

# LIONTRUST SUSTAINABLE FUTURE GLOBAL GROWTH FUND - GBP

INVESTMENT RESEARCH NOTE  
FEBRUARY 2024

Risk warning: The past is not necessarily a guide to future performance. The value of your investment and the income from it can fall as well as rise and is not guaranteed. You may not get back the full amount invested. Our views are based upon our understanding of current legislation in England. Levels and bases of, and reliefs from, taxation are subject to change and their value to you will depend upon your personal circumstances. You should not act on any of the information without seeking professional advice. clarity Ltd is authorised and regulated by the Financial Conduct Authority (FCA).

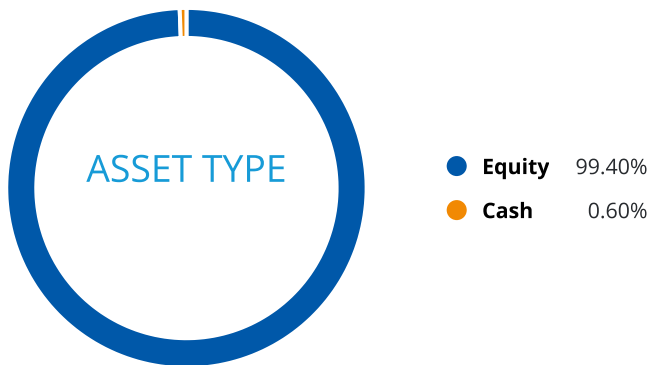
SUMMARY

Liontrust is a specialist, independent fund management company launched in 1995 and listed on the London Stock Exchange in 1999. They have eight fund management teams covering global equity regions, fixed income and sustainable investments. The July 2019 acquisition of Neptune Investment Management substantially increased the assets under management.

The lead fund manager Simon Clements is backed by Peter Michaelis, Head of Sustainable Investment and Chris Foster. The 13-strong team has been managing funds using the 'Sustainable Future' process since 2001. Each individual member of the team is fully responsible for the ESG process implementation on the research and selection of the investment.

The investment process is structured in four states:

- 1. **Thematic analysis** - Companies with strong growth prospect
- 2. **Sustainability analysis** – Companies that contribute to society or the environment
- 3. **Analysis of business fundamental** – Selection of companies that would deliver high return on equity.
- 4. **Valuation analysis** - Identify companies at current discount to the fair value.



INVESTMENT PROCESS

The Fund's philosophy is based on the belief that sustainable business models are key to the long-term profitability of companies. The managers seek out high-quality companies that are focused on improving people's quality of life, driving resource efficiency or building resilient, prosperous and stable societies.

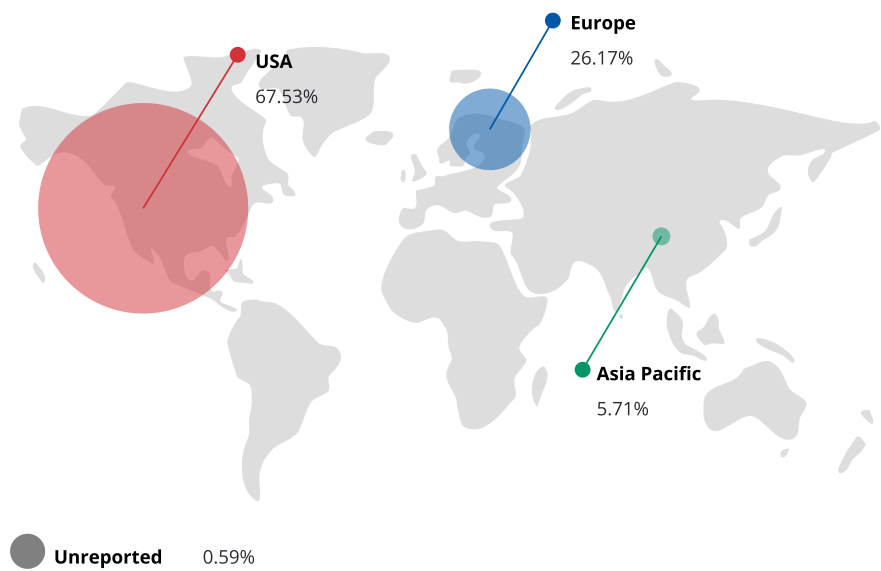
The two managers are supported by a wider team of analysts with a collegiate approach; team members bring investment ideas to the weekly team meeting, and each recommendation must be supported by a sustainability rating, an analysis of the business fundamentals, and a valuation with a target price. Final investment decisions rest with the lead fund manager.

