

LIONTRUST EUROPEAN DYNAMIC FUND

Interim Report &
Financial Statements (unaudited)

For the period:

1 May 2022

to

31 October 2022

Managed in accordance with
The Liontrust Cashflow Solution

LIONTRUST FUND PARTNERS LLP

LIONTRUST 

Contents

Management and Administration*	1
Manager's Investment Report*	3
Authorised Status*	10
Certification of Financial Statements by Partners of the Manager	10
Performance Tables	11
Portfolio Statement*	12
Financial Statements:	
Statement of Total Return	15
Statement of Change in Net Assets Attributable to Unitholders	15
Balance Sheet	16
Securities Financing Transactions	17
Additional information	20

* Collectively, these comprise the Authorised Fund Manager's Report (from herein referred to as the Manager's Report).

Management and Administration

Authorised Fund Manager ("Manager")

Liontrust Fund Partners LLP
2 Savoy Court
London WC2R 0EZ

Administration and Dealing enquiries 0344 892 0349
Administration and Dealing facsimile 0207 964 2562
Email Liontrustadmin@bnymellon.com
Website www.liontrust.co.uk

The Manager of Liontrust European Dynamic Fund (the "Fund") is authorised and regulated by the Financial Conduct Authority ("FCA") and is a member of the Investment Association. The ultimate holding company of the Manager is Liontrust Asset Management PLC ("LAM", "Liontrust" or the "Group") which is incorporated in England.

Investment Adviser

Liontrust Investment Partners LLP
2 Savoy Court
London WC2R 0EZ

Authorised and regulated by the FCA.

Trustee

The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London EC4V 4LA

Authorised by Prudential Regulation Authority ("PRA") and regulated by the FCA and the PRA.

Independent Auditor

KPMG LLP
11th Floor
15 Canada Square
Canary Wharf
London
E14 5GL

Administrator and Registrar

The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London
EC4V 4LA

Authorised by PRA and regulated by the FCA and the PRA.

Liontrust European Dynamic Fund

Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist fund management company with £31.7 billion in assets under management as at 30 September 2022 and that takes pride in having a distinct culture and approach to managing money. Our purpose is to have a positive impact on our investors, stakeholders and society. We aim to achieve this by providing the environment which enables our fund managers and employees to flourish, helping our investors achieve their financial goals, supporting companies in generating sustainable growth, and empowering and inspiring the wider community. What makes Liontrust distinct?

- The Company launched in 1995 and was listed on the London Stock Exchange in 1999.
- We are an independent business with no corporate parent, our head office is on the Strand in London and we have offices in Edinburgh and Luxembourg.
- We believe in the benefits of active fund management over the long term and all our fund managers are truly active.
- We focus only on those areas of investment in which we have particular expertise. We have eight fund management teams investing in Global Equities, Global Fixed Income, Sustainable Investment and Multi-Asset portfolios and funds.
- Our fund managers are independent thinkers and have the courage of their convictions in making investment decisions.
- Our fund managers have the freedom to manage their portfolios according to their own investment processes and market views without being distracted by other day-to-day aspects of running a fund management company.
- Each fund management team applies distinct and rigorous investment processes to the management of funds and portfolios that ensure the way we manage money is predictable and repeatable.
- Staying true to their documented investment processes helps to create an in-built risk control for our fund managers, especially in more challenging environments, by preventing them from investing in companies and funds for the wrong reasons.
- We aim to treat investors, clients, members, employees, suppliers and other stakeholders fairly and with respect. We are committed to the Principles of Treating Customers Fairly (TCF) and they are central to how we conduct business across all our functions.

Liontrust Asset Management PLC is the parent company of Liontrust Investment Partners LLP, Liontrust Fund Partners LLP and Liontrust Portfolio Management Limited which are authorised and regulated by the Financial Conduct Authority. Liontrust Asset Management PLC is also the parent company of Liontrust International (Luxembourg) S.A. which is regulated by the Commission de Surveillance du Secteur Financier in Luxembourg. All members of the Liontrust Group sell only Liontrust Group products.

Russia's invasion of Ukraine, the sanctions imposed on Russia as a result and retaliatory action taken by Russia against foreign investors has caused significant volatility in certain financial markets, currency markets and commodities markets worldwide. Economic sanctions and the fallout from the conflict will likely impact companies worldwide operating in a wide variety of sectors, including energy, financial services and defence, amongst others. As a result, the performance of the Fund may also be negatively impacted even if they have no direct exposure to the regions involved in the conflict. The conflict has also resulted in a significantly increased risk of cyber attacks. Your attention is drawn to the section of the Prospectus entitled "Cyber Security Risk" in this regard.

