Marketing communication

Europe

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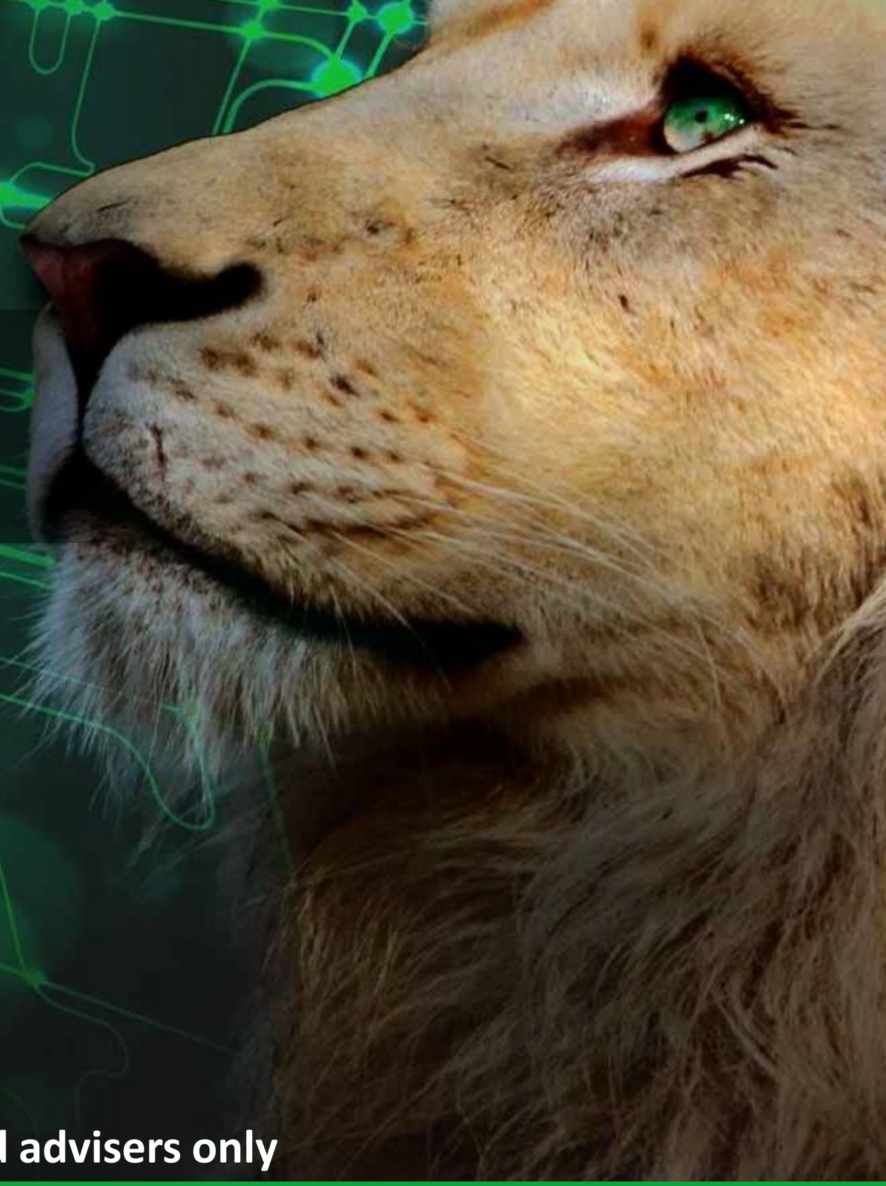
CASHFLOW SOLUTION

Liontrust GF European Smaller Companies Fund

Samantha Gleave & James Inglis-Jones

February 2025



For professional investors and advisers only

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

We recommend this fund is held long term (minimum period of 5 years). We recommend that you hold this fund as part of a diversified portfolio of investments.

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.

As the Fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause the fund to defer or suspend redemptions of its shares. In addition the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings.

Outside of normal conditions, the Fund may hold higher levels of cash which may be deposited with several credit counterparties (e.g. international banks). A credit risk arises should one or more of these counterparties be unable to return the deposited cash.

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Citywire. Based on the manager's three year risk-adjusted performance Samantha Gleave and James Inglis-Jones have a Citywire (A) Fund Manager Rating for the period 3 years to December 2024 and (AA) for Alternative UCITS.

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For Investors in Belgium

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AP COMP

- Introduction
- Why focus on cashflow?
- Cashflow Solution Investment process
- Portfolio positioning

About Liontrust Asset Management PLC | Who we are

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Liontrust Asset Management launched in 1995 and listed on the London Stock Exchange in 1999

Headquartered in London with offices in Luxembourg and Edinburgh

Product ranges domiciled in the UK & Ireland

Seven investment strategy teams covering: UK Equities, European Equities, Global Equities, Sustainable Investments and Multi-Asset funds and portfolios

€29.7bn

£24.6 billion (€29.7 billion) in AuMA as at 31 December 2024*

Cashflow Solution team AuMA £2.4 billion (€2.9 billion) as at 31 December 2024

Source: Liontrust, January 2025. AuMA: Assets under management and advice. *The total assets under management and advice (AUMA) of Liontrust Asset Management Plc stated in the January 2025 Trading Update were £24.6bn. This figure relates to the whole of the Liontrust Group's business. Liontrust Investment Partners LLP provides investment management services for the assets shown herein. GBP to EUR exchange rate 1.2095 as at 31.12.24

Past performance does not predict future returns

The Cashflow Solution philosophy

- We believe **cashflow** is the **single most important** determinant of shareholder returns
- We invest in companies with **strong cashflows** that are attractively valued on cashflow, run by company managers committed to an intelligent use of cashflow
- We base our investments on **detailed analysis of report and accounts**. Companies are first identified by use of a simple cashflow screen

Liontrust GF European Smaller Companies Fund	
Launch:	**1 February 2017**
Fund size:	**€8.1m**
Number of positions:	**c.30-50 equally weighted at inception**
Market cap at inception:	**<€5bn**
Geography:	**Pan-Europe**
Target benchmark:	**MSCI Europe Small Cap Index**

The Cashflow Solution team

- James Inglis-Jones and Samantha Gleave manage the Liontrust Cashflow Solution Process
- Combined, they have more than 40 years' experience and first started working together in 1998
- Across the Cashflow Solution process, they manage a total of over £2.4bn* assets under management across a variety of Long Only Pan Euro, Europe ex UK, Eurozone, UK and European Smaller Companies strategies. The team also manages a Pan European Long-Short Equity Strategy

A differentiated and flexible approach to European equities . . .

CITYWIRE AA

Source: Liontrust, as at 31.12.24 Liontrust GF European Smaller Companies Fund, MSCI Europe Small Cap Index is a target benchmark. *Assets under management and advice as at 31.12.24. James Inglis-Jones and Samantha Gleave are A & AA rated by Citywire for their risk-adjusted performance, December 2024 (see disclaimer)

The process has been applied to small cap European equities and has generated a strong track record

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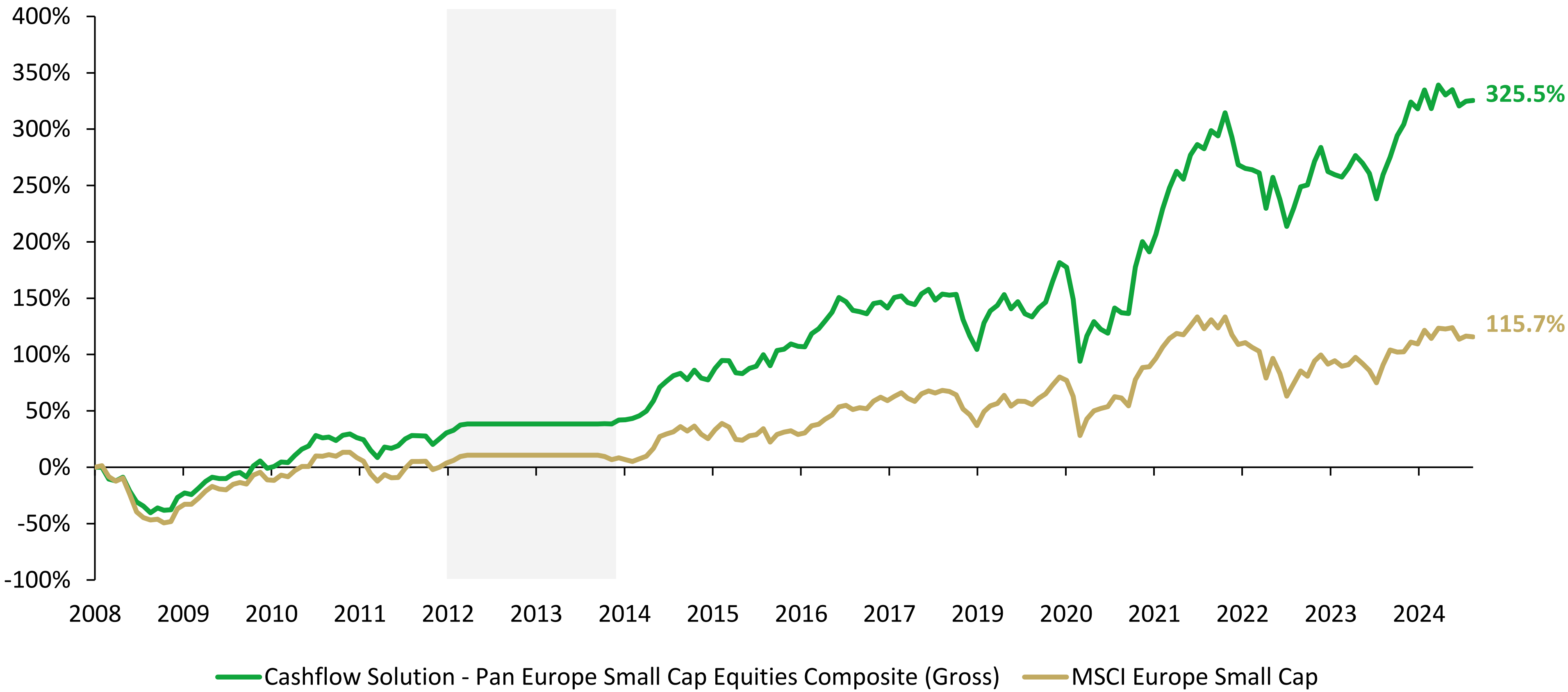
Past performance does not predict future returns. The performance displayed is strategy performance. It is not the past performance of the promoted Fund

Institutional composite managed since 2008 with a two-year break 2012 to 2014

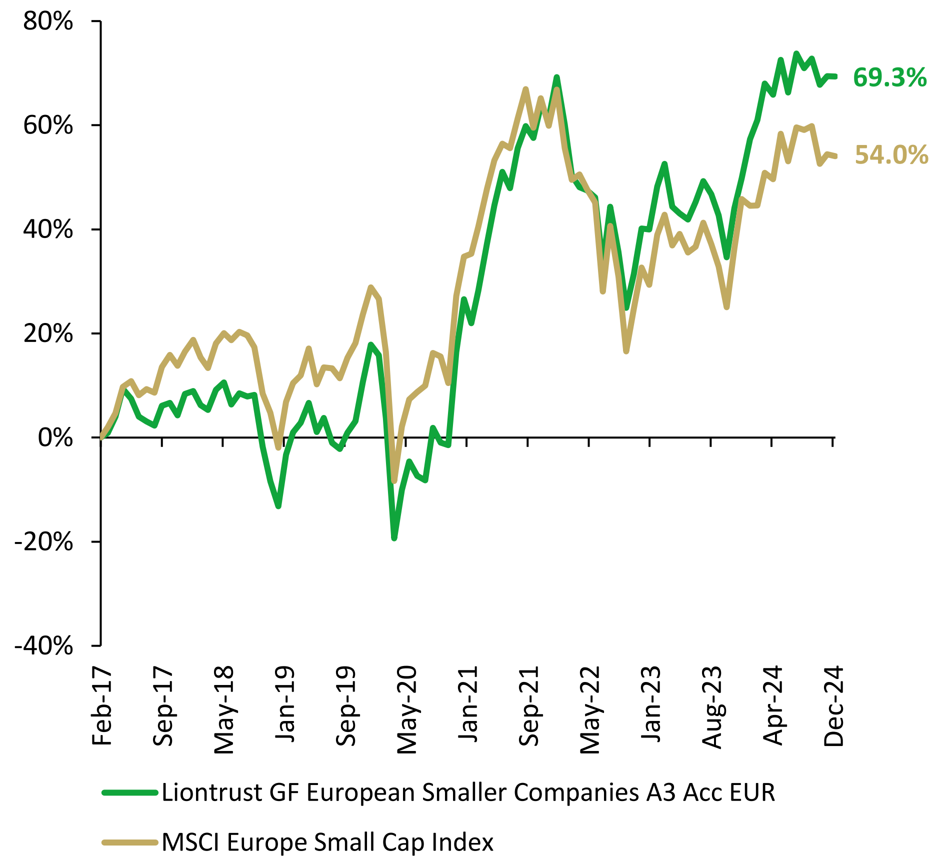


Source: Liontrust, as at 31.12.24. This is not GIPS compliant and is for illustrative purposes only. Returns are gross of base fees in Euros. The deduction of fees will have the effect of reducing these returns. Based on institutional accounts composite over two separate time periods since inception (30.04.08 to 31.10.12 and 30.06.14 to 31.12.24). From 31.10.12 to 30.06.14 the strategy was inactive. Target index is MSCI Europe Small Cap (net return)

Liontrust GF European Smaller Companies Fund | Performance

Past performance does not predict future returns

Performance since launch



Cumulative returns %

	Liontrust GF European Smaller Companies Fund	MSCI Europe Small Cap Index
1 year	**13.0**	5.7
3 years	**0.1**	-7.7
5 years	**43.7**	19.5
Since launch (01.02.17)	**69.3**	54.0

- In February 2017 the GF European Smaller Companies Fund was launched on the back of the strong small cap record achieved for an institutional client

Source: FE Analytics, as at 31.12.24. Liontrust GF European Smaller Companies Fund, A3 share class, net of fees, income/interest reinvested, Euros. The Fund's target benchmark is MSCI Europe Small Cap Index. Portfolio launch date was 01.02.17. Liontrust Asset Management PLC claims compliance with the Global Investment Performance Standards (GIPS®). Please see the GIPS Report attached at the end of the presentation

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Past performance does not predict future returns

1. Strong growth potential of European small caps over the long term
2. Proven efficacy of the Cashflow Solution process in European Equities over the last 10 years with strong performance across a variety of mandates/fund structures
3. Historically the process has been particularly effective when applied to small and mid-cap stocks and we believe this will continue to be the case

Source: Liontrust, March 2024

Philosophy

Unique philosophy, focused on the belief cashflow is the single most important determinant of shareholder returns

Unique

Investment Process

Our disciplined process is built on the idea that cashflow is the most reliable guide to future profitability and stock price valuation

