.66
European corporate bonds	-13.36	-3.66	2.80	5.41	1.08
Emerging market bonds	-6.06	-0.40	-2.33	17.19	-0.14
UK corporate bonds	-23.79	-5.26	3.66	12.96	0.47

Past performance is not a guide to future performance. Rebased in sterling where appropriate, i.e. all index returns are recalculated based on exchange rates to give returns for a sterling investor. Source: Morningstar Direct, 13 October 2022.

Active fund range

THE LIONTRUST MULTI-ASSET INVESTMENT TEAM


John Husselbee


James Klempster


Mayank Markanday


Victor Alabrune


Malachi Ferguson


David Salisbury

Portfolio changes

BOUGHT

- No new funds were added during the quarter

SOLD

- There were no fund exits during the quarter

Cumulative return

Fund and share class Total returns for the periods shown (%)	3 MONTHS 1 Jul 22 to 30 Sep 22	1 YEAR 1 Oct 21 to 30 Sep 22	3 YEARS 1 Oct 19 to 30 Sep 22	5 YEARS 1 Oct 17 to 30 Sep 22
Liontrust MA Active Reserve S Acc	-10.07	-18.31	-17.55	-12.36
Liontrust MA Active Moderate Income S Acc	-6.84	-19.12	-13.75	-6.75
Liontrust MA Active Intermediate Income S Acc	-4.75	-14.78	-3.79	6.64
Liontrust MA Active Progressive S Acc	-4.43	-14.52	-1.14	12.68
Liontrust MA Active Growth S Acc	-1.74	-11.89	5.84	21.32
Liontrust MA Active Dynamic S Acc	-0.40	-11.01	10.91	23.94

Discrete yearly performance

Fund and share class Total returns for the periods shown (%)	1 Oct 21 to 30 Sep 22	1 Oct 20 to 30 Sep 21	1 Oct 19 to 30 Sep 20	1 Oct 18 to 30 Sep 19	1 Oct 17 to 30 Sep 18
Liontrust MA Active Reserve S Acc	-18.31	0.13	0.79	5.77	0.50
Liontrust MA Active Moderate Income S Acc	-19.12	5.13	1.43	6.99	1.06
Liontrust MA Active Intermediate Income S Acc	-14.78	12.66	0.21	6.11	4.46
Liontrust MA Active Progressive S Acc	-14.52	17.32	-1.42	4.66	8.90
Liontrust MA Active Growth S Acc	-11.89	22.61	-2.02	4.49	9.70
Liontrust MA Active Dynamic S Acc	-11.01	22.93	1.38	5.79	5.63

Source: Financial Express, as at 30 September 2022. Total return figures are calculated on a single pricing basis. Performance figures are shown in sterling unless otherwise specified. The fund performance figures are net of all fees.

ASSET ALLOCATION

WHAT PERFORMED WELL

- North American Equities
- Japan Equities
- Global Government Bonds

WHAT DIDN'T PERFORM AS WELL

- Corporate Bonds
- Government Bonds
- UK Property
- UK Equities
- Developed Asia Equities
- Emerging Markets
- Europe ex-UK

FUND SELECTION

WHAT PERFORMED WELL

- iShares Overseas Government Bond Index
- Ossiam Shiller Barclays CAPE US Sector Value
- LF Lindsell Train UK Equity
- Baillie Gifford Japanese

WHAT DIDN'T PERFORM AS WELL

- Liontrust Sustainable Futures Corporate Bond
- Vanguard UK Government Bond Index
- iShares UK Gilts All Stocks Index
- iShares Corporate Bond Index
- JOHCM UK Dynamic

Past performance is not a guide to future performance. The value of an investment and the income generated from it can fall as well as rise and is not guaranteed. You may get back less than you originally invested. Please refer to page 24 for more information on the Key Risks.

Blended fund range

THE LIONTRUST MULTI-ASSET INVESTMENT TEAM


John Husselbee


James Klempster


Mayank Markanday


Victor Alabrune


Malachi Ferguson


David Salisbury

Portfolio changes

BOUGHT

- No new funds were added during the quarter

SOLD

- There were no fund exits during the quarter

Cumulative return

Fund and share class Total returns for the periods shown (%)	3 MONTHS 1 Jul 22 to 30 Sep 22	1 YEAR 1 Oct 21 to 30 Sep 22	3 YEARS 1 Oct 19 to 30 Sep 22	5 YEARS 1 Oct 17 to 30 Sep 22
Liontrust MA Blended Reserve S Acc	-6.12	-16.96	-14.07	-5.16
Liontrust MA Blended Moderate S Acc	-5.16	-14.53	-8.09	2.35
Liontrust MA Blended Intermediate S Acc	-4.14	-12.65	-3.16	8.56
Liontrust MA Blended Progressive S Acc	-3.15	-11.26	0.83	13.89
Liontrust MA Blended Growth S Acc	-1.16	-8.53	7.84	22.62