Manager's Investment Report

Investment Objective

The Fund aims to deliver capital growth over the long-term (5 years or more).

Investment Policy

The Fund will invest in companies which are incorporated, domiciled, listed or conduct significant business in the EEA or Switzerland, but excludes shares listed in the UK.

The Fund will typically invest 95% (minimum 80%) in equities or equity related derivatives but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.

As a result of the investment process employed, the proportion of the Fund that is invested in growth companies versus value opportunities will change dynamically over time depending on the investment opportunities available in the market.

The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes. Please refer to the Derivatives sections of the Prospectus for further details.

The Fund also has the ability to implement hedging on hedged unit classes. Please refer to the Exchange Rate Risk and Hedging sections of the Prospectus for further detail.

The Team

James Inglis-Jones formed the Cashflow Solutions team on joining Liontrust in March 2006 and was joined by Samantha Gleave in 2012. James and Samantha jointly manage the Cashflow Solutions range of funds having first worked together in 1998 and with an average industry experience of 25 years. James previously managed funds at Fleming Investment Management, JP Morgan Fleming and Polar Capital. Samantha formerly worked at Sutherlands Limited, Fleming Investment Management, Credit Suisse First Boston and Bank of America Merrill Lynch. Samantha was a No 1 ranked equity research sector team (Extel & Institutional Investor Surveys) at Credit Suisse and won awards for Top Stock Pick and Earnings Estimates at Bank of America Merrill Lynch.

The Process

The fund managers focus 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 on that measure 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:

- Cash flow relative to operating assets
- Cash flow relative to market value

Manager's Investment Report (continued)

Performance of the Fund

In the six months to 31 October 2022 an investment in the Fund returned -5.4% (retail class) and -5.1% (institutional class). The MSCI Europe ex-UK Index comparator benchmark returned -4.9% and the return made by funds in the IA Europe ex-UK sector average, also a comparator benchmark, was -5.7%.

From the Fund's launch on 15 November 2006 to 31 October 2022, an investment in the Fund rose by 257% (retail class) and 292% (institutional class), compared to a rise of 125% by the MSCI Europe ex-UK Index and a 138% return from the IA Europe ex-UK sector comparator benchmarks.

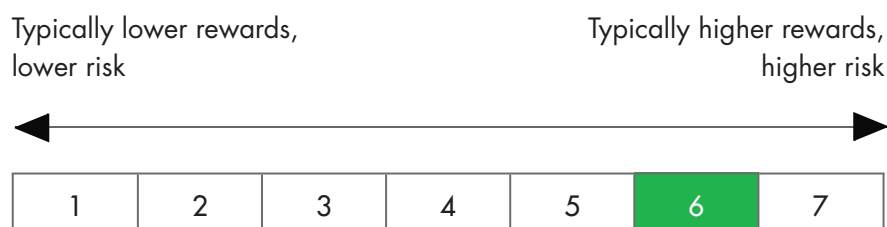
Source: Financial Express, bid-to-bid basis, total return, net of fees, income reinvested, figures show performance up to 31 October 2022. The primary class post-Retail Distribution Review is the institutional class, whereas pre-Retail Distribution Review the bundled Retail class performance history is used, unadjusted for the lower fees of the post Retail Distribution Review classes. Please note that total return has been calculated at midday whereas the financial statements are at close of business.

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.

Manager's Investment Report (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



- The Synthetic Risk Reward Indicator ("SRRI") is based upon historical data and may not be relied upon to gauge the future risk profile of the Fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Fund or a representative fund or Index's value has moved up and down in the past.
- The Fund is categorised 6 for its exposure to European (ex UK) equities.
- The SRRI may not fully take into account the following risks:
 - that a company may fail thus reducing its value within the Fund;
 - 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, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Fund volatility in both up and down markets by hedging against the general market.
- 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.
- The Fund has both Hedged and Unhedged unit classes available. The Hedged unit classes use forward foreign exchange contracts to protect returns in the base currency of the Fund.
- 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.

Manager's Investment Report (continued)

Risk and Reward profile (continued)

- Environmental, Social and Governance (ESG) Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG.

For full details of the Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 1) or online at www.liontrust.co.uk.

Manager's Investment Report (continued)

The Market

The MSCI Europe ex-UK Index returned -4.9% in the six months to 31 October 2022*.

The World Bank's June edition of its Global Economic Prospects warned of several years of above-average inflation and below-average growth as it cut its 2022 growth forecast from 4.1% (at the time of the January report) to 2.9%. One of the factors in the downgrade is the impact of interest rate normalisation, and this continued apace over the six months.