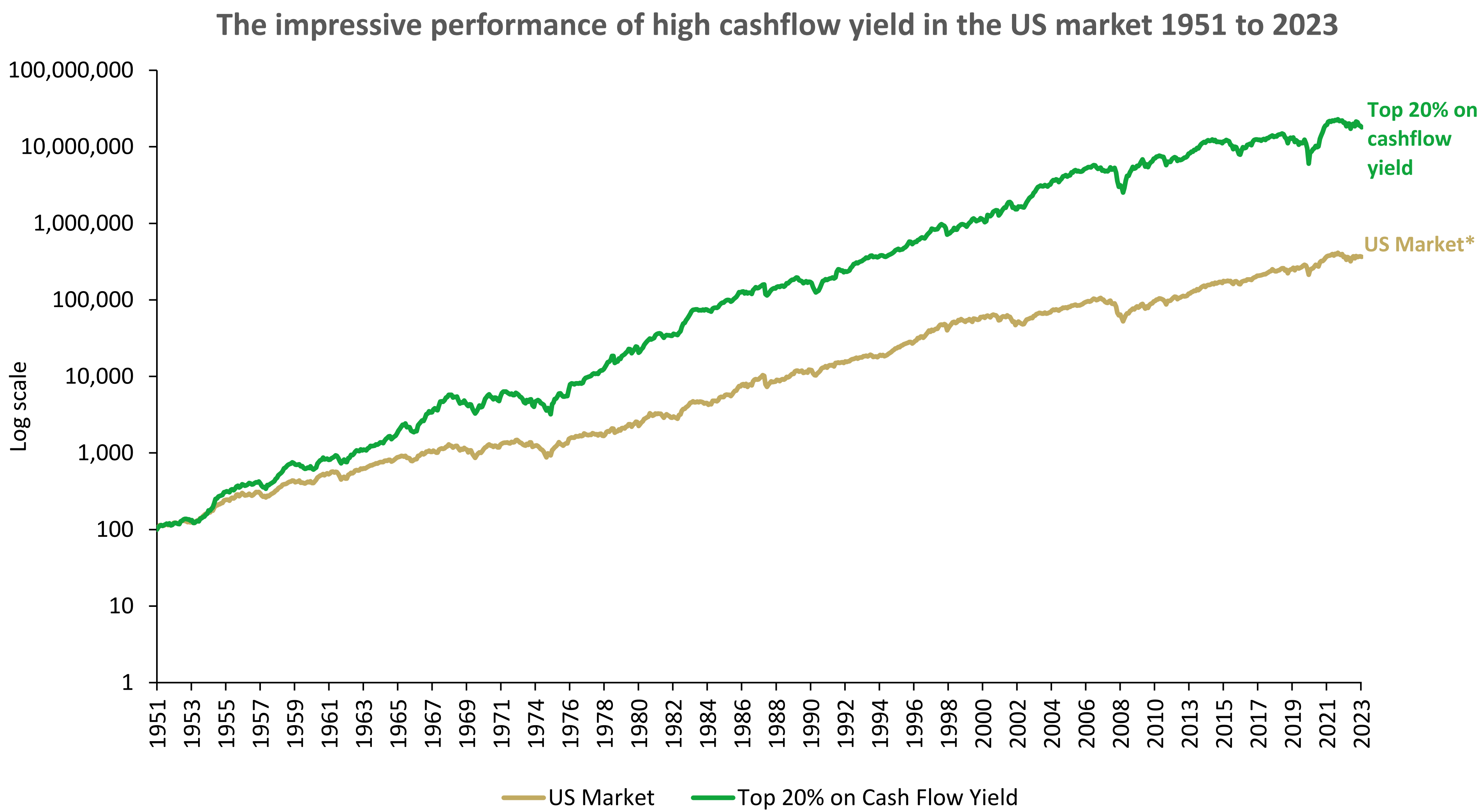
Disciplined

Core Portfolio

Focus on cashflow incorporates value, growth and quality investing, leading to a highly complementary portfolio that has outperformed in both value-led and growth-led markets

Complementary

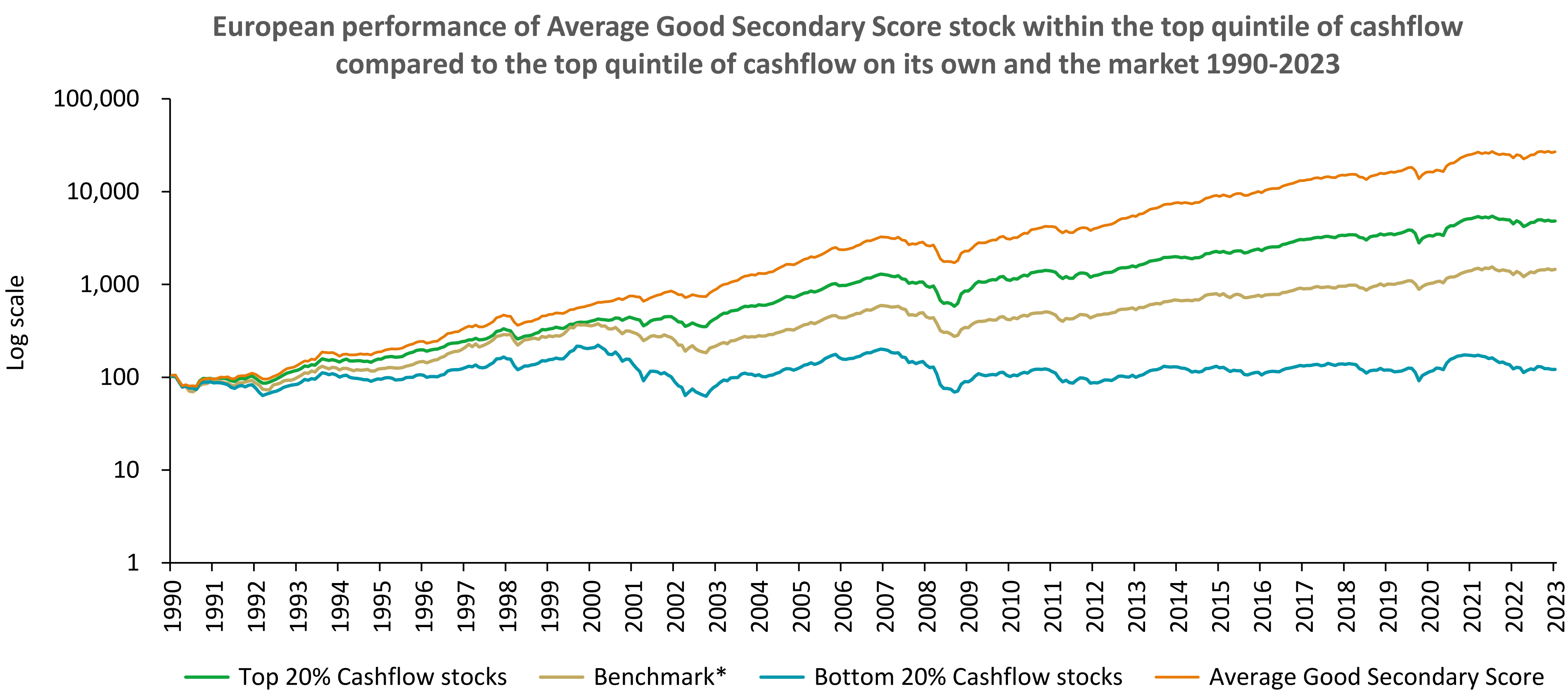
Past performance does not predict future returns



Source: Kenneth R French data library, July 1951 to May 2023. *US Market is the capitalisation weighted US universe supplied by the Kenneth R French data library

Past performance does not predict future returns

- Empirical evidence shows companies with the most attractive secondary scores deliver even stronger performance
- This drives our investment process as the secondary scores form the basis of our fundamental research on stocks in the top 20% for cashflow



Source: Liontrust & FactSet, May 1990 to May 2023. *Reference benchmark European Cap weighted FactSet universe of stocks >250m Euros

Cashflow Solution investment process

Cashflow Solution | Investment process

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STAGE 1

Defining Investable Universe

European stocks <€5bn

STAGE 2

Primary scores Screen Universe for:

Top 20% for:	
Cashflow to **operating assets**	Cashflow to **market value**

Quality

Value

Cashflow Champions Watchlist

STAGE 3

Secondary scores Rate Watchlist across 4 criteria:

- Momentum
- Cash Return
- Recovering Value
- Contrarian Value

Detailed analysis on Cashflow Champions

STAGE 4

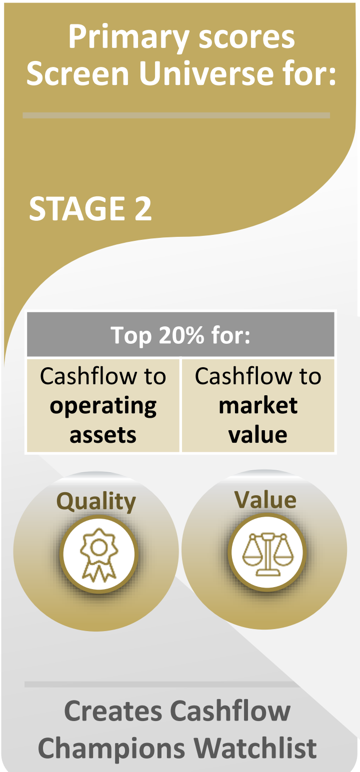
Market Regime Indicators

- Investor Anxiety
- Corporate Aggression
- Valuation

STAGE 5

Final portfolio 30-50 stocks equally weighted

- Most attractive Cashflow Champions
- Diversified portfolio
- Highly active

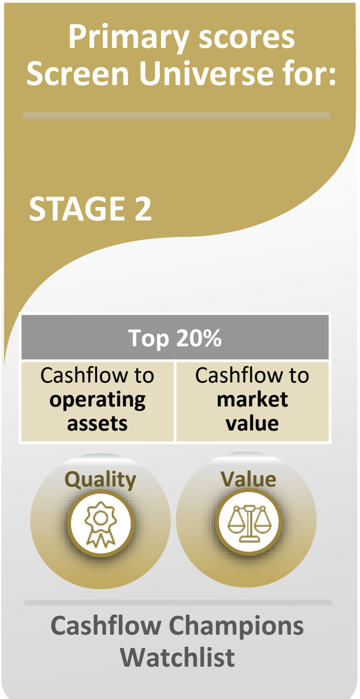


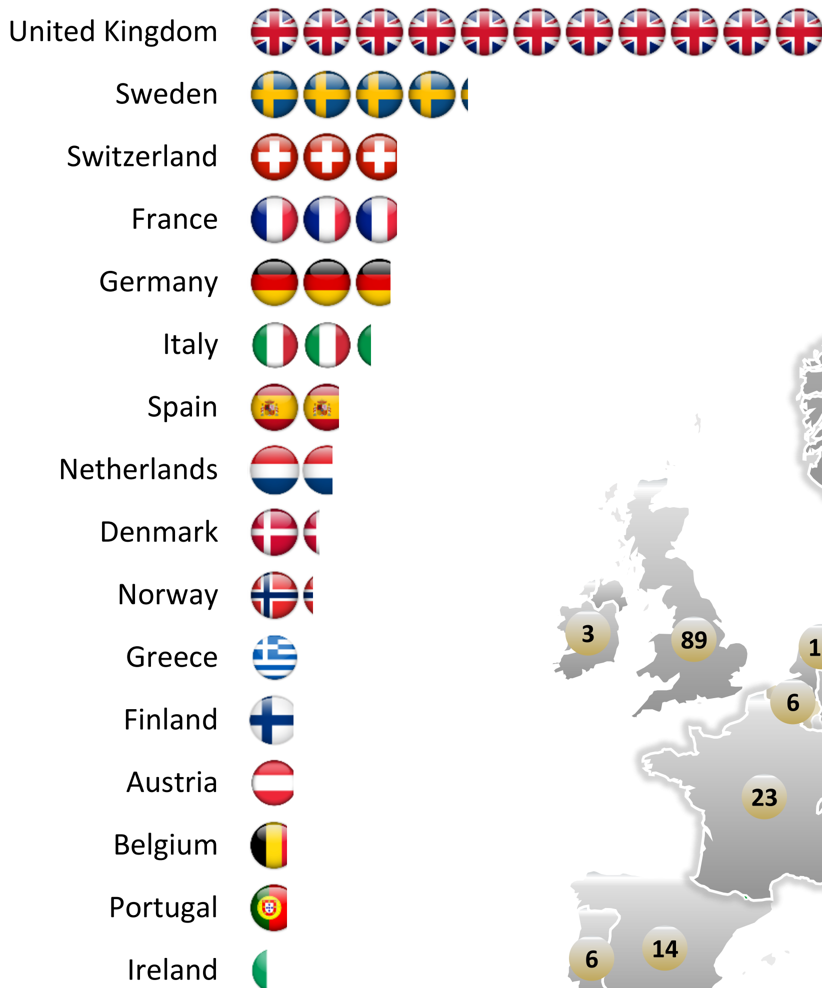
- Initial screens allow us to determine which stocks we want to own:
  - Stocks with attractive and durable cashflow
  - Stocks that are undervalued relative to their cashflow
- Our Watchlist is generated by the use of a simple cashflow screen applied to stocks with a market cap <€5bn

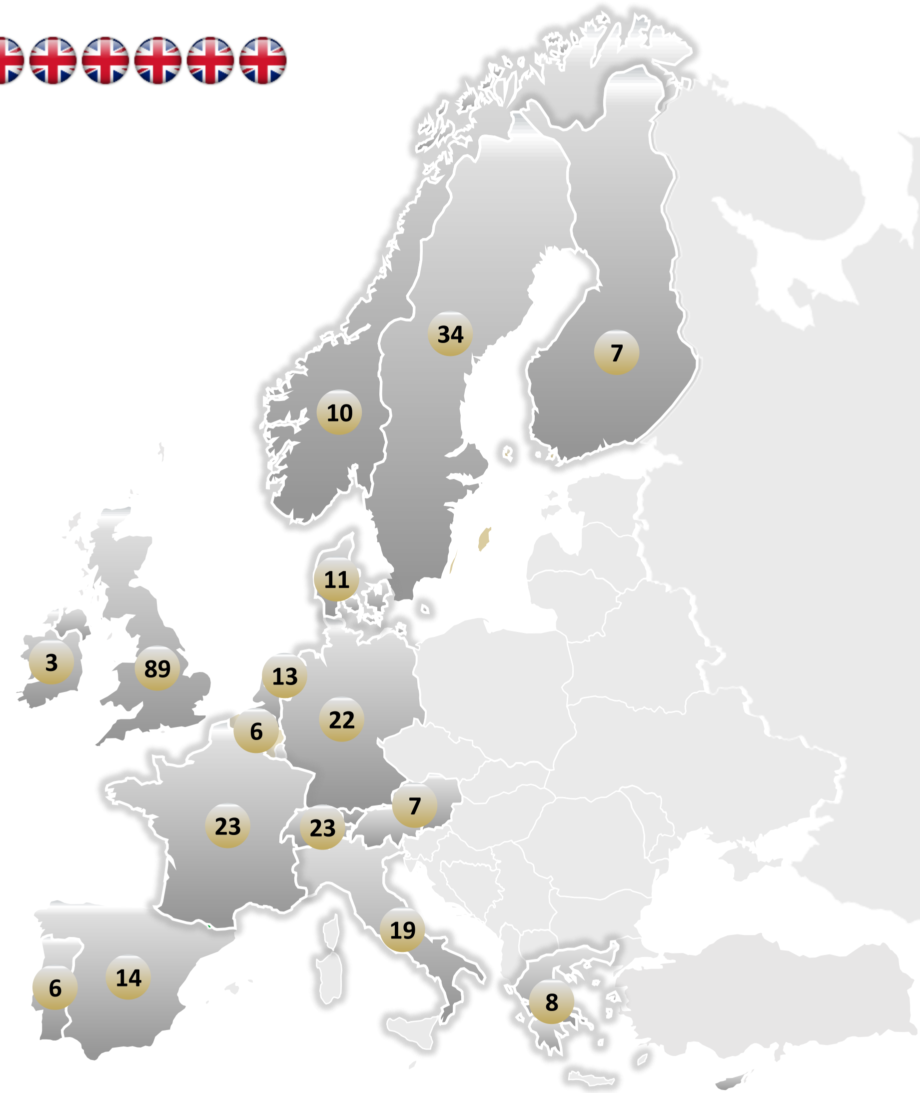
Top 20%	
Cashflow to **operating assets**	Cashflow to **market value**
Quality	Value

Create the Cashflow Champions Watchlist

Stage 2: What does our Cashflow Champions Watchlist look like?