Meetings with companies are used to assess the company strategy and the calibre of the management, and to address issues that are critical to future financial performance; many of these will relate to ESG considerations. There is an external Sustainable Future Advisory Committee that meets three times a year. It consists of experts in sustainable development who have a deep knowledge of developing trends in societal, environmental and economic spheres. Their guidance on this informs the themes that the managers analyse in more detail. There is collaboration with university academics and NGOs and Liontrust also commissions studies from consultancies such as the New Economics Foundation. Third party research is used to collate relevant ESG information on the performance of portfolio companies. This information is used in the formulation of the Sustainability Rating and the assessment of the quality of the company.

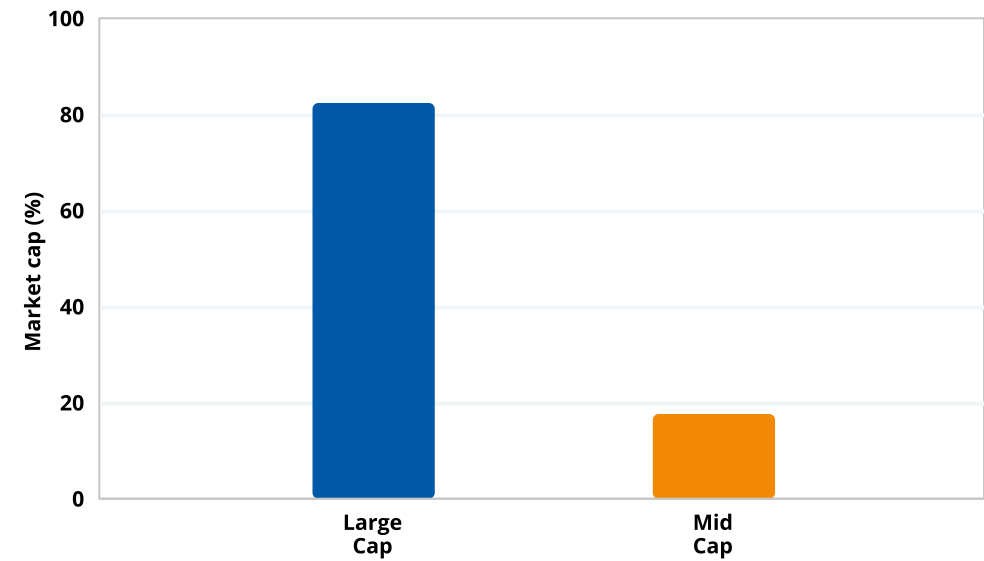
The investment process is driven and informed by a number of themes, which fall under the broad headings of "Better resource efficiency", "Improved health" and "Greater safety and resilience". There are currently 20 themes, and these may change over time. The process begins with identifying high-quality companies that fall within one of the themes. The companies are then entered into a proprietary sustainability matrix, which scores them according to "What they do" and "How they do it". Companies that score poorly against these ESG criteria are excluded, borderline cases may be included with the intention of engaging with management over their ESG issues. A variety of metrics including return on equity, resilience, quality of earnings, free cash flow, and historic and predicted growth, are used to analyse a company's business fundamentals. This allows the team to identify and forecast the growth prospects and underlying strength of a company's finances, and the likely return.

# AGGREGATED NET EXPOSURE

## REGIONAL EXPOSURE



## EQUITY MARKET CAP (%)



BOND  
MATURITIES

Not Applicable



BOND  
RATINGS

Not Applicable

# OVERALL PERFORMANCE

● Liontrust Sustainable Future Global Growth 2 Acc      ● FTSE World Equity Total Return GBP