The US Federal Reserve enacted 275 basis points of tightening across four separate hikes. Although the Bank of England also raised rates four times, its pace was more measured, amounting to total of 150 basis points (bps). With consumer inflation hitting 10% in the UK and Eurozone and 9% in the US, the motivation to tighten is clear.

In July, the European Central Bank (ECB) belatedly joined other central banks in beginning its rate tightening cycle. Ahead of the decision, there had been some speculation over whether the bank would raise rates by 25 basis points or opt for a 50 basis point hike. It chose the latter and then went on to push through two larger hikes of 75 basis points in September and October. ECB President Christine Lagarde commented that there would be several further rate rises as it looks to bring inflation back towards its 2% target.

Equity markets dropped as investors became more concerned that this degree of monetary tightening would push economies into recession.

Within European equity markets, energy was by far the strongest sector, returning 15% in sterling terms. Although oil prices ended the period slightly lower at \$93 a barrel, they had traded above \$120 during June – nearly double the levels of a year earlier. Similarly, European gas prices finished largely flat on the six months, but spiked in an exaggerated manner during July and August – up around threefold – as Russia restricted supplies. Although the typically cyclical areas of materials (-11.5%) and real estate (-30%) were the weakest, the sector profile of the MSCI Europe ex-UK did not otherwise show a strong defensive or cyclical bias. For example, consumer discretionary (-1.6%) was one of the most resilient sectors, despite its exposure to softening consumer spending.

Analysis of Portfolio Return

The Fund returned -5.1% (institutional income class) in the six months to 31 October 2022. The MSCI Europe ex-UK index comparator benchmark returned -4.9% and the average return made by funds in the IA Europe ex-UK sector, also a comparator benchmark, was -5.7%.*

The Fund remains positioned to target the valuation dislocation between expensive, high forecast growth stocks and cheaper recovering value stocks.

The performance of European value equities relative to their growth counterparts proved volatile across the six months as investor expectations regarding interest rate rises – particularly the level and timing of peak in rates – fluctuated. By definition, growth stocks are long duration; their valuation should be sensitive to a rising discount rate on their future assumed high growth. By contrast, value stocks are short duration.

While the MSCI Europe ex-UK Value Index outperformed the MSCI Europe Growth ex-UK Index by 10 percentage points in the first four months of 2022 as a faster pace of interest rate rises was priced in, it outperformed by a more modest 1.7 percentage points during the subsequent six months.

One of the portfolio's largest positive contributors over the period – **Bank of Ireland** (+29%) – is a direct beneficiary of rising interest rates. Although it reported interim operating income that was marginally lower than expected, dropping slightly from last year's level to €1.39bn in the first six months of 2022, its outlook was more upbeat than anticipated. It now expects "modestly higher net interest income" for 2022, as the income line's gearing to higher interest feeds through.

Swedish Match (+41%) shares jumped after it agreed to a SEK106 per share cash offer from Philip Morris. The offer was well-timed from the Fund's perspective, Swedish Match having only been added to the portfolio earlier in the review period as we sought out defensive exposure.

The Fund's overweight allocation to the energy sector provided some measure of insulation from the negative impact of the supply side shock currently facing economies, with **Totalenergies** (+21%), **Equinor** (+10%) and **Aker** (+4.5%) all rising.

Manager's Investment Report (continued)

Analysis of Portfolio Return (continued)

However, its exposure to basic resources sector was a source of negative attribution as the sector was one of the European market's poorest performers and Fund holdings such as **K+S** (-29%), **Boliden** (-25%) and **Bekaert** (-16%) all fell heavily.

For the first four months of the year, German fertiliser manufacturer **K+S** performed very strongly as prices of potash and other agricultural commodities jumped in the wake of Russia's invasion of Ukraine. These price increases contributed to K+S significantly upgrading its financial guidance in April: the 2022 EBITDA (earnings before interest, taxation, depreciation and amortisation) forecast was lifted from a €1.6bn - €1.9bn range to €2.3bn - €2.6bn, ahead of consensus analyst forecasts of €2.2bn. The shares subsequently rolled over as concerns mounted over the potential for gas supply constraints as Russia interrupted supply to Europe. In its Q2 report, K+S included the assumption of 25% reduction in natural gas availability at its German sites, incurring extra costs in the "low triple-digit" millions. Despite this modelled cost increase, K+S maintained its new EBITDA forecast range.

Consumer-facing stocks such as Danish jewellery retailer **Pandora** (-36%) are operating in a very tough environment of rampant input cost inflation and softening consumer confidence. So far, however, Pandora's underlying trading has proven relatively resilient. In Q1 results it slightly upgraded its full year operating profit growth guidance range from 3%-6% to 4%-6%. Although organic revenue growth slowed to 3% year-on-year in Q2, it still amounted to 11% in the first half of 2022, and the company maintained its full-year guidance of a 4% to 6% growth.

