

# LIONTRUST MULTI ASSET ACTIVE RESERVE FUND - GBP

INVESTMENT RESEARCH NOTE  
FEBRUARY 2024

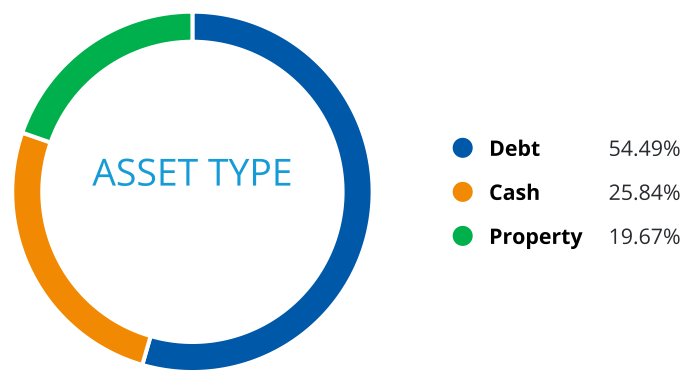
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SUMMARY

Architas was founded in 2008 as a retail provider of multi-asset and multi-manager solutions, previously the fund research arm of AXA Group. The Active Reserve Fund is one of six such funds designed to cover a range of risk profiles. Architas was bought by Liontrust in November 2020 and the fund was subsequently renamed under the Liontrust brand.

Whilst formally in the IA Volatility Managed sector it is often seen as a lower risk member of the IA 0%-35% sector, and is usually measured against cash and fixed interest as a benchmark proxy. The fund is managed by John Hussenbee, who has 35 years experience in managing multi-asset and multi-manager funds.

This fund has the lowest risk profile within the range of 2, and is designed for investors with low-risk tolerances and is seen as a first investment step away from cash. Launched in 2007, with a global remit, the fund is focused on 3 asset classes - cash, fixed interest and property and invests on a fund of funds basis, with at least 70% invested in other funds (i.e. open and closed ended, ETFs, etc).



INVESTMENT PROCESS

The fund weights across the three assets - Cash, Fixed Interest and Property - which tend to vary to a maximum of 10% either side of the one third weighting. This fund does not invest in equities as an asset class and the focus is one of capital protection and downside risk management, alongside generating a modest yield. This places the fund clearly towards the low end of the risk spectrum. With a third of the fund usually in cash and cash equivalents and a low risk/low return philosophy, the annual charges do represent a sizable share of likely returns.

Asset Allocation starts with a third party modelling system called EValue to determine a strategic outlook. It creates an optimised, efficient portfolio for each risk rating, using historic asset class returns to derive sensible assumptions of future, expected returns over 15 yrs. This is supplemented with a process of tactical, internal peer group review. Each member of the team provides an analysis and opinion of the relative attraction of their allocated asset class, based on macro, market and valuation analysis. This is peer group reviewed with the designated analyst having the major, but not total say on any conclusion. Whilst subjective in nature, the process is heavily focused on driving decisions and delivering actionable trades based on these deliberations.

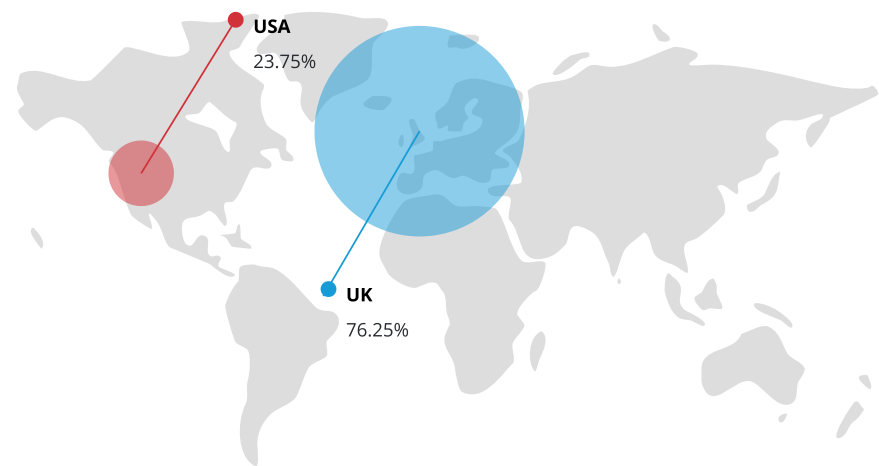
The fund selection process is based on initial quantitative screening of fund performance behaviours based around consistency of returns, with a focus on upside and downside capture, information ratios and more. Funds are selected very much with downside protection in mind and the the process is designed to provide a short list which then requires further work by the designated team member. There are regular meetings to monitor fund and portfolio risk, and the overall volatility of the fund is measured against specific targets based around the fund's risk profile.