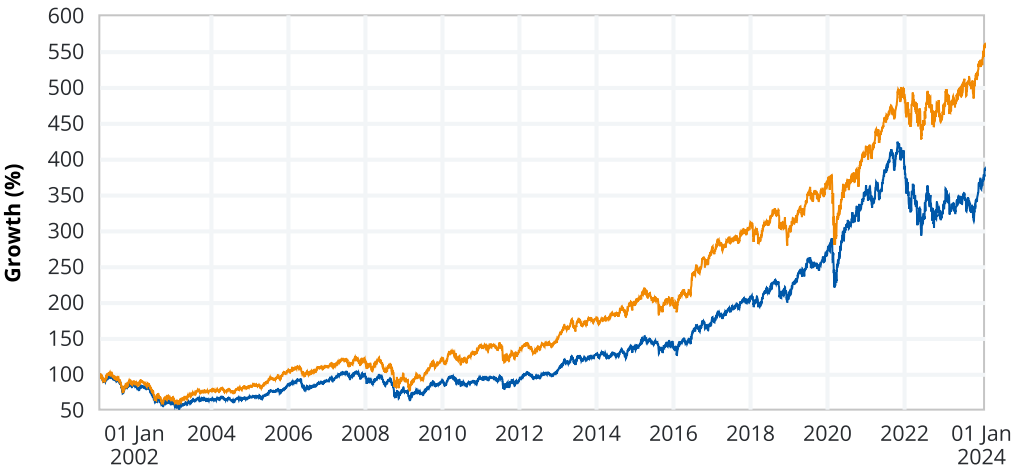
## GROWTH (%) - OVER 1 YEAR

14 Feb 2023 - 13 Feb 2024



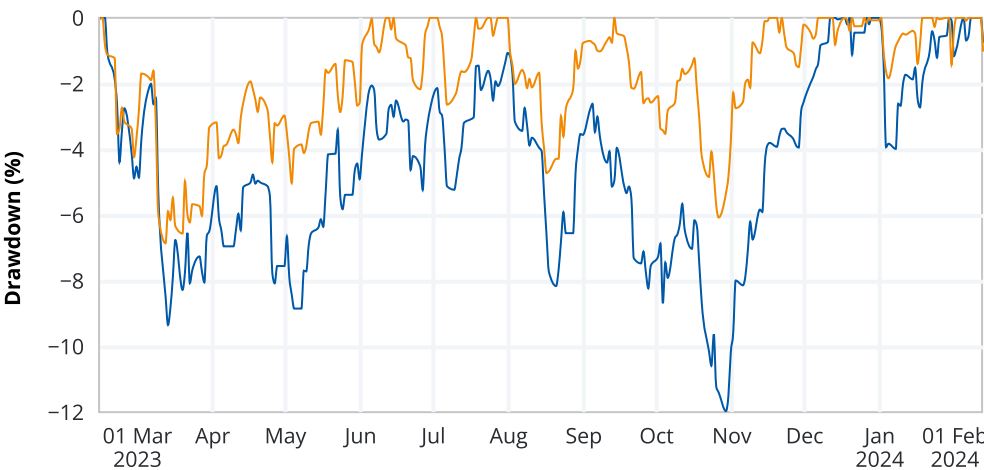
## GROWTH (%) - FROM INCEPTION

21 Feb 2001 - 13 Feb 2024



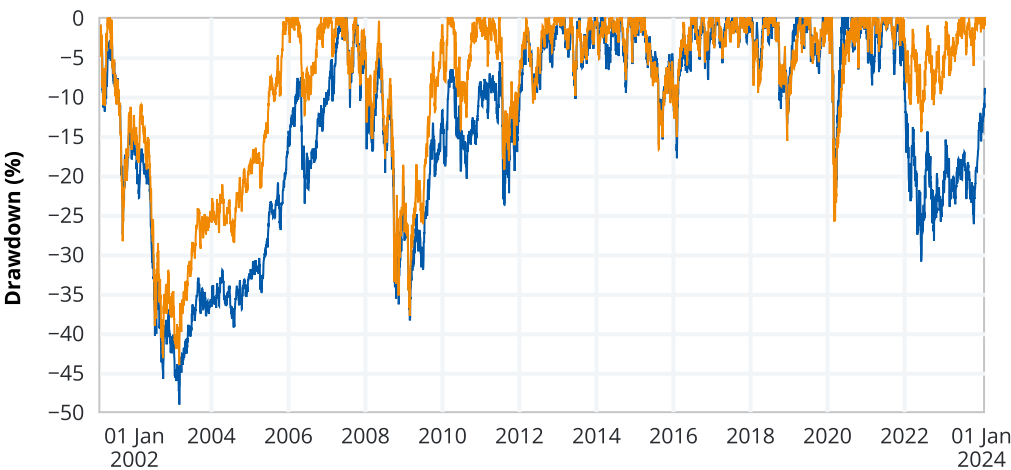
## DRAWDOWN (%) - OVER 1 YEAR

14 Feb 2023 - 13 Feb 2024



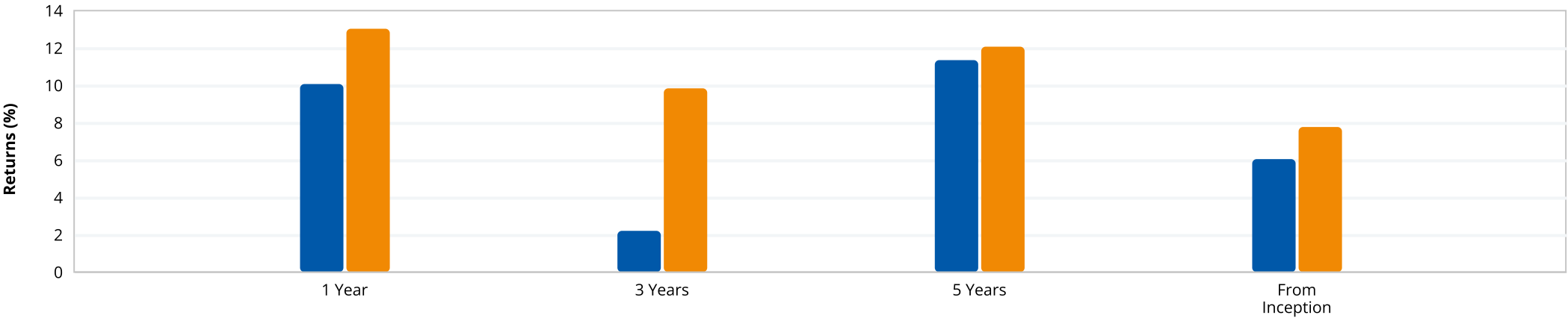
## DRAWDOWN (%) - FROM INCEPTION

21 Feb 2001 - 13 Feb 2024



# RETURNS

● Liontrust Sustainable Future Global Growth 2 Acc      ● FTSE World Equity Total Return GBP



## MONTHLY BREAKDOWN AND YEARLY TOTALS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2024	0.80	2.10											2.92
2023	4.49	0.11	-1.70	-1.13	3.37	1.72	1.47	-2.20	-4.16	-4.29	9.81	7.78	15.17
2022	-12.11	-4.28	4.80	-5.77	-2.94	-6.65	10.32	-0.48	-5.71	2.38	-0.80	-0.54	-21.28
2021	-1.64	-0.51	0.05	6.15	-2.32	6.53	2.07	5.77	-3.36	3.42	0.26	0.34	17.38
2020	3.10	-5.33	-7.03	12.49	8.43	3.19	0.12	3.52	2.00	-1.83	7.60	3.72	32.30
2019	5.45	4.69	3.03	5.50	-1.54	3.47	4.61	-3.42	0.22	-1.10	5.16	0.55	29.45

Capped to 6 years.

## ANNUALISED ROLLING RETURNS (%)

	1 YEAR	3 YEAR	5 YEAR	INCEPTION
●	10.07	2.21	11.35	6.05
●	13.03	9.84	12.07	7.77

## CUMULATIVE RETURNS (%)

	1 YEAR	3 YEAR	5 YEAR	INCEPTION