Italian clothing retailer **Moncler** (-24%) similarly saw its shares slide despite reporting good trading. In the first nine months of the year, revenues rose 30% in constant currency terms to over €1.5bn.

**Source: Financial Express, bid-to-bid basis, total return, net of fees, income reinvested, 31.10.2022. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

Portfolio Changes

Changes to the Fund's portfolio of holdings are driven by our annual review of companies' reports and accounts. This in-depth quantitative and qualitative review is core to the Cashflow Solution investment process. It involves the forensic analysis of historic cash flows and balance sheet developments.

We apply a simple quantitative screen using two measures of cash flow to create a composite ranking of the European universe of companies, with only the top 20% – the Cashflow Champions watchlist – qualifying for further qualitative analysis.

We then aim to pick the very best investments from within the watchlist by categorising stocks according to four 'secondary scores': Momentum, Cash Return, Recovering Value and Contrarian. We also apply a set of key proprietary indicators – valuations, investor anxiety, corporate aggression and market momentum. These allow us to designate the prevailing market regime and, in turn, optimise portfolio construction by emphasising different secondary scores within stock selection in order to target growth or value exposure.

This year's annual review has maintained the portfolio's focus on value stocks with momentum, recovery or cash return characteristics. It has also introduced some stocks with inexpensive defensive and quality characteristics. Early in 2022, our key market indicators suggested that while value stocks still looked a lot more attractive than companies with high forecast growth, some repositioning was required in order to reflect a fairly gloomy outlook for equity markets.

This more defensive strategy was partly prompted by an expensive market valuation indicator and a surge in corporate optimism (as measured by companies' investment of cash flows in operating assets), which we see as a contrarian market indicator. Aggressive corporate expenditure often signals that company managers are being over-optimistic about future growth and backing this with significant investment. These investments then prove costly if growth subsequently disappoints.

We've therefore designed our corporate aggression measure to highlight when managers are becoming particularly aggressive with their investment. When this measure is high, we've found the best returns to be among defensive stocks.

Outlook

Equity market weakness has meant that overall valuations are beginning to look more attractive, but are not yet at levels that would lead us to question the prevailing market downtrends in place across the globe.

Manager's Investment Report (continued)

Outlook (continued)

Levels of aggressive corporate investment in Europe have risen again to high levels. Usually, this has led to disappointing outcomes in equity markets and implies that stocks with strong defensive and cash return characteristics have the potential to do very well relative to the market.

Investor anxiety has also risen in Europe. However, we don't believe it is currently suggesting an attractive opportunity for contrarian value stocks. The most important component of our investor anxiety measure when assessing this opportunity is the width of valuation spreads, and these have not yet widened sufficiently.

At the same time, the trailing volatility of the momentum factor remains relatively low, suggesting it's unlikely there is a momentum crash on the horizon. We continue to believe that both value and momentum styles should perform well in this environment.

Unless these signals change significantly, we would view any short-term market recovery as likely to be a bear market rally. However, we will monitor valuation levels, corporate aggression and momentum volatility closely for signs of a trough in markets. Should market valuations drop further, corporate aggression ease off or momentum break down, then we stand ready to alter our positioning.

James Inglis-Jones & Samantha Gleave

Fund Managers

November 2022

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.

Material portfolio changes by value

Purchases

Jeronimo Martins SGPS
CaixaBank
Equinor
Swedish Match
Heineken
Mediobanca Banca di Credito Finanziario
Deutsche Pfandbriefbank
ASML
Dassault Aviation
Novo Nordisk

Sales


Stellantis
Royal Unibrew
Randstad
Moncler
Imerys
Uponor
Lundin Energy
Bank of Ireland
ASML
Novo Nordisk

Authorised Status

The Fund is an authorised unit trust scheme ("the Scheme") under Section 243 of the Financial Services and Markets Act 2000 (authorisation orders) and the Financial Conduct Authority's Collective Investment Schemes Sourcebook and is categorised as a UCITS scheme.

Certification of Financial Statements by Partners of the Manager

We certify that this Manager's Report has been prepared in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook.