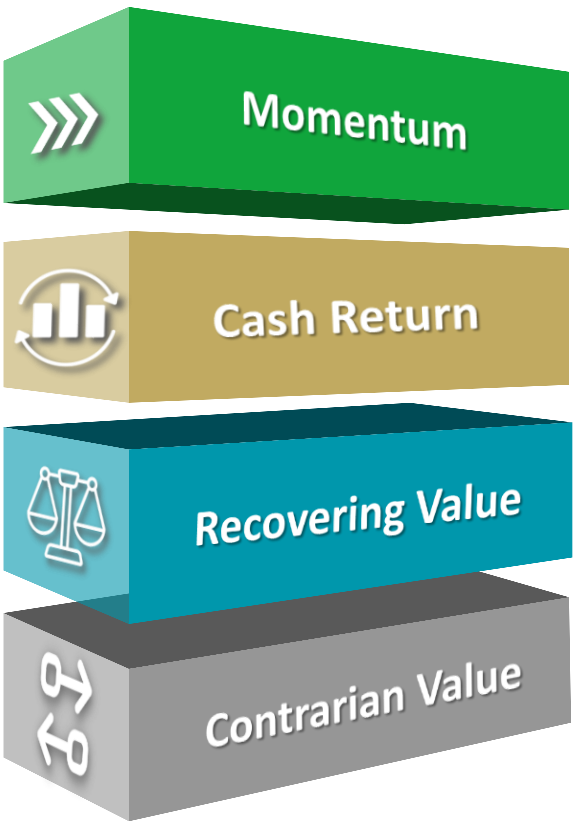


Stocks on **Cashflow Champions Watchlist**

Source: Liontrust, October 2023. Example screen: Europe & UK, market cap> $1,000m and liquidity rule: less than/equal to 20 days)

Stage 3: Fundamental research

Secondary scores capture the four different types of stocks appearing routinely in the top quintile of our cashflow ratios that have historically delivered attractive returns relative to the wider market



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

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

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

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

Fund is tilted towards Recovering Value, Momentum and Cash Return stocks

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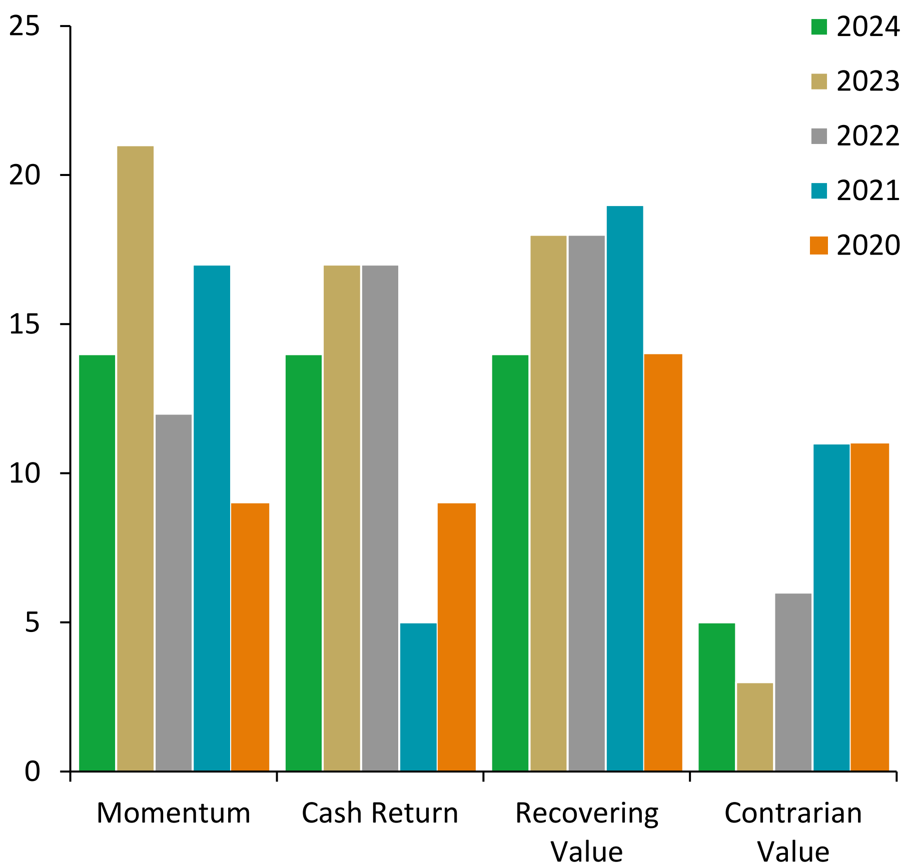
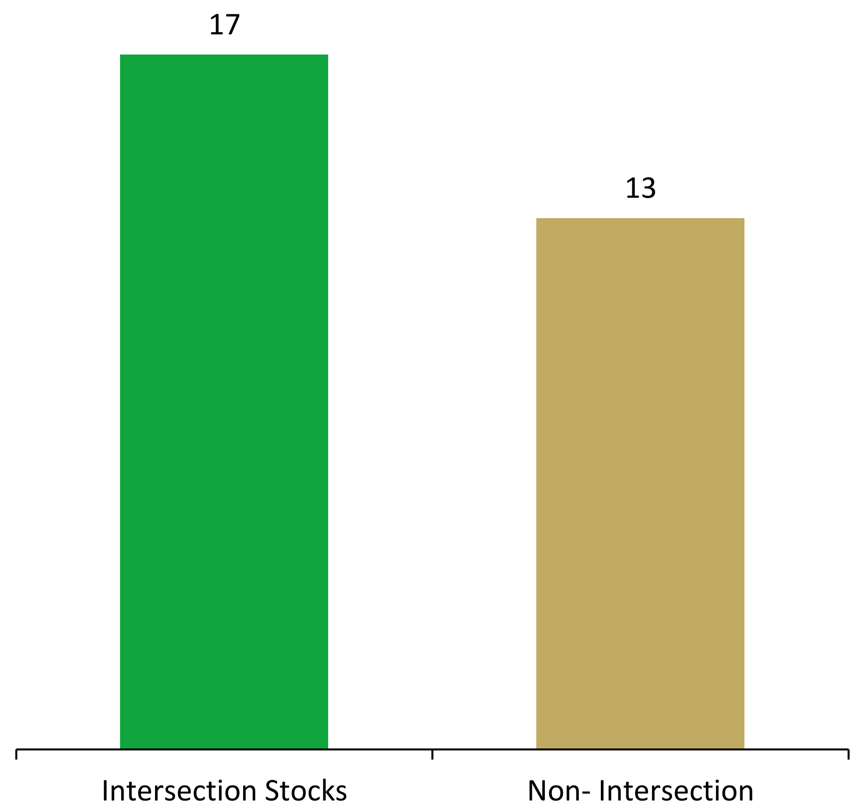
Breakdown of stocks by secondary score



Number of intersection stocks



Source: Liontrust, May 2024

Stage 4: Market Regime Indicators

What does our process tell us about the backdrop for European markets?

Key Indicators

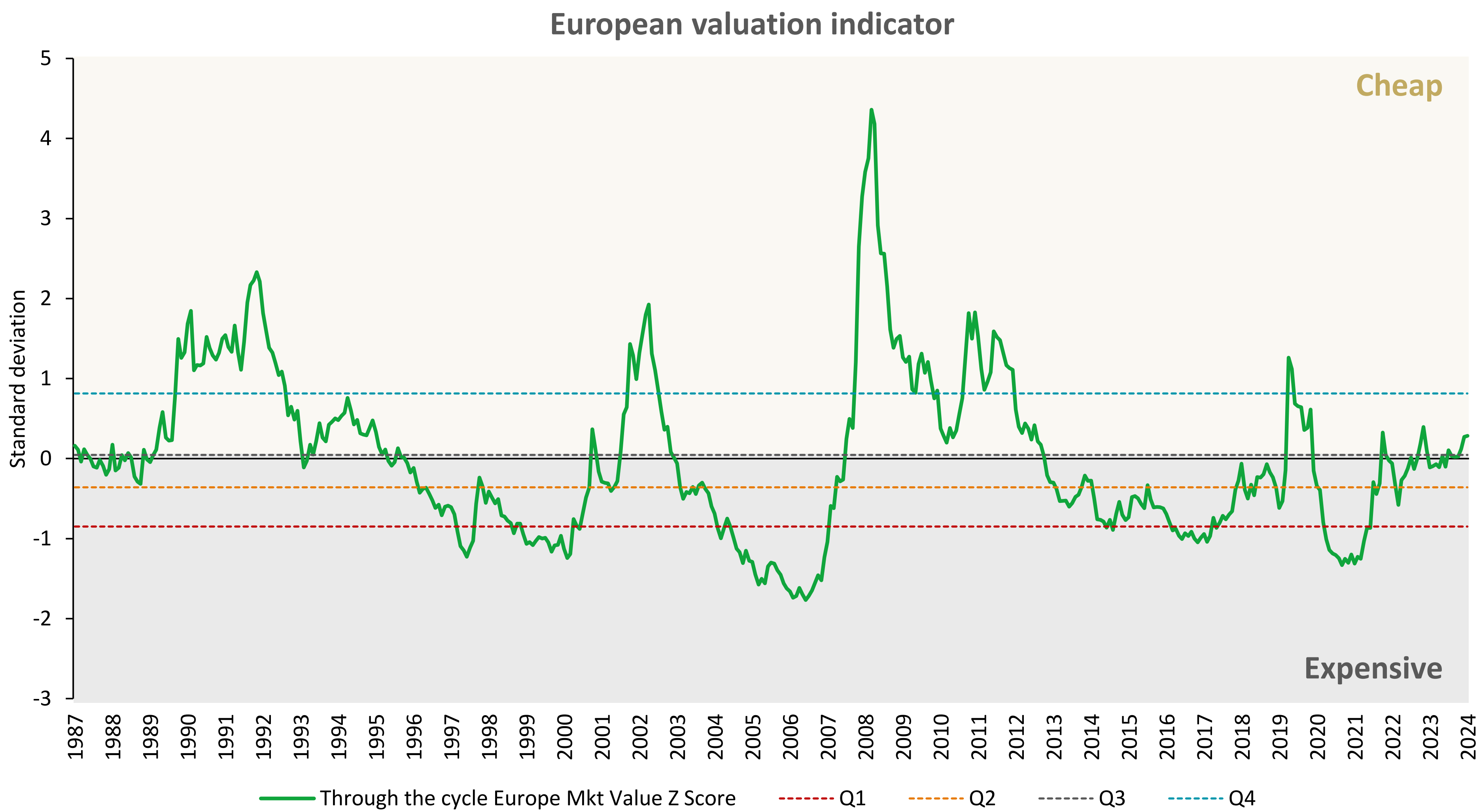
- Investor anxiety
- Corporate Aggression
- Market Momentum
- Momentum Efficacy
- Valuations

Value or Growth?

- Which is better placed, value or growth?

Which secondary scores?

- Momentum?
- Cash Return?
- Recovering Value?
- Contrarian Value?



Source: Liontrust & Factset, as at 31.12.87 to 31.12.24. Q = Quartile

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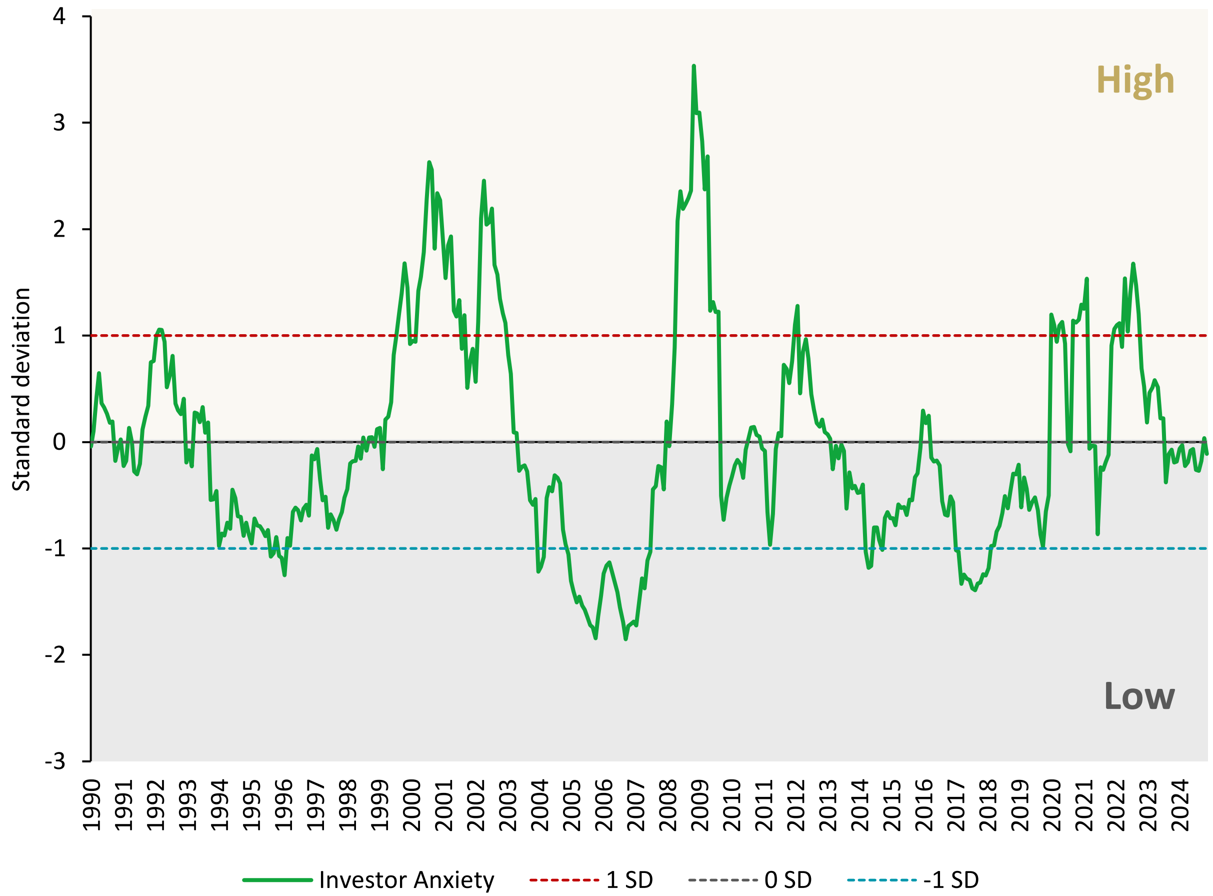
Investors are **less anxious** = have more balance by style