●	10.03	6.74	70.78	283.08
●	12.98	32.34	76.33	454.11

● Liontrust Sustainable Future Global Growth 2 Acc      ● FTSE World Equity Total Return GBP

PERFORMANCE - OVER 1 YEAR

14 Feb 2023 - 13 Feb 2024

	●	●
RETURNS (%)	10.07	13.03
VOLATILITY (%)	14.14	10.88
ALPHA	-0.67 *	
BETA	1.21 *	1.00
CORRELATION	0.85 *	1.00
SHARPE RATIO	0.41	0.83
SORTINO RATIO	0.56	1.19
MAX DRAWDOWN (%)	-11.97	-6.86

\*Calculated over a 3 year period where history permits.

PERFORMANCE - FROM INCEPTION

21 Feb 2001 - 13 Feb 2024

	●	●
RETURNS (%)	6.05	7.77
VOLATILITY (%)	16.59	15.90
ALPHA	-0.11	
BETA	0.98	1.00
CORRELATION	0.91	1.00
SHARPE RATIO	0.23	0.34
SORTINO RATIO	0.32	0.48
MAX DRAWDOWN (%)	-48.58	-43.99

SIMPLE STRESS TEST DRAWDOWN (%)

14 Feb 2023 - 13 Feb 2024



Stress test notes

The chart shows the calculated drawdown over the last year. The Review Point is the fund intervention point. Any drawdown above this line indicates a typical drawdown in a normal market cycle. Should the drawdown hit the review point, then this indicates that market conditions may be abnormal. This is the point that we would consider taking immediate action for an extreme market event.

# DISCLAIMER

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