Martin Kearney

Partner, Chief Compliance Officer



Antony Morrison

Partner, Head of Finance

Liontrust Fund Partners LLP
14 December 2022

Performance Tables (unaudited)

as at 31 October 2022

Net asset value

Period end	Units in Issue	Net Asset Value (£'000)	Net Asset Value per unit (p)
31 October 2022			
B Income	1,679,739	4,834	287.79
B Income Hedged	144,099	160	111.17
Institutional Income	110,205,418	316,679	287.35
Institutional Income Hedged	13,775,042	14,729	106.92
Retail Income	11,283,374	31,980	283.43
Retail Income Hedged	2,417,869	2,572	106.37
S Accumulation	3,006,647	2,961	98.49
30 April 2022			
B Income	1,635,719	4,983	304.66
B Income Hedged	152,378	181	118.75
Institutional Income	98,690,578	299,876	303.85
Institutional Income Hedged	15,819,148	18,042	114.05
Retail Income	11,652,071	35,046	300.78
Retail Income Hedged	2,104,117	2,399	114.01
30 April 2021			
B Income	145,499	409	281.21
B Income Hedged#	32,078	33	101.48
Institutional Income	62,026,318	173,933	280.42
Institutional Income Hedged#	15,453,671	15,678	101.45
Retail Income	6,420,986	17,822	277.57
Retail Income Hedged#	2,636,048	2,675	101.47
30 April 2020			
B Income	27,056	50	183.76
Institutional Income	59,478,692	108,818	182.95
Retail Income	710,281	1,291	181.79

Launched on 6 April 2021

Portfolio Statement (unaudited)

as at 31 October 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (93.88%)	364,916	97.59
	BELGIUM (3.30%)	11,534	3.08
476,802	Bekaert	11,534	3.08
	DENMARK (13.86%)	39,404	10.54
6,857	AP Moller - Maersk	12,504	3.34
173,486	Novo Nordisk	16,371	4.38
229,653	Pandora	10,529	2.82
	FINLAND (1.39%)	0	0.00
	FRANCE (21.10%)	85,895	22.96
307,504	BNP Paribas	12,536	3.35
114,234	Dassault Aviation	14,748	3.94
167,744	Ipsen	14,961	4.00
329,365	Publicis Groupe	16,036	4.29
736,703	Rexel	11,446	3.06
347,561	Societe Generale	6,917	1.85
195,595	TOTAL	9,251	2.47
	GERMANY (11.39%)	31,722	8.48
161,611	Daimler	8,139	2.18
1,179,923	Deutsche Pfandbriefbank	7,637	2.04
830,056	K+S	15,946	4.26
	IRELAND (5.31%)	23,955	6.41
3,824,886	Bank of Ireland	23,955	6.41
	ITALY (4.74%)	12,081	3.23
1,534,742	Mediobanca Banca di Credito Finanziario	12,081	3.23
	LUXEMBOURG (2.82%)	10,011	2.68
515,015	ArcelorMittal	10,011	2.68
	NETHERLANDS (9.64%)	24,113	6.45
37,926	ASML	15,562	4.16
117,750	Heineken	8,551	2.29

Portfolio Statement (unaudited) (continued)

as at 31 October 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	NORWAY (0.00%)	22,858	6.11
3,816,355	Agrinos~	0	0.00
389,695	Aker BP	10,785	2.88
380,001	Equinor	12,073	3.23
	PORTUGAL (0.00%)	13,499	3.61
750,238	Jeronimo Martins SGPS	13,499	3.61
	SPAIN (0.00%)	10,505	2.81
3,651,008	CaixaBank	10,505	2.81
	SWEDEN (14.64%)	54,932	14.70
1,588,168	Atlas Copco	14,760	3.95
444,310	Boliden	11,245	3.01
766,706	Epiroc	10,157	2.72
1,661,478	Swedish Match	14,828	3.97
739,157	Tethys Oil	3,942	1.05
	SWITZERLAND (5.69%)	24,407	6.53
483,444	ABB	11,681	3.12
24,542	Accelleron Industries	362	0.10
42,839	Roche	12,364	3.31
	COLLECTIVE INVESTMENT SCHEMES (6.71%)	6,075	1.63
	IRELAND (3.35%)	3,037	0.81
3,037,581	HSBC Sterling Liquidity Fund	3,037	0.81
	LUXEMBOURG (3.36%)	3,038	0.82
3,037,581	JP Morgan Liquidity Fund	3,038	0.82
	DERIVATIVES (0.05%)	753	0.20
	Forward Currency Contracts (0.05%)	753	0.20
DKK 15,765,374	Danish krone 15,765,374 vs UK sterling 1,829,702	(12)	0.00
€ 11,991,840	Euro 11,991,840 vs UK sterling 10,355,457	(61)	(0.01)
NOK 13,387,328	Norwegian krone 13,387,328 vs UK sterling 1,126,903	(8)	0.00
SEK 33,777,231	Swedish krona 33,777,231 vs UK sterling 2,672,650	(17)	0.00
CHF 1,274,274	Swiss franc 1,274,274 vs UK sterling 1,113,986	(7)	0.00