The property exposure can involve direct property equities as well as direct property funds. Within the cash element, Gold can also be held via ETFs. Position size reflects an assessment of risk and this can be a subjective opinion. Tracker funds are often selected to provide a low cost exposure to favoured asset classes.

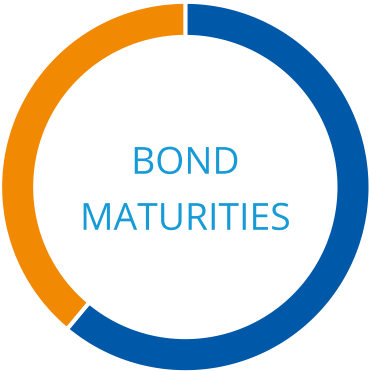
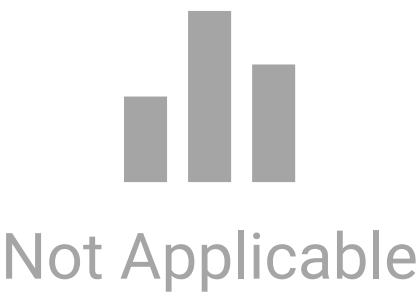
ESG integration is incorporated for all multi-asset products, with a dedicated ESG team who conduct due diligence and ESG scoring.

# AGGREGATED NET EXPOSURE

## REGIONAL EXPOSURE



## EQUITY MARKET CAP (%)



- Short Term (1-3 yr) 61.05%
- Intermediate Term (3-10 yr) 38.95%



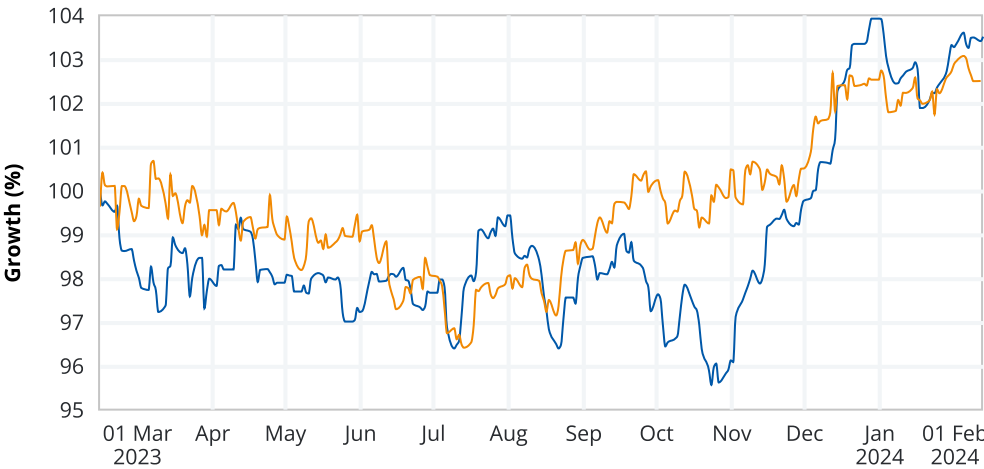
- Investment Grade 88.80%
- Speculative Grade/High Yield 11.20%

# OVERALL PERFORMANCE

● Liontrust MA Active Reserve Fund S Accumulation Shares    ● Multi Asset Benchmark (cash/FI) - 35/65