Investor anxiety in Europe



Stock examples

norwegian

Hemnet

Source: Liontrust & Factset, 31.10.90 to 31.12.24. SD = Standard deviation

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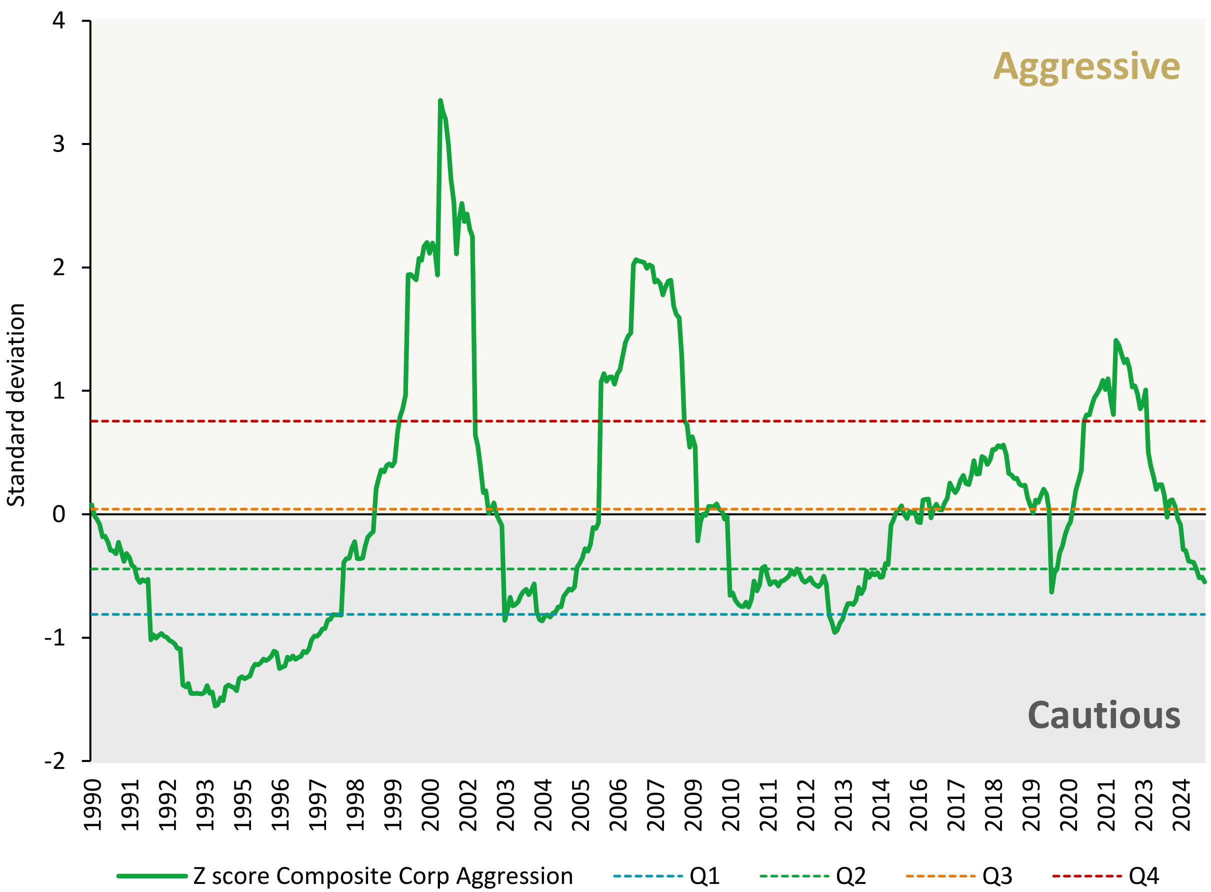
Corporate aggression **is falling** – lower corporate aggression is generally more constructive for market outlook

Corporate aggression in Europe



Stock examples

Kid ASA

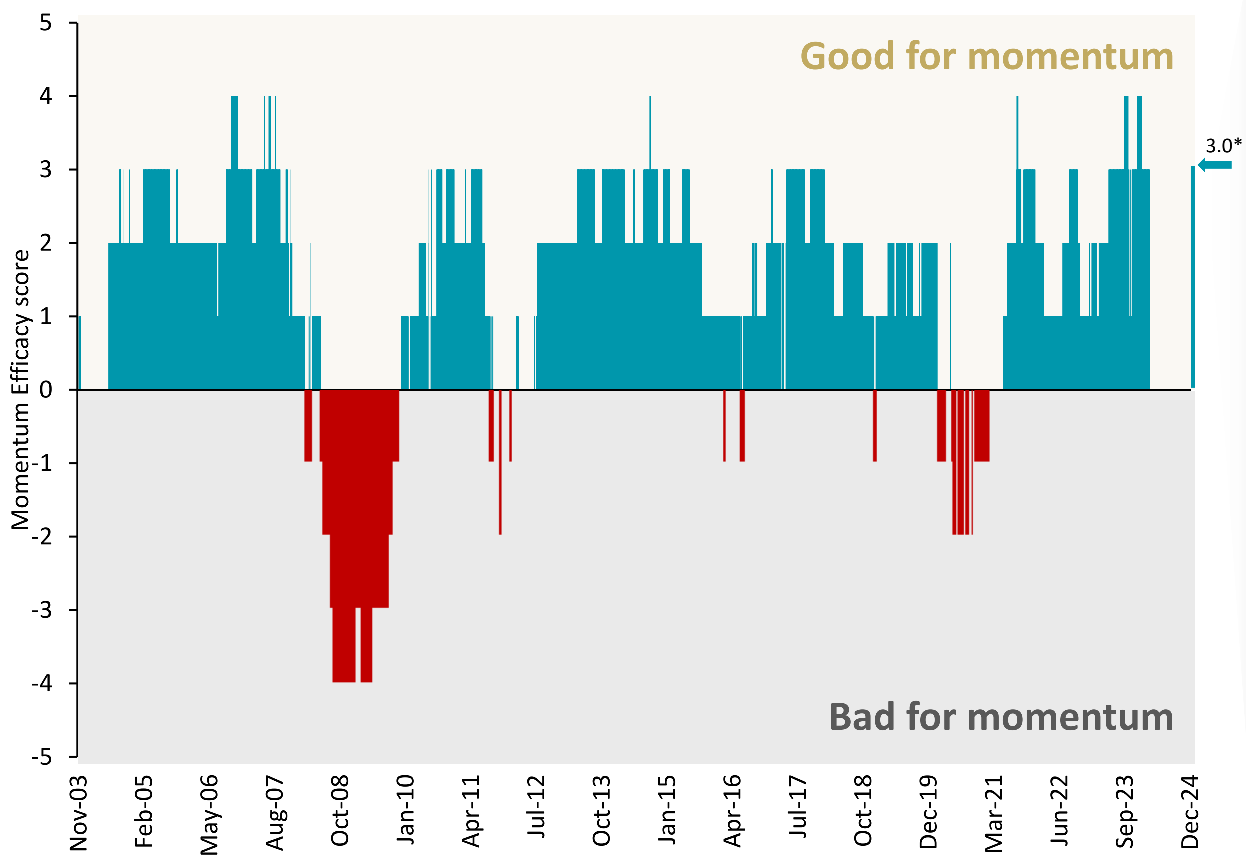
AJBell

Source: Liontrust & Factset, 31.05.90 to 31.12.24. Q = Quartile

Stage 4: Market Regime Indicators | Momentum Efficacy at constructive levels

Momentum Efficacy is positive = Focus on stocks with **good momentum scores**

Momentum Efficacy in Europe



Stock examples (with good Momentum scores)

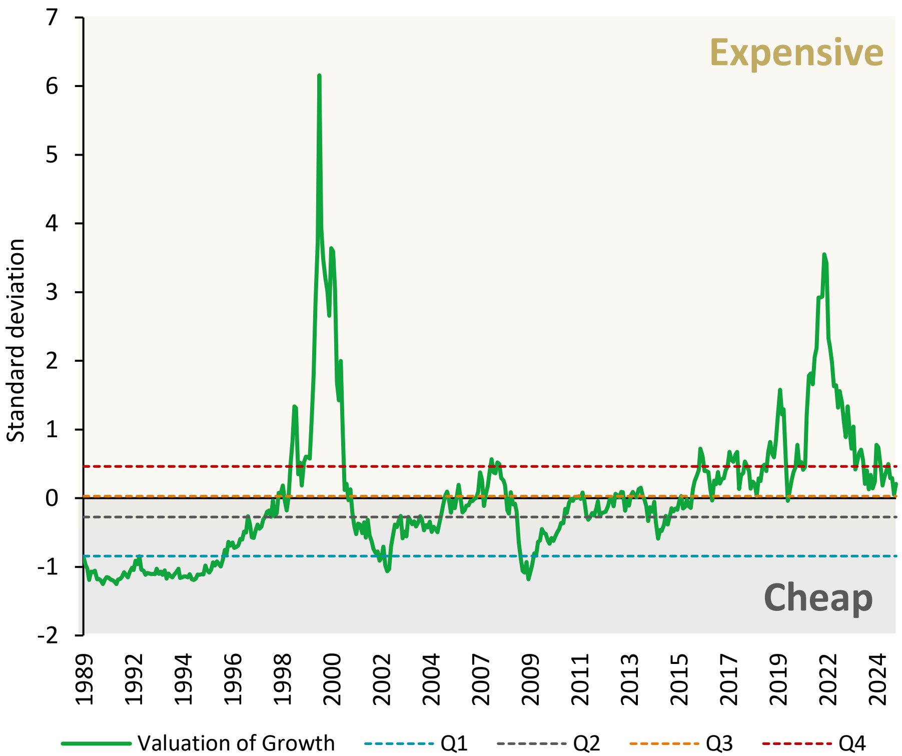
Source: Liontrust, Factset & Bloomberg, 14.11.03 to 31.12.24. *Current score is 3.0

Stage 4: Market Regime Indicators | Value or Growth?

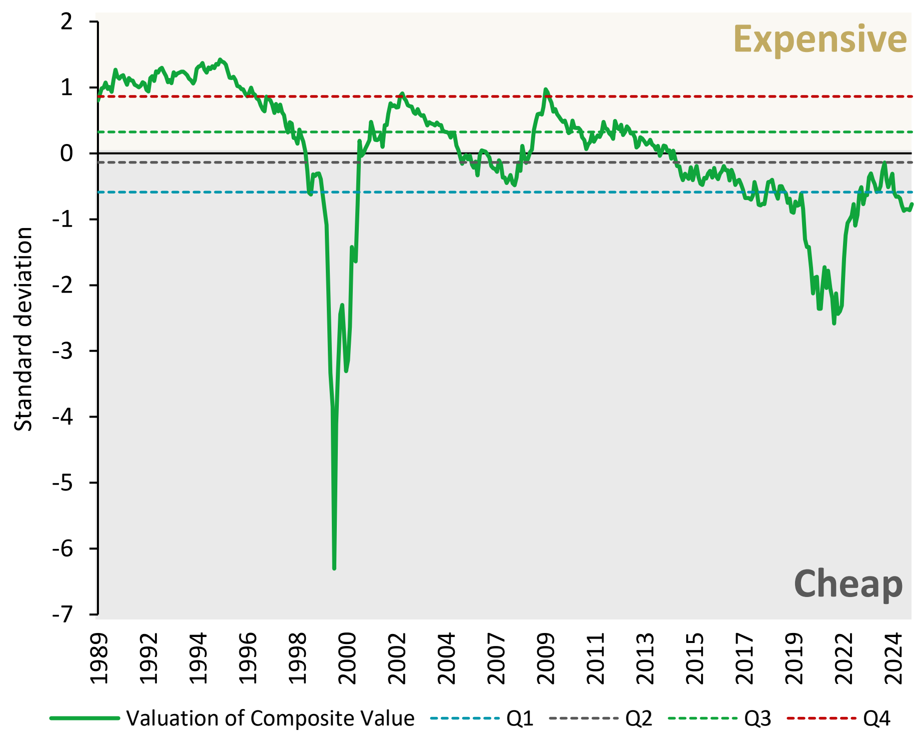
High forecast growth stocks are **no longer as expensive**

Value stocks have **re-rated** but **are not yet expensive**

Valuation of European High Growth 1989-2024*

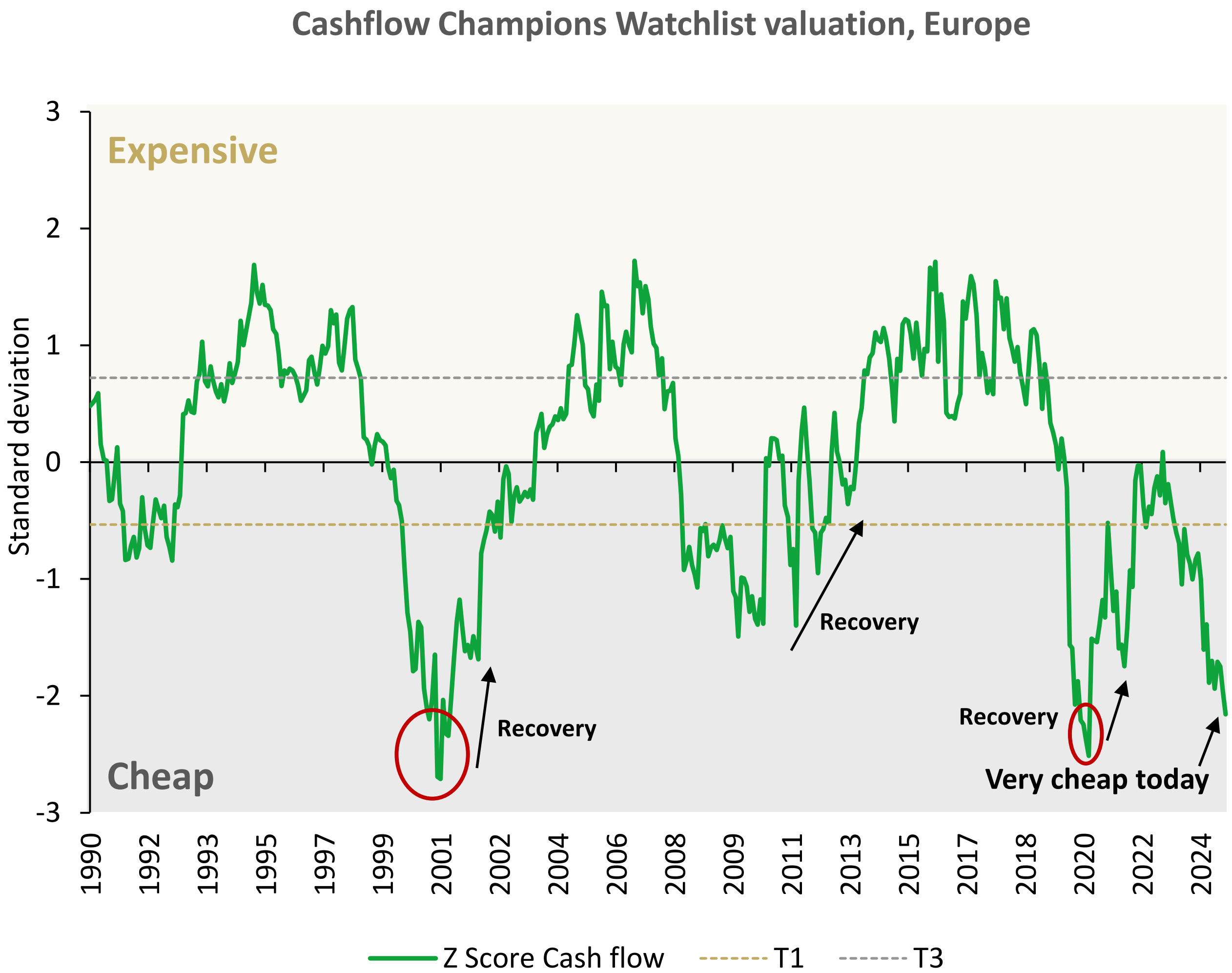


Valuation of European Value (bottom 20%) 1989-2024**



Source: Liontrust & Factset, as at 29.12.89 to 31.12.24. *Growth defined along the lines of the Bloomberg growth measure and includes historic earnings per share (EPS), sales & asset growth and forward EPS and sales estimates **Through the cycle value of the cheapest 20% of companies on a Composite Value measure relative to the European market (Composite follows the Bloomberg value factor and includes P/B, P/S, E/P, CF/P, EV/EBITDA)