Portfolio Statement (unaudited) (continued)

as at 31 October 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
DERIVATIVES (continued)			
Forward Currency Contracts (continued)			
£ 3,744,013	UK sterling 3,744,013 vs Danish krone 31,661,908	91	0.02
£ 21,075,929	UK sterling 21,075,929 vs Euro 23,959,700	495	0.13
£ 2,199,855	UK sterling 2,199,855 vs Norwegian krone 25,876,605	38	0.01
£ 5,384,105	UK sterling 5,384,105 vs Swedish krona 66,779,808	130	0.03
£ 2,322,114	UK sterling 2,322,114 vs Swiss franc 2,552,127	104	0.02
£ 1,337	UK sterling 1,337 vs US dollar 1,497	0	0.00
US\$ 749	US dollar 749 vs UK sterling 648	0	0.00
Portfolio of investments		371,744	99.42
Net other assets		2,171	0.58
Total net assets		373,915	100.00

All securities are approved securities traded on eligible securities markets, as defined by the Collective Investment Scheme Sourcebook, unless otherwise stated.

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 30 April 2022.

~ Delisted securities.

Financial Statements (unaudited)

Statement of Total Return (unaudited)

for the period ended 31 October 2022

	(£'000)	1.5.2022 to 31.10.2022 (£'000)	(£'000)	1.5.2021 to 31.10.2021 (£'000)
Income				
Net capital (losses)/gains		(28,748)		24,191
Revenue	8,066		2,867	
Expenses	(1,845)		(1,374)	
Interest payable and similar charges	(6)		(1)	
Net revenue before taxation	6,215		1,492	
Taxation	(622)		(82)	
Net revenue after taxation		5,593		1,410
Total return before distributions		(23,155)		25,601
Distributions		(107)		(51)
Change in net assets attributable to unitholders from investment activities		(23,262)		25,550

Statement of Change in Net Assets Attributable to Unitholders (unaudited)

for the period ended 31 October 2022

	(£'000)	1.5.2022 to 31.10.2022 (£'000)	(£'000)	1.5.2021 to 31.10.2021 (£'000)
Opening net assets attributable to unitholders		360,527		210,550
Amounts received on issue of units	161,728		37,037	
In-specie transfer+	–		84,776	
Amounts paid on cancellation of units	(125,078)		(58,074)	
		36,650		63,739
Change in net assets attributable to unitholders from investment activities		(23,262)		25,550
Closing net assets attributable to unitholders		373,915		299,839

+ The Liontrust European Opportunities Fund merged into the Liontrust European Dynamic Fund on 25 June 2021.

The opening net assets attributable to unitholders for the current period do not equal the closing net assets attributable to unitholders for the comparative period as they are not consecutive periods.

Financial Statements (unaudited) (continued)

Balance Sheet (unaudited)

as at 31 October 2022

	31.10.2022 (£'000)	30.4.2022 (£'000)
Assets		
Fixed assets		
Investments	371,849	362,939
Current assets:		
Debtors	3,411	4,525
Cash and bank balances	384	1,040
Total assets	375,644	368,504
Liabilities		
Investment liabilities	(105)	(121)
Creditors:		
Bank overdrafts	(373)	–
Distribution payable	–	(5,857)
Other creditors	(1,251)	(1,999)
Total liabilities	(1,729)	(7,977)
Net assets attributable to unitholders	373,915	360,527

Accounting Policies

The financial statements have been prepared on a going concern basis in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") and the Statement of Recommended Practice "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014 (the "SORP") and updated in June 2017, the COLL and the Fund's Trust Deed and Prospectus. In applying UK GAAP, the financial statements have been prepared in compliance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102").

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2022 and are described in those financial statements.

Securities Financing Transactions (unaudited)

as at 31 October 2022

Securities Lending

Securities lending transactions entered into by the Fund are subject to a written legal agreement between the Fund and the Stock Lending Agent, The Bank of New York Mellon (London Branch), a related party to the Fund, and separately between the Stock Lending Agent and the approved borrowing counterparty. Collateral received in exchange for securities lent is transferred under a title transfer arrangement and is delivered to and held in an account with a tri-party collateral manager in the name of The Bank of New York Mellon (International) Limited ("the Depositary") on behalf of the Fund. Collateral received is segregated from the assets belonging to the Fund's Depositary or the Stock Lending Agent.