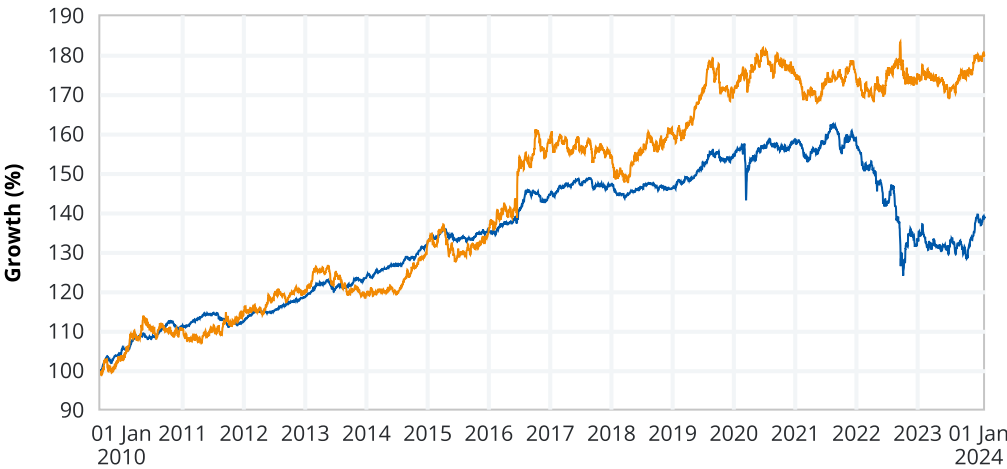
## GROWTH (%) - OVER 1 YEAR

14 Feb 2023 - 13 Feb 2024



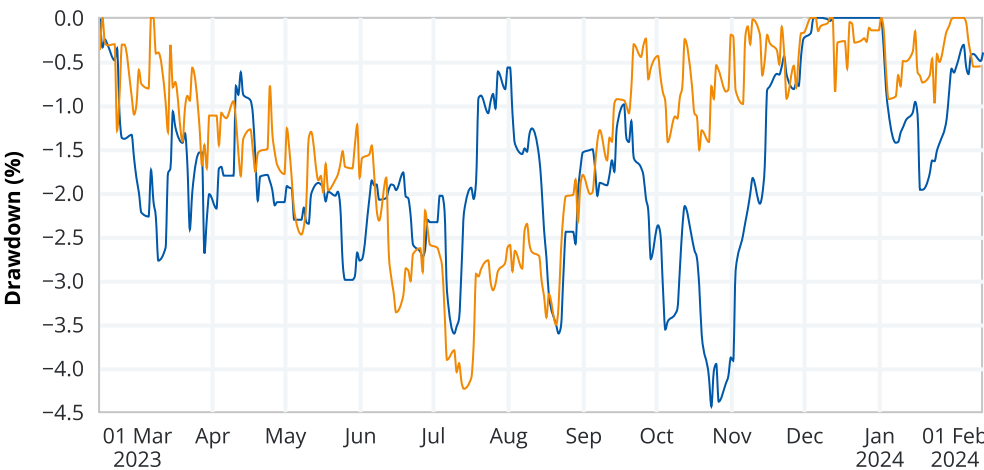
## GROWTH (%) - FROM INCEPTION

3 Sep 2009 - 13 Feb 2024



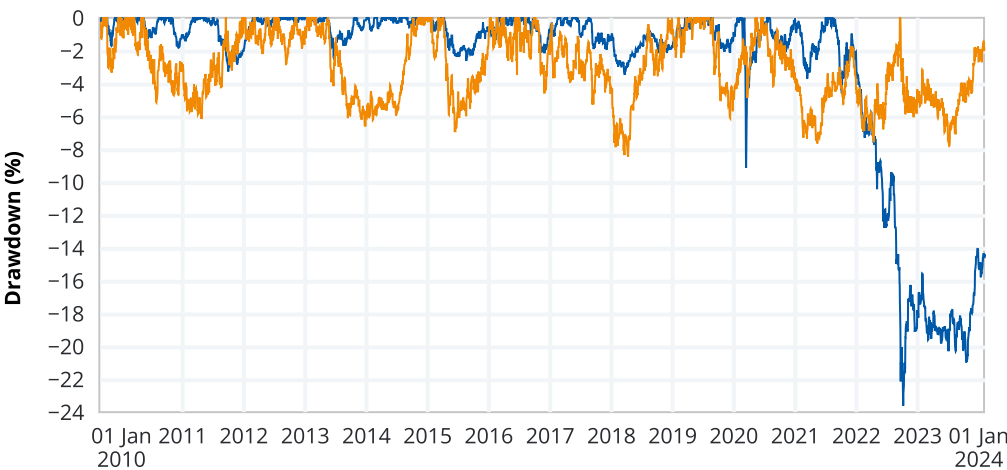
## DRAWDOWN (%) - OVER 1 YEAR

14 Feb 2023 - 13 Feb 2024



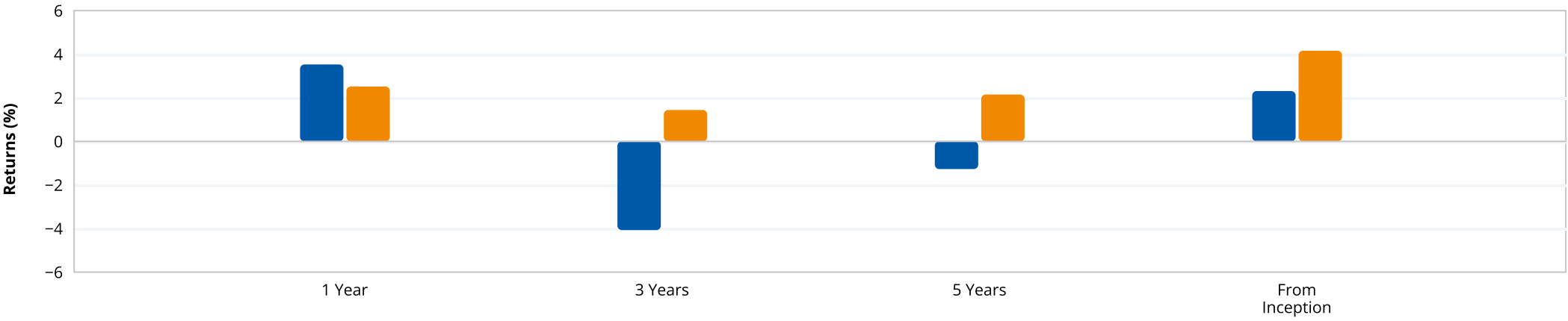
## DRAWDOWN (%) - FROM INCEPTION

3 Sep 2009 - 13 Feb 2024



# RETURNS

● Liontrust MA Active Reserve Fund S Accumulation Shares    ● Multi Asset Benchmark (cash/FI) - 35/65



## MONTHLY BREAKDOWN AND YEARLY TOTALS (%)

|      | JAN   | FEB   | MAR   | APR   | MAY   | JUN   | JUL  | AUG   | SEP   | OCT   | NOV  | DEC   | YEAR   |
|------|-------|-------|-------|-------|-------|-------|------|-------|-------|-------|------|-------|--------|
| 2024 | -0.58 | 0.19  |       |       |       |       |      |       |       |       |      |       | -0.40  |
| 2023 | 2.51  | -2.14 | -0.42 | -0.09 | -0.59 | 0.36  | 1.55 | -0.91 | -1.05 | -1.37 | 3.81 | 4.37  | 5.95   |
| 2022 | -2.46 | -2.45 | 0.56  | -1.20 | -1.45 | -3.86 | 2.08 | -3.03 | -9.15 | 3.13  | 2.00 | -2.22 | -17.15 |
| 2021 | 0.00  | -2.41 | -0.62 | 1.37  | 0.54  | 0.84  | 1.74 | 0.96  | -3.24 | 1.24  | 0.17 | -0.01 | 0.44   |
| 2020 | 1.44  | -0.31 | -2.76 | 2.11  | 0.95  | 0.39  | 0.78 | -0.70 | -0.16 | -0.24 | 0.00 | 1.34  | 2.79   |
| 2019 | 1.01  | -0.17 | 1.17  | -0.16 | 0.91  | 0.49  | 1.55 | 1.52  | -0.16 | -1.19 | 0.40 | -0.08 | 5.38   |

Capped to 6 years.