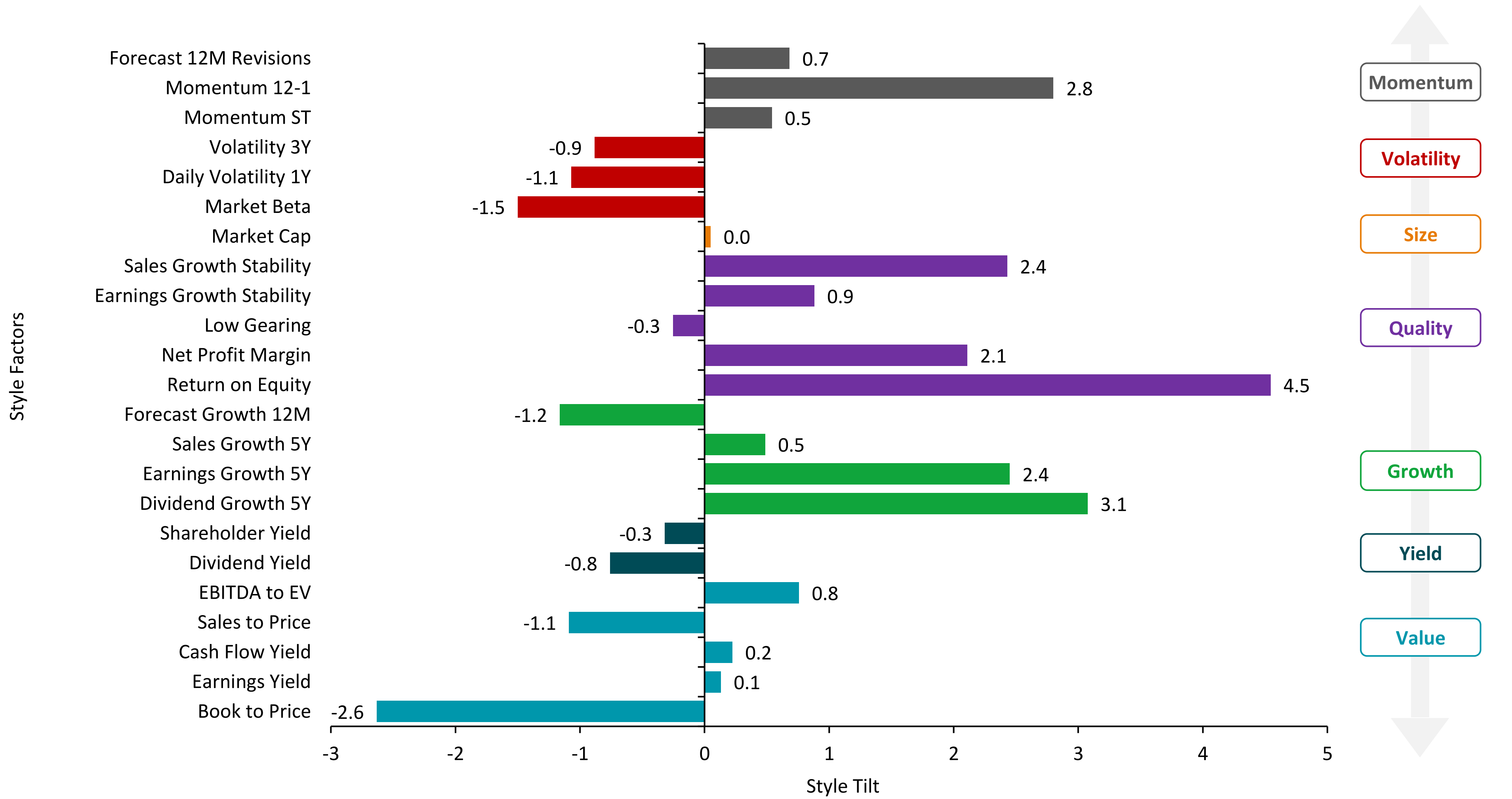
A compelling opportunity has emerged in good cash flow stocks…



- Today, our Cashflow Champions list is very cheap…in fact it has only been cheaper on two other occasions….2001 & 2020
- On those occasions a significant recovery followed
- History shows when the investment process is very cheap subsequent process is typically very strong

Source: Liontrust, as at 31.12.24. Z-score of the valuation of top 20% of European stocks ranked by combined cash flow ratios

Liontrust GF European Smaller Companies Fund versus MSCI Europe Small Cap



Source: Style Analytics, as at 31.12.24 versus target benchmark is MSCI Europe Small Cap

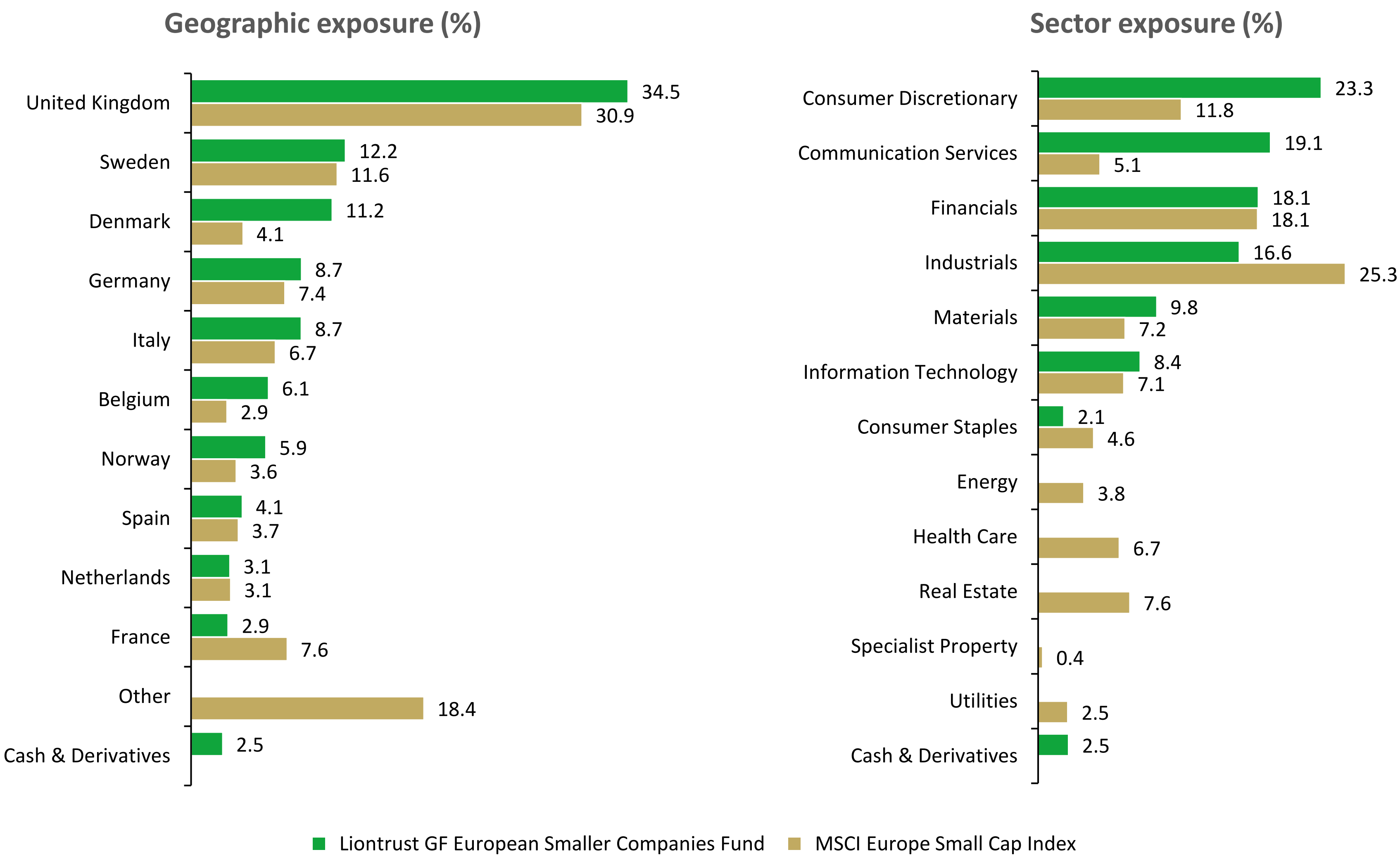
How is the Fund positioned today

Top 10 holdings

	Portfolio %
Pandora	5.9
Ringkjobing Landbobank	5.3
BPER Banca	5.1
Balfour Beatty	4.7
Bankinter	4.1
Serco	4.0
Kid	3.9
AJ Bell	3.7
Greggs	3.7
Buzzi	3.7

Source: Liontrust, 31.12.24 All use of company logos, images or trademarks in this presentation are for reference purposes only

Liontrust GF European Smaller Companies Fund | Geographic & sector exposures



Source: Liontrust, 31.12.24. The MSCI Europe Small Cap is a target benchmark

Summary: we are optimistic that the process today is in good shape to deliver strong future returns

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Past performance does not predict future returns

1. Disciplined empirical approach to investment ensures that good historic returns generated by portfolios are repeatable
2. The process performs well in varying market conditions
3. Secondary scores appear to have added significant value both with respect to investment return and efficiency of fundamental analysis
4. Paying heed to the market environment appears to be working well with respect to the emphasis placed on the different scores

James Inglis-Jones | Samantha Gleave

James Inglis-Jones and Samantha Gleave manage the Liontrust Cashflow Solution Process.

James Inglis-Jones formed the Cashflow Solution team on joining Liontrust in March 2006 and was joined by Samantha Gleave in 2012. James and Samantha jointly manage the Cashflow Solution 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 in 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.

Cashflow Solution Investment 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 and cash flow relative to market value.

Liontrust GF European Smaller Companies Fund | Awards and ratings

Past performance does not predict future returns

Liontrust	

Fund Manager Ratings

James Inglis-Jones	AA rated by Citywire for their risk-adjusted performance 3 years to December 2024	CITYWIRE AA
Samantha Gleave	AA rated by Citywire for their risk-adjusted performance 3 years to December 2024	CITYWIRE AA

Source: Liontrust have been awarded the Online Money Awards – Best Investment Trust Group Award, Professional Paraplanner Awards 2022 – Best Active Investment Solution Provider, Investment Week Fund Manager of the Year Awards 2022 – Group of the Year, Financial News Excellence in Institutional Fund Management Awards 2022 – Best UK Manager and Online Money Awards – Best Investment Trust Group Award 2023

Appendix

Stage 4: Market Regime Indicators | Momentum Efficacy needs to be monitored

Past performance does not predict future returns

- At this point in the market cycle it pays to have exposure to stocks with attractive momentum characteristics . . .

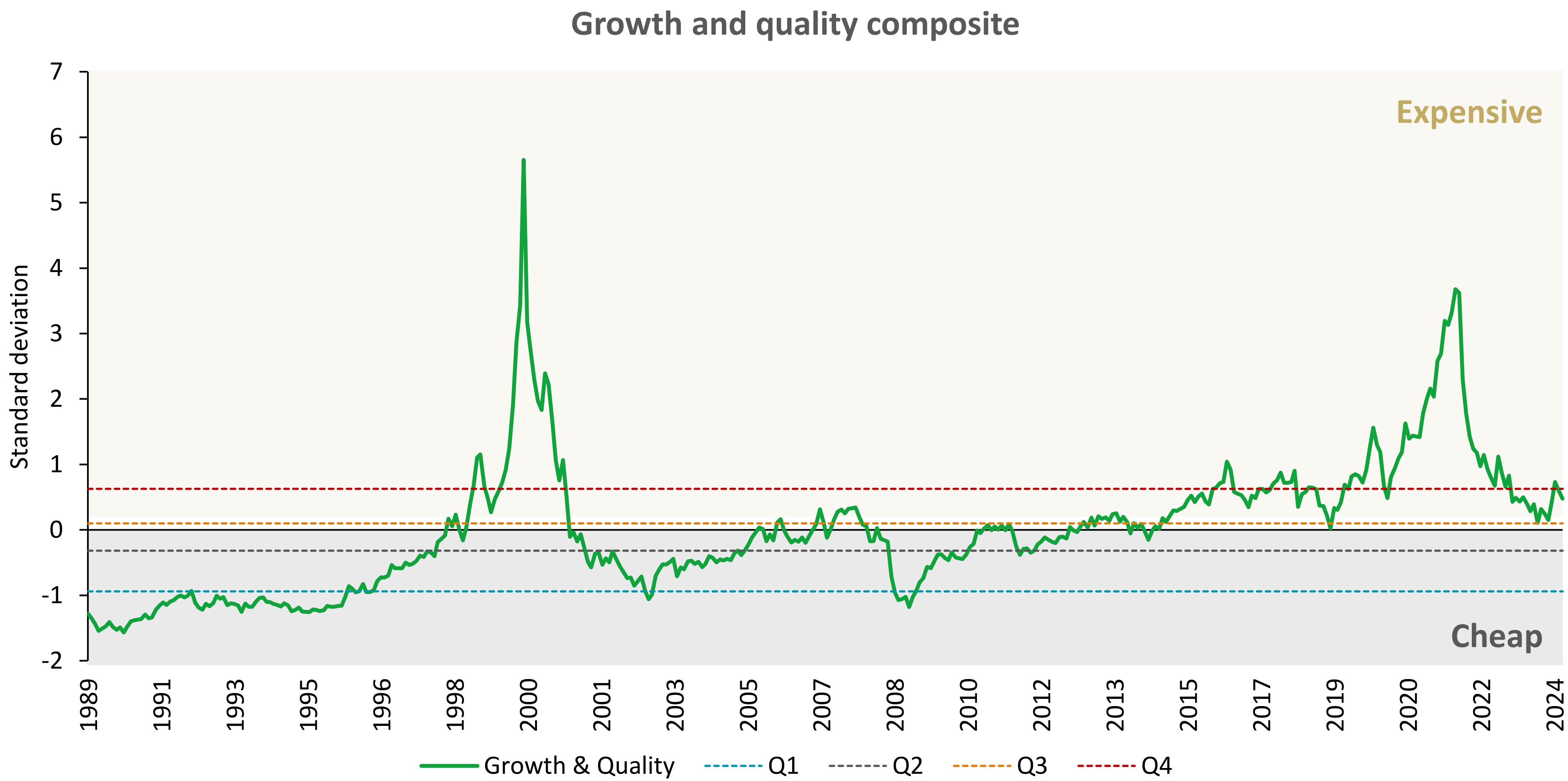
  . . . A good ME score is positive for future returns to this style – currently the score is 3