The total income earned from securities lending transactions is split between the relevant Fund and the Stock Lending Agent. The Fund receives 70% while the Stock Lending Agent receives 30% of such income, with all operational costs borne out of the Stock Lending Agent's share.

Return and cost

The table below shows the net income earned by the Fund from securities lending activity during the period to 31 October 2022.

	Collective Investment Undertaking (£'000)	Manager of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	9	–	4	13
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Securities lending

The following table details the value of securities on loan as a proportion of the Fund's total lendable assets and Net Asset Value (NAV) as at 31 October 2022. The income earned from securities lending are also shown for the period ended 31 October 2022. Total lendable assets represents the aggregate value of assets forming part of the Fund's securities lending programme. This excludes any assets held by the Fund that are not considered lendable due to any market, regulatory, investment or other restriction.

	Securities on loan	
% of lendable assets	% of NAV	Income earned (£'000)
3.01	2.82	9

Securities Financing Transactions (unaudited)(continued)

as at 31 October 2022

Securities lending (continued)

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 31 October 2022.

Counterparty	Counterparty's country of establishment	Securities Lending Amount on loan (£'000)	Collateral received (£'000)
Citigroup Global Markets Limited	UK	560	616
J.P. Morgan Securities Plc	UK	4,951	5,487
The Bank of Nova Scotia	Canada	5,026	5,528
Total		10,537	11,631

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis.

Collateral

The Fund engages in activities which may require collateral to be provided to a counterparty ("collateral posted") or may hold collateral received ("collateral received") from a counterparty.

The following table provides an analysis by currency of the underlying cash and non-cash collateral received / posted by way of title transfer collateral arrangement by the Fund, in respect of securities lending transactions, as at 31 October 2022.

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Securities lending transactions				
CHF	-	-	145	-
EUR	-	-	623	-
GBP	-	-	2,941	-
JPY	-	-	2,424	-
USD	-	-	5,498	-
Total	-	-	11,631	-

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

Securities Financing Transactions (unaudited)(continued)

as at 31 October 2022

Collateral (continued)

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received / posted by the Fund by way of title transfer collateral arrangement in respect of securities lending transactions, as at 31 October 2022.

Collateral type and quality	Maturity Tenor					Open transactions (£'000)	Total (£'000)
	1 - 7 days (£'000)	8 - 30 days (£'000)	31 - 90 days (£'000)	91 - 365 days (£'000)	More than 365 days (£'000)		
Collateral received - securities lending							
Fixed income							
Investment grade	—	—	—	13	68	—	81
Equities							
Recognised equity index	—	—	—	—	—	11,550	11,550
Total	—	—	—	13	68	11,550	11,631

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency; Standard & Poor's, Moody's or Fitch.

A recognised equity index contains at least 20 equities where no single equity represents more than 20% of the total index and no five equities combined represent more than 60% of the total index.

The maturity tenor analysis for fixed income securities received as collateral is based on the respective contractual maturity date, while for equity securities and exchange traded funds (ETFs) received as collateral are presented as open transactions as they are not subject to a contractual maturity date.

As at 31 October 2022, all non-cash collateral received by the Fund in respect of securities lending transactions is held by the Fund's Trustee (or through its delegates).

The following table lists the top ten issuers (or all the issuers if less than ten) by value of non-cash collateral received by the Fund by way of the title transfer collateral arrangement across securities lending transactions as at 31 October 2022.

Issuer	Value (£'000)	% of the Sub-fund's NAV
The Bank of Nova Scotia	5,528	1.48
JP Morgan Securities Plc.	5,487	1.47
Citigroup Global Markets Limited	616	0.16
Total	11,631	3.11

Additional Information (unaudited)

Trust Deed: The Fund was established by a Trust Deed made between the Manager and the Trustee dated 6 September 2006.

Prospectus: Copies of the Fund's Prospectus are available free of charge from the Manager upon request, and from our website, www.liontrust.co.uk.

Unit type: The Fund issues income and accumulation units. Investors can elect at any time to have any income either paid out or automatically reinvested to purchase units at no initial charge.

Pricing and dealing: A buying price (the price at which you have bought the units in the Fund and being the higher) and a selling price (the price at which you can sell the units back to the Manager and being the lower) are always quoted for the Fund. The buying price includes the Manager's initial charge.

Dealing in all unit trusts operated by Liontrust Fund Partners LLP may be carried out between 09.00 and 17.00 hours on any business day. Professional investors and advisers may buy and sell units over the telephone; private investors are required to instruct the Manager in writing for initial purchases, but can deal over the telephone thereafter. Prices are quoted on a 'forward' basis. This means that all deals are based on a price that is calculated at the next valuation point (which is 12.00 hours on each business day) following receipt of instructions. Instructions received before 12.00 hours will be priced at 12.00 hours that day, whilst those deals taken later in the day will receive the next dealing price which is fixed at 12.00 hours on the following business day.