Discrete yearly performance

Fund and share class Total returns for the periods shown (%)	1 Oct 21 to 30 Sep 22	1 Oct 20 to 30 Sep 21	1 Oct 19 to 30 Sep 20	1 Oct 18 to 30 Sep 19	1 Oct 17 to 30 Sep 18
Liontrust MA Blended Reserve S Acc	-16.96	3.62	-0.15	6.63	3.51
Liontrust MA Blended Moderate S Acc	-14.53	7.83	-0.28	6.32	4.75
Liontrust MA Blended Intermediate S Acc	-12.65	12.09	-1.09	5.14	6.62
Liontrust MA Blended Progressive S Acc	-11.26	15.88	-1.95	3.65	8.98
Liontrust MA Blended Growth S Acc	-8.53	20.79	-2.40	3.60	9.76

Source: Financial Express, as at 30 September 2022. Total return figures are calculated on a single pricing basis. Performance figures are shown in sterling unless otherwise specified. The fund performance figures are net of all fees.

ASSET ALLOCATION

WHAT PERFORMED WELL

- North American Equities
- Global Government Bonds
- Japan Equities

WHAT DIDN'T PERFORM AS WELL

- Corporate Bonds
- Government Bonds
- UK Property
- UK Equities
- Developed Asia Equities
- Emerging Market Equities
- Europe ex-UK Equities

FUND SELECTION

WHAT PERFORMED WELL

- L&G US Index
- iShares Overseas Government Bond Index
- LF Lindsell Train UK Equity
- Ossiam Shiller Barclays CAPE US Sector Value
- iShares Japan Equity Index

WHAT DIDN'T PERFORM AS WELL

- iShares Corporate Bond Index
- iShares UK Gilts All Stocks Index
- Tritax Big Box
- iShares UK Equity Index
- JOHCM UK Dynamic

Past performance is not a guide to future performance. The value of an investment and the income generated from it can fall as well as rise and is not guaranteed. You may get back less than you originally invested. Please refer to page 24 for more information on the Key Risks.

Passive fund range

THE LIONTRUST MULTI-ASSET INVESTMENT TEAM

John Husselbee

James Klempster

Mayank Markanday

Victor Alabrune

Malachi Ferguson

David Salisbury

Portfolio changes

BOUGHT

- iShares Overseas Government Bond Index

SOLD

- iShares Corporate Bond Index
- HSBC Sterling Corporate Bond Index

Cumulative return

Fund and share class Total returns for the periods shown (%)	3 MONTHS 1 Jul 22 to 30 Sep 22	1 YEAR 1 Oct 21 to 30 Sep 22	3 YEARS 1 Oct 19 to 30 Sep 22	5 YEARS 1 Oct 17 to 30 Sep 22
Liontrust MA Passive Reserve S Acc	-5.67	-14.21	-9.44	4.32
Liontrust MA Passive Moderate S Acc	-4.60	-12.52	-5.96	8.35
Liontrust MA Passive Intermediate S Acc	-2.83	-9.75	-0.14	15.43
Liontrust MA Passive Progressive S Acc	-1.39	-7.24	4.88	23.06
Liontrust MA Passive Growth S Acc	0.21	-4.87	11.20	31.83
Liontrust MA Passive Dynamic S Acc	0.82	-4.66	15.92	34.98

Discrete yearly performance

Fund and share class Total returns for the periods shown (%)	1 Oct 21 to 30 Sep 22	1 Oct 20 to 30 Sep 21	1 Oct 19 to 30 Sep 20	1 Oct 18 to 30 Sep 19	1 Oct 17 to 30 Sep 18
Liontrust MA Passive Reserve S Acc	-14.21	4.81	0.73	10.01	4.71
Liontrust MA Passive Moderate S Acc	-12.52	7.64	-0.13	8.96	5.74
Liontrust MA Passive Intermediate S Acc	-9.75	11.50	-0.76	7.46	7.58
Liontrust MA Passive Progressive S Acc	-7.24	16.02	-2.54	6.51	10.16
Liontrust MA Passive Growth S Acc	-4.87	21.52	-3.81	6.03	11.81
Liontrust MA Passive Dynamic S Acc	-4.66	22.63	-0.86	7.07	8.75

Source: Financial Express, as at 30 September 2022. Total return figures are calculated on a single pricing basis. Performance figures are shown in sterling unless otherwise specified. The fund performance figures are net of all fees.