Momentum Efficacy (ME) Score and 12 month Average Rolling Return 2003-2023
A score above 1 is generally very good for momentum

	ME Score <-1	ME Score -1 to 1	ME Score >1
Average Long /Short return	-9.9%	8.5%	13.8%
Median Long / Short return	-6.4%	9.2%	12.9%
Std deviation %	15.9%	9.7%	8.7%
% Positive	29%	86%	99%
Maximum	14.8%	29.0%	39.4%
Minimum	-39.8%	-23.5%	-1.4%
Kurtosis	-1.01	1.44	0.03
Count	31	58	140
Information ratio	-0.62	0.87	1.59

Source: Liontrust, Factset & Bloomberg, 31.01.23. Long / Short return: Although the example portfolio is a long only portfolio it is common to look at factor efficacy as a long / short spread. It is relevant to a long only fund as the Cashflow Solution Fund Managers will not invest in companies with bad scores that would warrant a short position in a hedge fund. The index, however, will be exposed to these bad score companies, so the long only portfolio is in effect taking a short position versus the index. Kurtosis is a statistical measure that describes the distribution of the data set. It depicts to what extent the data set points of a particular distribution differ from the data of a normal distribution. Data sets with high kurtosis tend to have heavy tails, or outliers. Data sets with low kurtosis tend to have light tails, or lack of outliers. The information ratio is the average excess return divided by the standard deviation

- The valuation of Quality Growth looks less expensive now



Source: Liontrust & Factset, 31.12.89 to 30.06.24. Q = Quartile

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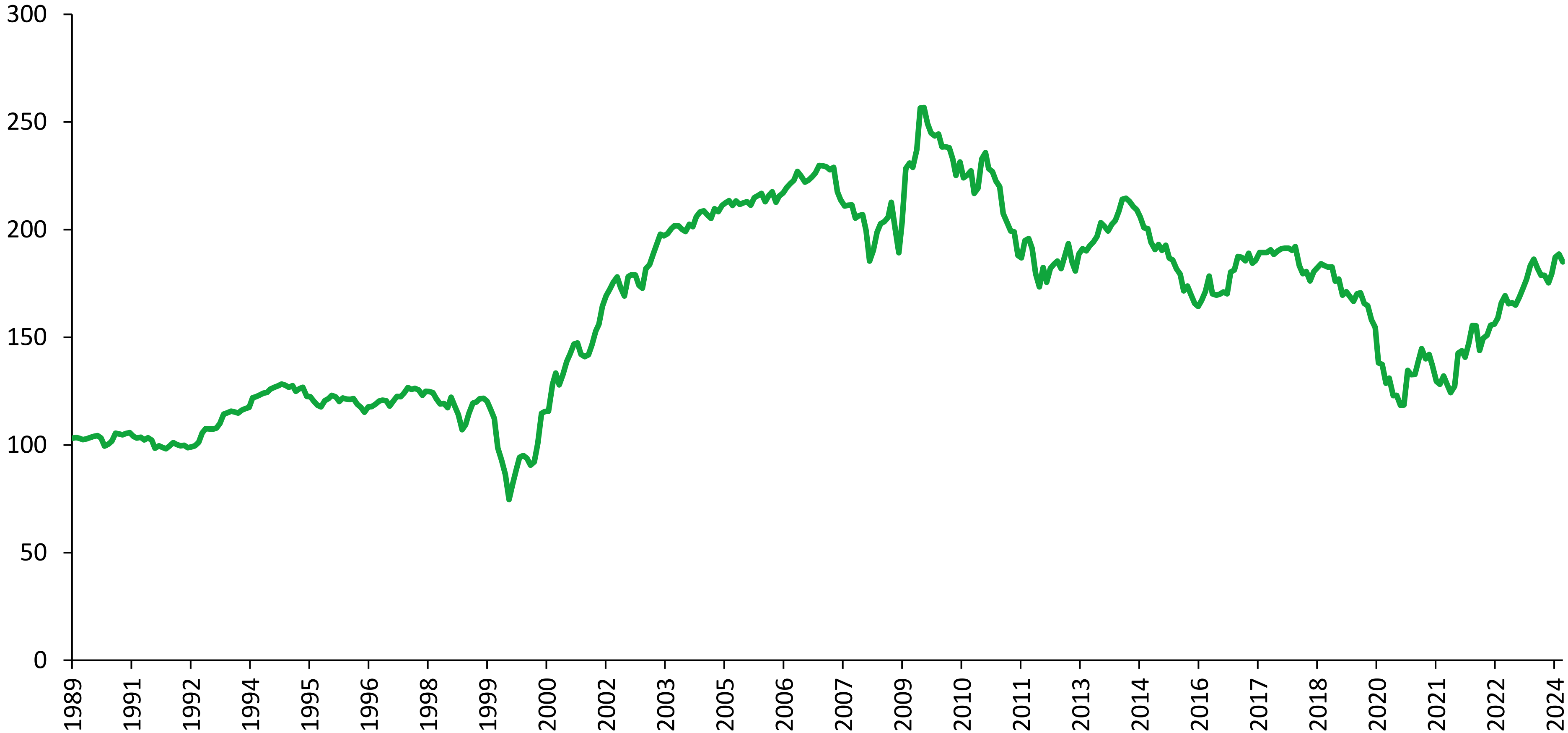
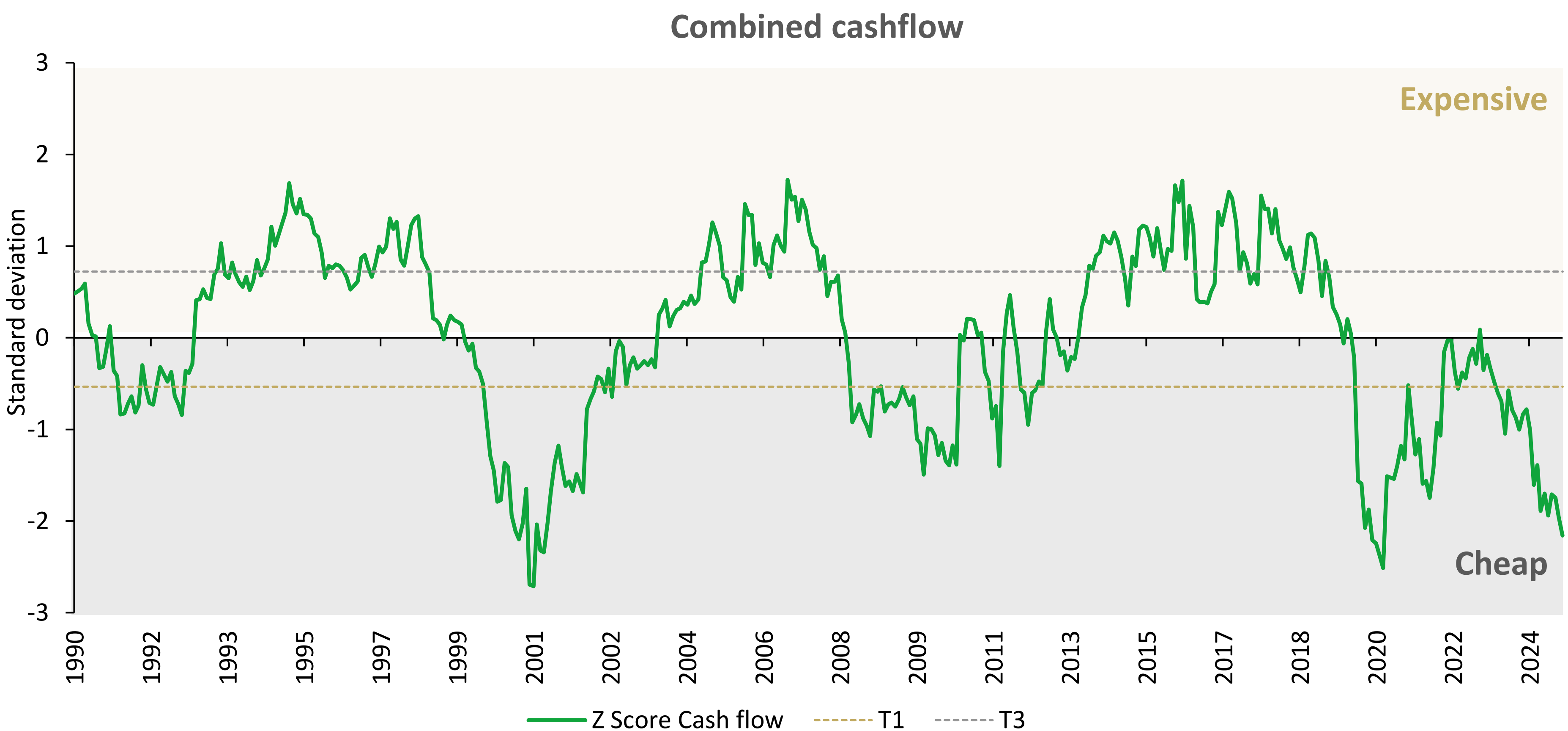
Value versus Quality Growth from 1990



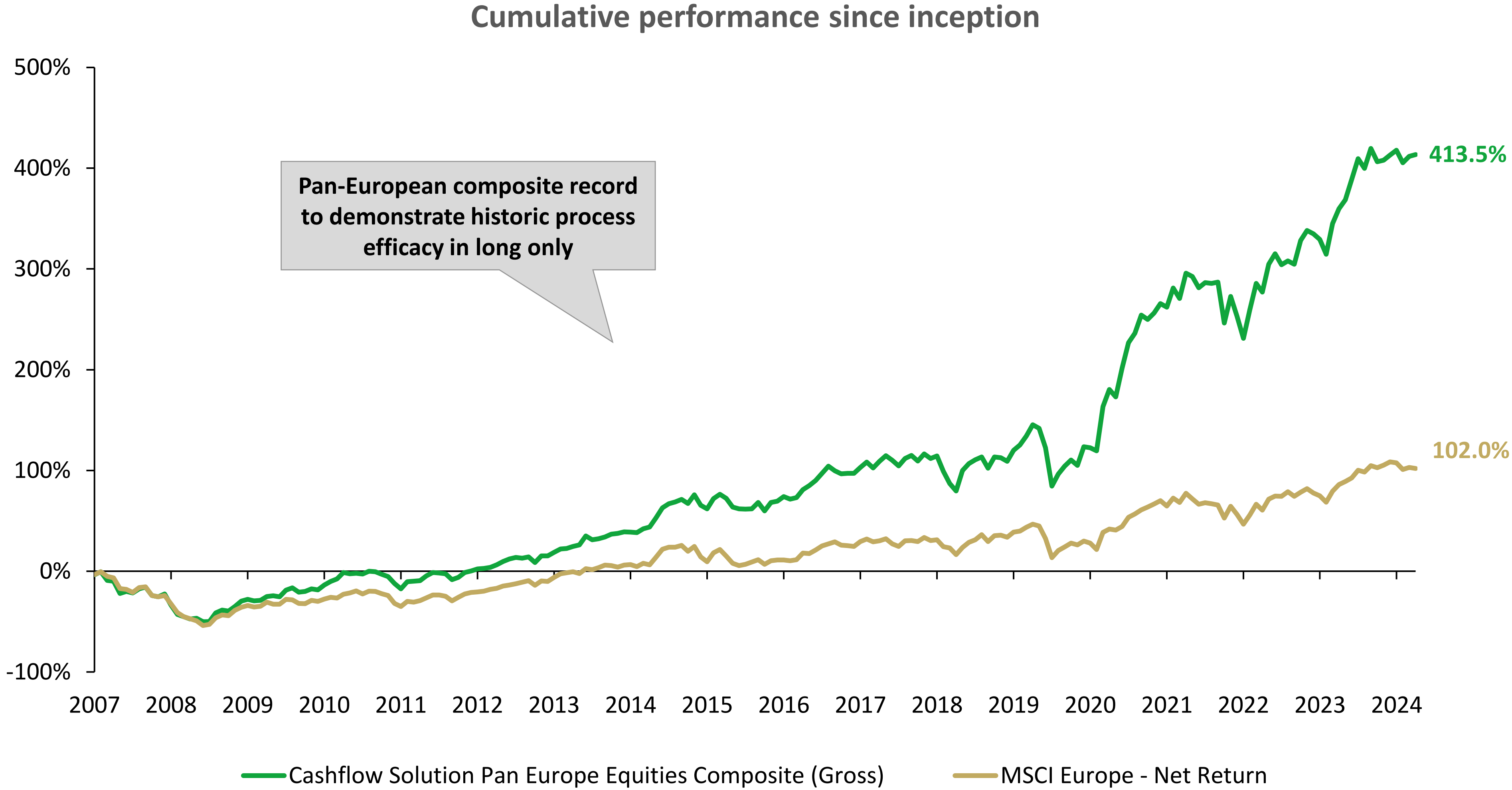
Source: Liontrust & Factset, 31.12.89 to 30.06.24

- However, we remain confident in the outlook for our process
- We monitor the valuation of the top quintile of cashflow
- Today it's still cheap relative to history – **today we hold cheap stocks with good cashflow**