The minimum initial lump sum investment in the Fund is £1,000, the minimum additional investment is £1,000 and the amount you may sell back to the Manager at any one time is £500. Please refer to the Prospectus for more details.

A contract note in respect of any purchase will be issued the day following the dealing date. Unit certificates will not be issued. Instructions to sell your units may be required to be given by telephone and then confirmed in writing to Liontrust Fund Partners LLP at PO Box 373, Darlington, DL1 9RQ. A contract note confirming the instruction to sell will be issued the day following the dealing day. Following receipt of a correctly completed Form of Renunciation, a cheque in settlement will be sent directly to you or your bank/building society, if proof of ownership of the account has been received by us, in four business days. Liontrust does not make or accept payments to or from third parties unauthorised by the Financial Conduct Authority or other financial regulator.

Management charges and spreads: The initial charge and annual management fees per unit class are detailed below.

Initial charge	%	Ongoing charges figure*	%	Included within the OCF is the Annual Management Charge**	%
B Income	up to 5	B Income	1.13	B Income	1.00
B Income Hedged	up to 5	B Income Hedged	1.13	B Income Hedged	1.00
Institutional Income	Nil	Institutional Income	0.88	Institutional Income	0.75
Institutional Income Hedged	Nil	Institutional Income Hedged	0.88	Institutional Income Hedged	0.75
Retail Income	up to 5	Retail Income	1.63	Retail Income	1.50
Retail Income Hedged	up to 5	Retail Income Hedged	1.63	Retail Income Hedged	1.50
S Accumulation	Nil	S Accumulation	0.73	S Accumulation	0.60

* The OCF covers all aspects of operating a Fund during the course of its financial period. These include the annual charge for managing the Fund, administration and independent oversight functions, such as trustee, custody, legal and audit fees. The OCF excludes portfolio transaction costs except for an entry/exit charge paid by the Fund when buying or selling units in another Fund.

** These are the annual costs of running and managing the Fund.

Publication of prices: The price of units in the Fund is quoted on our website, www.liontrust.co.uk and other industry websites such as www.trustnet.com. Daily and historic Fund prices are available from our Dealing and Administration team on 0344 892 0349.

Capital Gains Tax: As an authorised unit trust, any capital gains made within the Fund is exempt from UK Capital Gains Tax. An individual investor is subject to capital gains tax on gains made on their investment, however an individual's first £12,300 of net gains on disposals in the 2022-2023 tax year are exempt from tax (2021-2022: £12,300).

Additional Information (unaudited) (continued)

Income Tax: UK tax resident individuals are now entitled to a new tax-free dividend allowance in place of the dividend tax credit. Consequently, all income from dividend distributions is now regarded as gross income.

UK resident individuals who are not liable to tax are not able to reclaim the tax credits from the HM Revenue and Customs. In the case of UK resident individuals who are liable to starting or basic rate tax only, the tax credit will match his or her liability on the distribution and there will be no further tax to pay and no right to claim repayments from the HM Revenue and Customs. In the case of a higher rate taxpayer, the tax credit will be set against, but not fully match, his or her tax liability on the distribution. Such people will have an additional tax liability to pay.

Assessment of Value: The regulator - the FCA - has asked every asset manager to assess the value of the funds they run. Assessing value goes beyond performance and costs and encompasses a minimum of seven criteria mandated by the FCA. The assessment of value of the Fund and the other UK-domiciled funds managed by Liontrust will be conducted as at 31 August each year. The assessment of value report can be viewed on the Liontrust website www.liontrust.co.uk/learning/assessment-of-value.

Changes to the Fund:

- The name of the Fund changed on 11 July 2022 from Liontrust European Growth Fund to the Liontrust European Dynamic Fund.
- The Fund changed so that it is single priced rather than dual priced effective from 11 July 2022. From this point units in the Fund are bought and sold at the same single price, with a dilution adjustment to be applied in certain circumstances.
- The S Accumulation share class was launched on 12 August 2022.

Important information: 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. The issue of units may be subject to an initial charge and this is likely to have an impact on the realisable value of your investment, particularly in the short term. You should always regard unit trust investment as long term.



Liontrust Fund Partners LLP

PO Box 373, Darlington, DL1 9RQ



0344 892 0349



Facsimile 0207 964 2562



Liontrustadmin@bnymellon.com

LIONTRUST 

Liontrust Fund Partners LLP is authorised and regulated by the Financial Conduct Authority.