Past performance is not a guide to future performance. The value of an investment and the income generated from it can fall as well as rise and is not guaranteed. You may get back less than you originally invested. Please refer to page 24 for more information on the Key Risks.

Income generating fund range

THE LIONTRUST MULTI-ASSET INVESTMENT TEAM

John Husselbee

James Klempster

Mayank Markanday

Victor Alabrune

Malachi Ferguson

David Salisbury

Portfolio changes

BOUGHT

- No new funds were added during the quarter

SOLD

- There were no fund exits during the quarter

Cumulative return

Fund and share class Total returns for the periods shown (%)	3 MONTHS 1 Jul 22 to 30 Sep 22	1 YEAR 1 Oct 21 to 30 Sep 22	3 YEARS 1 Oct 19 to 30 Sep 22	5 YEARS 1 Oct 17 to 30 Sep 22
Liontrust MA Active Reserve S Inc	-10.07	-18.31	-17.61	-12.37
Liontrust MA Active Moderate Income S Inc	-6.84	-19.11	-13.72	-6.75
Liontrust MA Active Intermediate Income S Inc	-4.75	-14.78	-3.75	6.62
Liontrust MA Monthly High Income S Inc	-5.59	-15.15	-12.63	-8.83
IA Mixed Investment 0-35% Shares	-3.65	-12.00	-6.38	-0.67

Discrete yearly performance

Fund and share class Total returns for the periods shown (%)	1 Oct 21 to 30 Sep 22	1 Oct 20 to 30 Sep 21	1 Oct 19 to 30 Sep 20	1 Oct 18 to 30 Sep 19	1 Oct 17 to 30 Sep 18
Liontrust MA Active Reserve S Inc	-18.31	0.06	0.79	5.93	0.41
Liontrust MA Active Moderate Income S Inc	-19.11	5.07	1.52	6.91	1.09
Liontrust MA Active Intermediate Income S Inc	-14.78	12.68	0.24	6.10	4.40
Liontrust MA Monthly High Income S Inc	-15.15	6.64	-3.44	3.41	0.91
IA Mixed Investment 0-35% Shares	-12.00	6.02	0.35	4.87	1.17

Source: Financial Express, as at 30 September 2022. Total return figures are calculated on a single pricing basis. Performance figures are shown in sterling unless otherwise specified. The fund performance figures are net of all fees. IA Mixed Investment 0-35% Shares is the comparator benchmark for the Liontrust MA Monthly High Income Fund.

ASSET ALLOCATION

WHAT PERFORMED WELL

North American Equities
Global Government Bonds
Japan Equities
High Yield

WHAT DIDN'T PERFORM AS WELL

Government Bond
Corporate Bond
UK Property
UK Equities
Developed Asia Equities
Emerging Market Equities
Europe ex-UK Equities

FUND SELECTION

WHAT PERFORMED WELL

iShares Overseas Government Bond index
Ossiam Shiller Barclays CAPE US Sector Value
LF Lindsell Train UK Equity
TB Evenlode Income
Baillie Gifford Japanese

WHAT DIDN'T PERFORM AS WELL

Vanguard UK Government Bond Index
Liontrust Sustainable Futures Corporate Bond
iShares UK Gilts All Stocks Index
iShares Corporate Bond Index
JOHCM UK Dynamic
Tritax big Box
Fidelity Asia Pacific Opportunities

Past performance is not a guide to future performance. The value of an investment and the income generated from it can fall as well as rise and is not guaranteed. You may get back less than you originally invested. Please refer to page 24 for more information on the Key Risks.

Specialist fund range

THE LIONTRUST MULTI-ASSET INVESTMENT TEAM

John Husselbee

James Klempster

Mayank Markanday

Victor Alabrune

Malachi Ferguson

David Salisbury

Portfolio changes

BOUGHT

- No new funds were added during the quarter

SOLD

- There were no fund exits during the quarter

Cumulative return

Fund and share class Total returns for the periods shown (%)	3 MONTHS 1 Jul 22 to 30 Sep 22	1 YEAR 1 Oct 21 to 30 Sep 22	3 YEARS 1 Oct 19 to 30 Sep 22	5 YEARS 1 Oct 17 to 30 Sep 22
Liontrust MA Diversified Real Assets A Acc	-8.27	-6.09	0.45	6.12
Liontrust MA UK Equity S Acc	-4.68	-10.38	-4.16	6.80
IA UK All Companies	-4.98	-15.33	-2.22	3.17