## ANNUALISED ROLLING RETURNS (%)

|   | 1 YEAR | 3 YEAR | 5 YEAR | INCEPTION |
|---|--------|--------|--------|-----------|
| ● | 3.53   | -4.07  | -1.27  | 2.31      |
| ● | 2.52   | 1.44   | 2.15   | 4.16      |

## CUMULATIVE RETURNS (%)

|   | 1 YEAR | 3 YEAR | 5 YEAR | INCEPTION |
|---|--------|--------|--------|-----------|
| ● | 3.51   | -11.67 | -6.14  | 38.92     |
| ● | 2.50   | 4.36   | 11.18  | 79.62     |

● Liontrust MA Active Reserve Fund S Accumulation Shares    ● Multi Asset Benchmark (cash/FI) - 35/65

PERFORMANCE - OVER 1 YEAR

14 Feb 2023 - 13 Feb 2024

|                  | ●       | ●     |
|------------------|---------|-------|
| RETURNS (%)      | 3.53    | 2.52  |
| VOLATILITY (%)   | 5.18    | 5.42  |
| ALPHA            | -0.47 * |       |
| BETA             | 0.38 *  | 1.00  |
| CORRELATION      | 0.19 *  | 1.00  |
| SHARPE RATIO     | -0.25   | -0.41 |
| SORTINO RATIO    | -0.36   | -0.58 |
| MAX DRAWDOWN (%) | -4.43   | -4.23 |

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

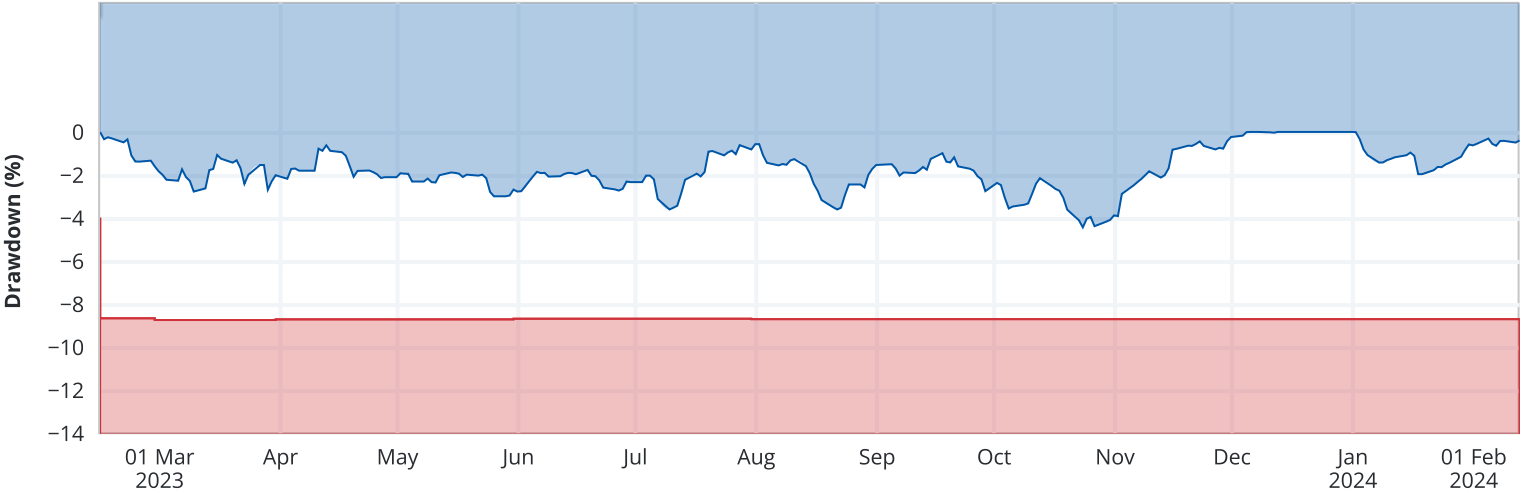
PERFORMANCE - FROM INCEPTION

3 Sep 2009 - 13 Feb 2024

|                  | ●      | ●     |
|------------------|--------|-------|
| RETURNS (%)      | 2.31   | 4.16  |
| VOLATILITY (%)   | 3.77   | 6.36  |
| ALPHA            | 0.05   |       |
| BETA             | 0.26   | 1.00  |
| CORRELATION      | 0.30   | 1.00  |
| SHARPE RATIO     | 0.36   | 0.50  |
| SORTINO RATIO    | 0.49   | 0.75  |
| MAX DRAWDOWN (%) | -23.61 | -8.45 |

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

**Liontrust Multi Asset Active Reserve Fund - GBP** | February 2024

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