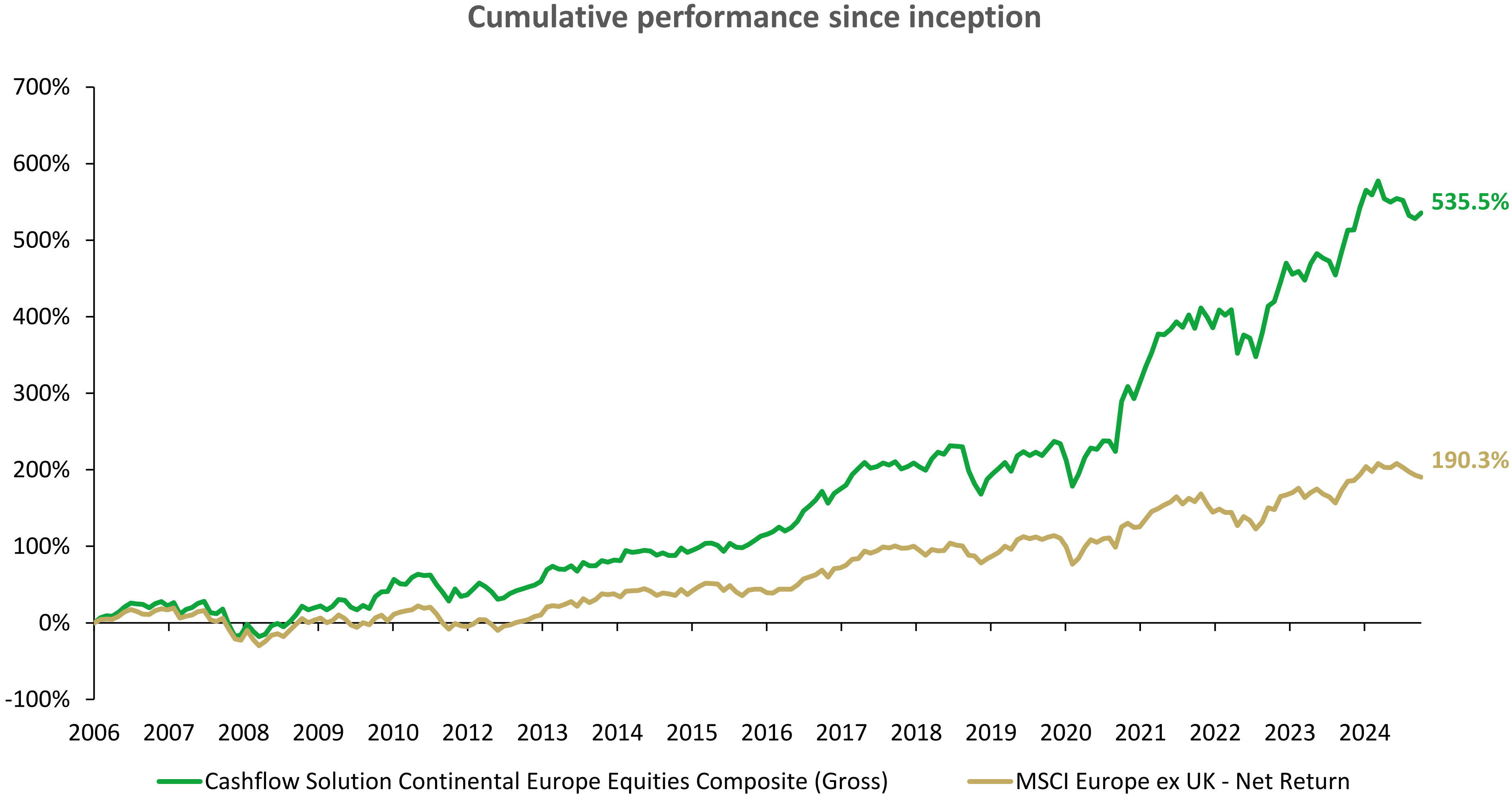
Source: Liontrust & Factset, 31.05.90 to 31.12.24. T = Tercile

Past performance does not predict future returns. The performance displayed is strategy performance. It is not the past performance of a promoted fund



Source: Factset, 30.06.07 to 31.12.24. Cashflow Solution Pan-Europe Equities versus comparator benchmark MSCI Europe in Euros, cumulative total return gross of fees. The deduction of fees will have the effect of reducing these returns. MSCI Europe is total return (net, dividends reinvested)

Past performance does not predict future returns. The performance displayed is strategy performance. It is not the past performance of a promoted fund



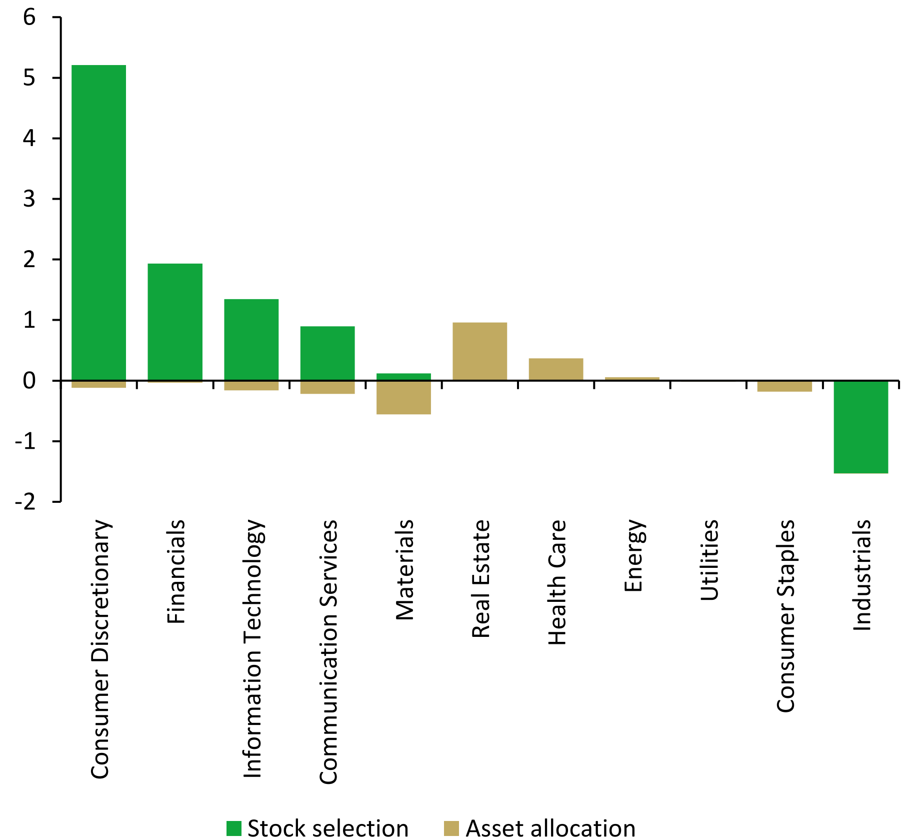
Source: Factset, data from 30.11.06 to 31.12.24. Cashflow Solution Continental Europe Equities versus comparator benchmark MSCI Europe ex UK (net, dividends reinvested) in GBP, cumulative total return gross of fees. The deduction of fees will have the effect of reducing these returns

Liontrust GF European Smaller Companies Fund | 2024 attribution and contribution to return

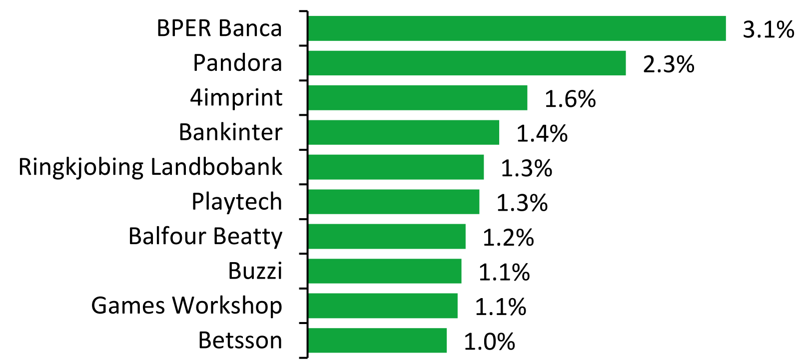
Past performance does not predict future returns

*Fund +13.0% | MSCI Small Cap +5.7%**

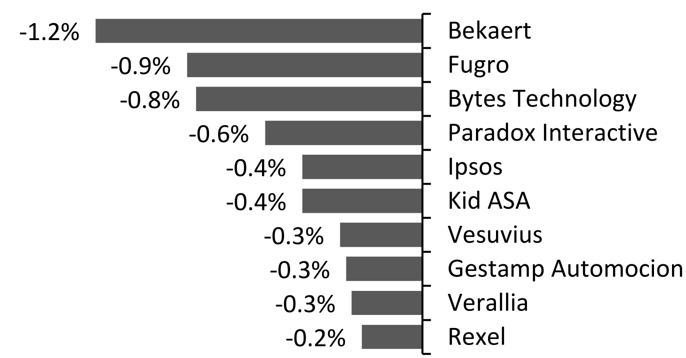
Sector attribution



10 highest contributors to return



10 lowest contributors to return



Source: *FE Analytics, Liontrust GF European Smaller Companies Fund, A3 share class, net of fees, income/interest reinvested, Euros. The Fund's target benchmark is MSCI Europe Small Cap Index. Attribution source: Factset, as at 31.12.24. Sector attribution chart shows relative return on a geometric basis versus target benchmark MSCI Europe Small Cap Index ex Cash. The returns are gross of fees. The deduction of fees will have the effect of reducing these returns

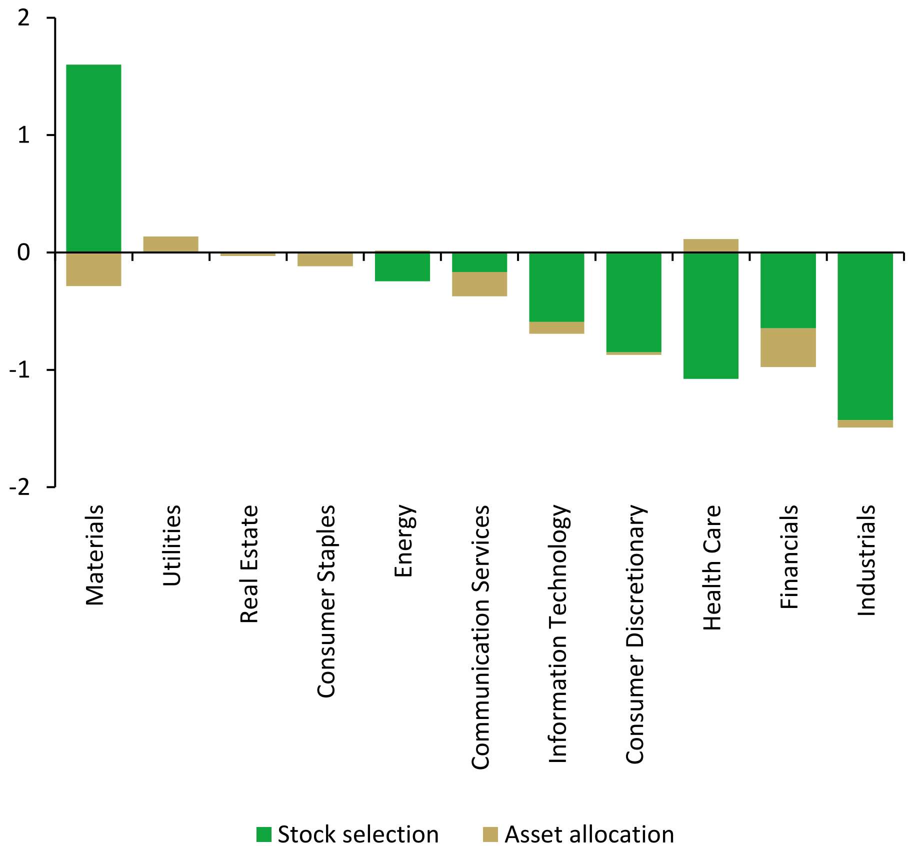
You may get back less than you originally invested. Please refer to the Key Risks slide for more information

Liontrust GF European Smaller Companies Fund | 2023 attribution and contribution to return

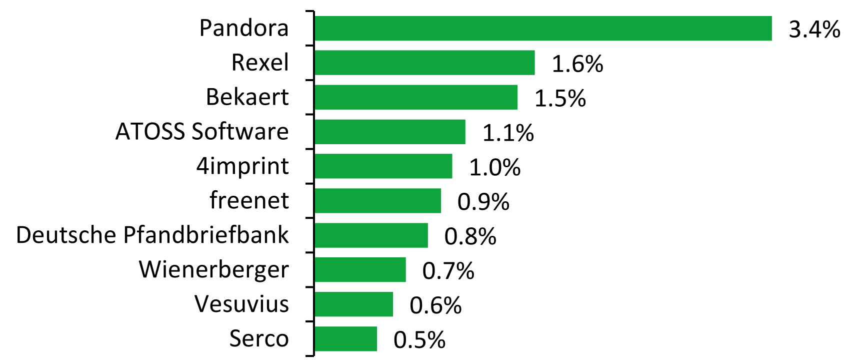
Past performance does not predict future returns

*Fund +7.0% | MSCI Small Cap +12.7%**

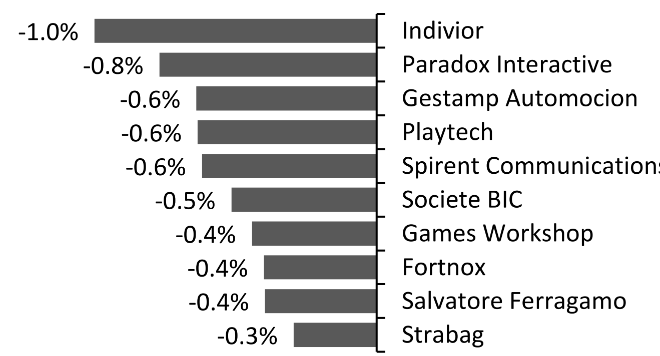
Sector attribution



10 highest contributors to return



10 lowest contributors to return



Source: *FE Analytics, Liontrust GF European Smaller Companies Fund, A3 share class, net of fees, income/interest reinvested, Euros. The Fund's target benchmark is MSCI Europe Small Cap Index. Attribution source: Factset, as at 31.12.23. Sector attribution chart shows relative return on a geometric basis versus target benchmark MSCI Europe Small Cap Index ex Cash. The returns are gross of fees. The deduction of fees will have the effect of reducing these returns

Liontrust GF European Smaller Companies Fund | 2022 attribution and contribution to return

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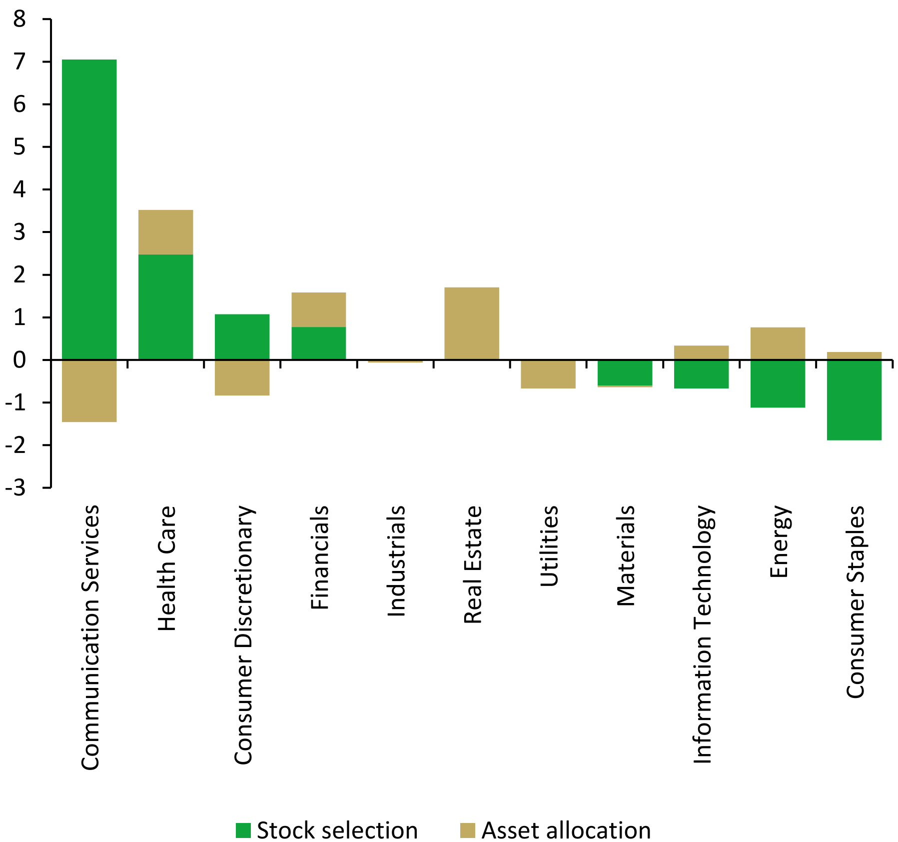
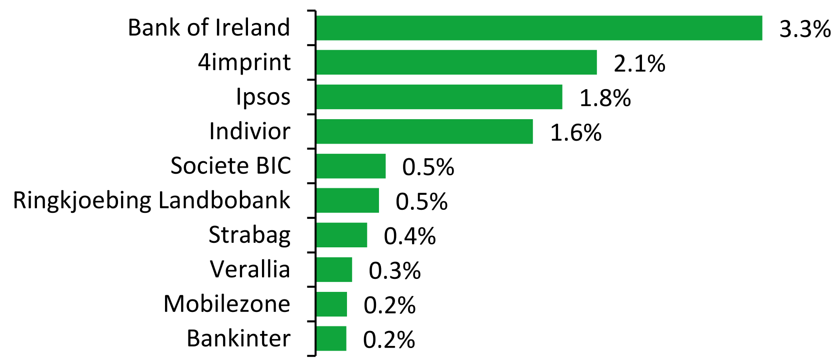
Past performance does not predict future returns