Discrete yearly performance

Fund and share class Total returns for the periods shown (%)	1 Oct 21 to 30 Sep 22	1 Oct 20 to 30 Sep 21	1 Oct 19 to 30 Sep 20	1 Oct 18 to 30 Sep 19	1 Oct 17 to 30 Sep 18
Liontrust MA Diversified Real Assets A Acc	-6.09	9.17	-2.02	4.48	1.11
Liontrust MA UK Equity S Acc	-10.38	24.84	-14.34	4.79	6.34
IA UK All Companies	-15.33	32.38	-12.76	-0.03	5.54

Source: Financial Express, as at 30 September 2022. Total return figures are calculated on a single pricing basis. Performance figures are shown in sterling unless otherwise specified. The fund performance figures are net of all fees. IA UK All Companies is the comparator benchmark for the Liontrust MA UK Equity Fund.

ASSET ALLOCATION

WHAT PERFORMED WELL

Asset Backed Securities (0.03)

WHAT DIDN'T PERFORM AS WELL

Speciality REITs
Core Property
UK Equity
Cyclical Real Assets
Core Infrastructure
Social Infrastructure
Global Infrastructure Equity

FUND SELECTION

WHAT PERFORMED WELL

BBGI global Infrastructure
iShares US Mortgage Backed Securities
Starwood European Real Estate Finance

WHAT DIDN'T PERFORM AS WELL

Tritax Big Box
Assura PLC
Tritax EuroBox
Primary Health Properties
JOHCM UK Dynamic
iShares MSCI UK Small Cap ETF
Artemis Income

Past performance is not a guide to future performance. The value of an investment and the income generated from it can fall as well as rise and is not guaranteed. You may get back less than you originally invested. Please refer to page 24 for more information on the Key Risks.

IMPORTANT **information**

Key risks

Past performance is not a guide to future performance. The value of an investment and the income generated from it can fall as well as rise and is not guaranteed. You may get back less than you originally invested.

Some of the Funds managed by the Multi-Asset Team have exposure to foreign currencies and may be subject to fluctuations in value due to movements in exchange rates. The majority of the Funds invest in Fixed Income securities indirectly through other collective investment schemes. 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. Some Funds may have exposure to property via collective investment schemes. Property funds may be more difficult to value objectively so may be incorrectly priced, and may at times be harder to sell. This could lead to reduced liquidity in the Fund. Some also invest in non-mainstream (alternative) assets indirectly through other collective investment schemes. During periods of stressed market conditions non-mainstream (alternative) assets may be difficult to sell at a fair price, which may cause prices to fluctuate more sharply.

The Funds' investments are subject to normal fluctuations and other risks inherent when investing in securities. 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. There is no certainty the investment objectives of the Fund will actually be achieved and no warranty or representation is given to this effect. The Funds therefore should be considered as a long-term investment.

Disclaimer

This document is issued by Liontrust Fund Partners LLP (2 Savoy Court, London WC2R 0EZ), authorised and regulated in the UK by the Financial Conduct Authority (FRN 518165) to undertake regulated investment business.

It should not be construed as advice for investment in any product or security mentioned, an offer to buy or sell investments mentioned, or a solicitation to purchase securities in any company or investment product. Examples of funds are provided for general information only to demonstrate our investment philosophy.

The document contains information and analysis that is believed to be accurate at the time of publication, but is subject to change without notice. Whilst care has been taken in compiling the content of this document, no representation or warranty, express or implied, is made by Liontrust as to its accuracy or completeness, including for external sources (which may have been used) which have not been verified. It should not be copied, forwarded, reproduced, divulged or otherwise distributed in any form whether by way of fax, email, oral or otherwise, in whole or in part without the express and prior written consent of Liontrust.

This is a marketing communication. Before making an investment, you should read the relevant Prospectus and the Key Investor Information Document (KIID), which provide full product details including investment charges and risks. These documents can be obtained, free of charge, from www.liontrust.co.uk or direct from Liontrust. If you are not a professional investor please consult a regulated financial adviser regarding the suitability of such an investment for you and your personal circumstances.

WORLD LAND TRUST™
www.carbonbalancedpaper.com
CBP014388

Liontrust uses Carbon Balanced Paper to reduce the carbon impacts of all our printed communications. This reduces Liontrust's carbon footprint and has a positive impact on carbon change. www.carbonbalancedpaper.com

LIONTRUST
COURAGE · POWER · PRIDE