Fund -17.3% | MSCI Small Cap -22.5%*

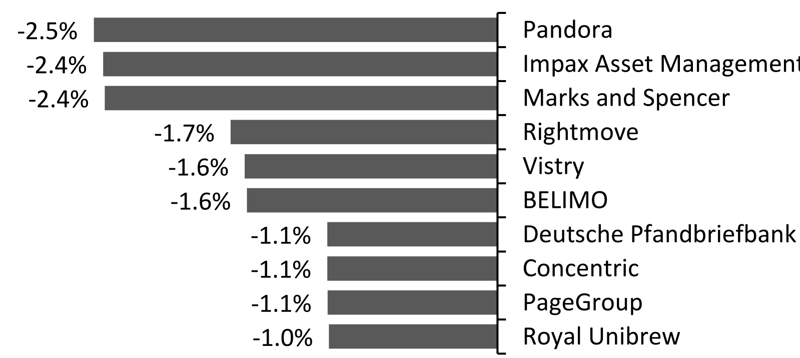
Sector attribution



10 highest contributors to return



10 lowest contributors to return



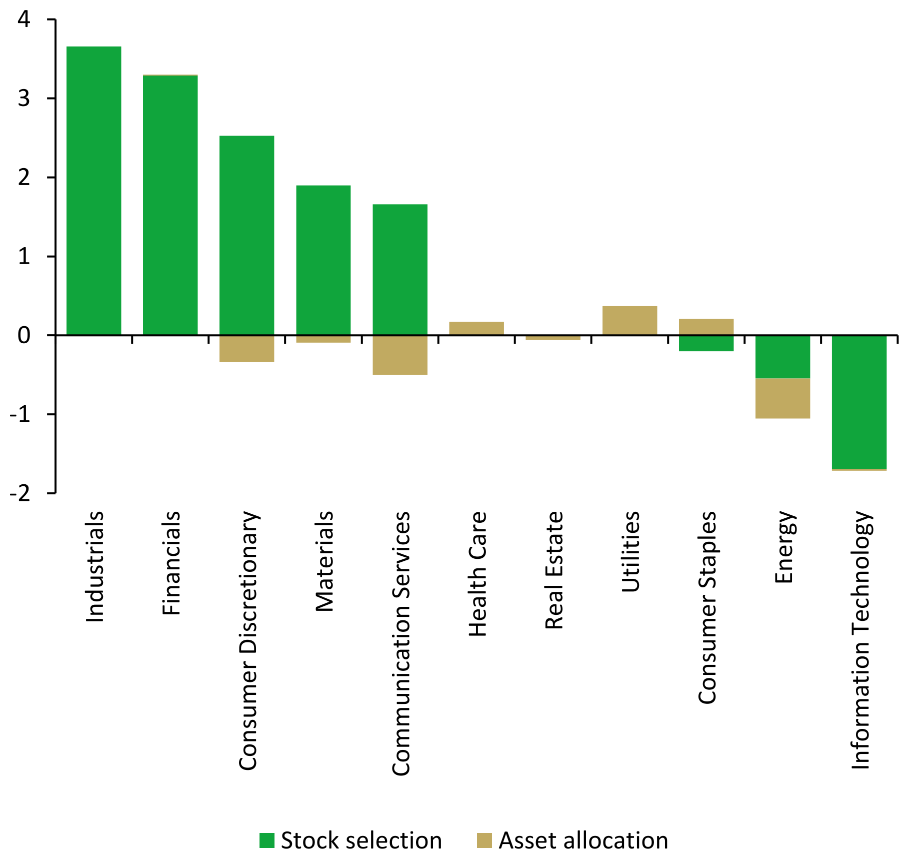
Source: *FE Analytics, Liontrust GF European Smaller Companies Fund, A3 share class, net of fees, income/interest reinvested, Euros. The Fund's target benchmark is MSCI Europe Small Cap Index. Attribution source: Factset, as at 31.12.22. Sector attribution chart shows relative return on a geometric basis versus target benchmark MSCI Europe Small Cap Index ex Cash. The returns are gross of fees. The deduction of fees will have the effect of reducing these returns

Liontrust GF European Smaller Companies Fund | 2021 attribution and contribution to return

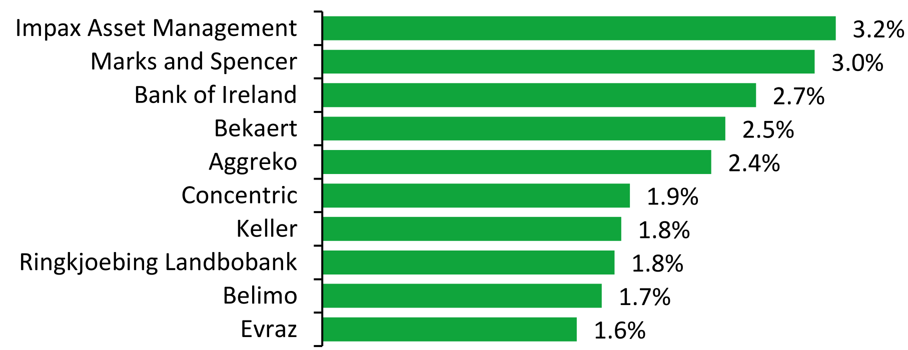
Past performance does not predict future returns

*Fund +33.7% | MSCI Small Cap +23.8%**

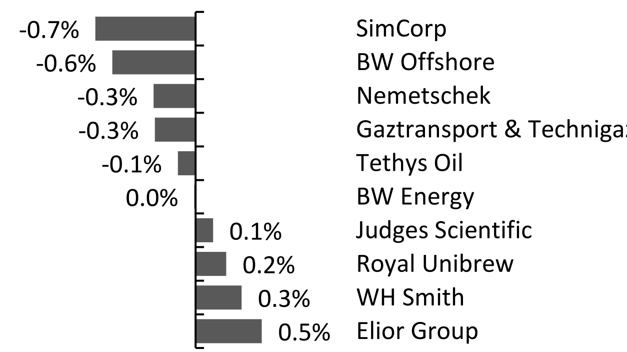
Sector attribution



10 highest contributors to return



10 lowest contributors to return



Source: *FE Analytics, Liontrust GF European Smaller Companies Fund, A3 share class, net of fees, income/interest reinvested, Euros. The Fund's target benchmark is MSCI Europe Small Cap Index. Attribution source: Factset, as at 31.12.21. Sector attribution chart shows relative return on a geometric basis versus target benchmark MSCI Europe Small Cap Index ex Cash. The returns are gross of fees. The deduction of fees will have the effect of reducing these returns

Key financial highlights

Consolidated cashflow statement

Year ended 31 December 2021

	Note	2021 £m	2020 £m
Net cash inflow from operating activities before exceptional items		357.4	270.5
Exceptional items		(7.5)	(2.0)
Net cash inflow from operating activities		349.9	268.5
Investing activities			
Interest received		0.6	0.3
Decrease in other investments		–	0.1
Exceptional sale of other investments		13.0	–
Dividends received from joint ventures and associates		13.5	19.8
Exceptional distribution from joint ventures		–	1.9
Other dividends received		0.6	0.4
Proceeds from disposal of property, plant and equipment		7.0	20.9
Net cash inflow on disposal of subsidiaries and operations		–	11.0
Acquisition of subsidiaries, net of cash acquired	7	(234.9)	(4.9)
Proceeds from loans receivable		–	1.2
Purchase of other intangible assets		(8.2)	(8.3)
Purchase of property, plant and equipment		(23.9)	(41.8)
Net cash (outflow)/inflow from investing activities		(232.3)	0.6
Financing activities			
Interest paid		(24.9)	(24.9)
Capitalised finance costs paid		(0.6)	(0.9)
Advances of loans		110.0	447.9
Repayments of loans		(139.7)	(348.5)
Capital element of lease repayments		(111.3)	(100.8)
Cash movements on hedging instruments		(16.6)	2.4
Dividends paid to shareholders		(26.5)	–
Own shares repurchased		(40.7)	–
Proceeds received from exercise of share options		0.2	0.1
Net cash outflow from financing activities		(250.1)	(24.7)
Net (decrease)/increase in cash and cash equivalents		(132.5)	244.4
Cash and cash equivalents at beginning of year		335.7	89.5
Net exchange (loss)/gain		(4.8)	1.8
Cash and cash equivalents at end of year	22	198.4	335.7

Growth in net cash from operating activities

Debt paydown

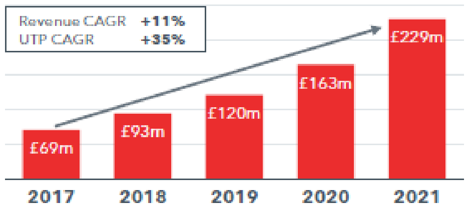
Share buyback programme

- B2G platform helps deliver excellent operational performance in challenging conditions
  - Dislocated labour markets; successive waves of Covid; high sickness and attrition rates; volatile demand for Covid related services
  - Difficult and stressful for all concerned, especially line managers
- Strong financial performance
  - Revenue £4,425m, up +16% at CFX; +10% organic growth
  - Underlying Trading Profit of £229m, up +45% at CFX; margin increased to 5.2%
  - Free Cash Flow increased by £55m to £190m; 0.7x leverage;
  - ROIC increases from 19% => 24%
- Strong pipeline of new opportunities despite record order intake
  - £5.5bn order intake; 125% book-to-bill; closing pipeline £9.9bn
- Share buyback of up to £90m. Proposed final dividend of 1.61p, +15% y/y.
- 2022 guidance
  - Materially unchanged from December, adjusted for lower opening debt and buyback
  - Strong start, with £600m of order intake in first six weeks
  - Covid impact: ~£700m of revenue in 2021, expect a ~13% drag on revenue in 2022 and ~£60m of profit not to recur

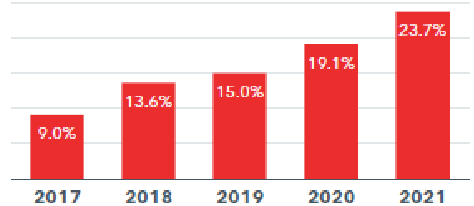
Source: Serco 2021 Annual report, FY21 company presentation; Liontrust, June 2022. All use of company logos, images or trademarks in this presentation are for reference purposes only

Stock example | Serco

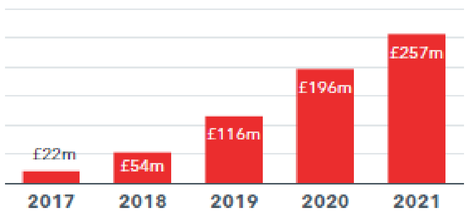
Underlying Trading Profit more than trebled since 2017



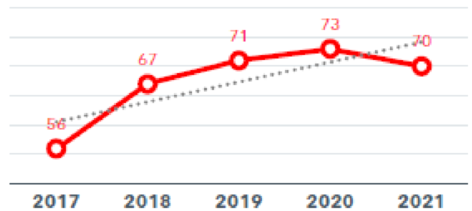
Return on invested capital increased to 24%



Trading cash flow ~10x more in 2021 than 2017



Employee engagement dramatically improved



serco

		FY 21	FY 20	Growth
Revenue	Revenue	£4,425m	£3,885m	+14%
	Organic growth	10%		
	Acquisitions	6%		
	FX	-2%		
Underlying Trading Profit	Underlying Trading Profit	£229m	£163m	+40%
	Organic growth	33%		
	Acquisitions	11%		
	FX	-4%		
	Margin	5.2%	4.2%	
EPS	Underlying EPS	12.56p	8.43p	+49%
Dividend	Dividend per share	2.41p	1.40p	+72%
Cash flow	Free Cash Flow	£190m	£135m	+41%
	UTP cash conversion	112%	120%	
Financial leverage	Net debt to EBITDA	0.7x	0.5x	

Year ended 31 December (£m)	FY21	FY20
Operating profit before exceptional items	217.4	166.7
Capex and repayment of lease liabilities	(136.4)	(130.0)
Depreciation and amortisation (including IFRS 16)	156.2	133.1
Working capital movement	25.2	(5.3)
Other	(5.9)	31.9
Trading Cash Flow	**256.5**	**196.4**
UTP to Trading Cash Flow conversion	112%	120%
Tax and net interest paid	(67.0)	(61.5)
Free Cash Flow	**189.5**	**134.9**
Adjusted Net Debt	**178.0**	**57.8**

Source: Serco FY Results 2021 company presentation; Liontrust, June 2022. All use of company logos, images or trademarks in this presentation are for reference purposes only

Stock example | Serco

Context:	Business now highly cash generative	Capital-light business model	Target leverage range of 1-2x net debt to EBITDA

Capital priorities		Progress in 2021
01	Investment in the business to generate organic growth	Temporarily increased our rate of investment
02	Annual dividend payment to shareholders	Final dividend increased by 15% year-on-year
03	Fund bolt on acquisitions	Three acquisitions completed; WBB, FFA and Clemaco
04	Surplus cash to be returned to shareholders	£20m share buyback in H1 2021 and £90m announced with FY21 results

Source: Serco FY Results 2021 company presentation; Liontrust, June 2022. All use of company logos, images or trademarks in this presentation are for reference purposes only

Liontrust GF European Smaller Companies Fund | Discrete performance

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12 months to previous quarter ending (%)	Dec-24	Dec-23	Dec-22	Dec-21	Dec-20	Dec-19	Dec-18
Liontrust GF European Smaller Companies A3 Acc EUR	13.0	7.0	-17.3	33.7	7.4	35.8	-19.9
MSCI Europe Small Cap Index	5.7	12.7	-22.5	23.8	4.6	31.4	-15.9

Source: FE Analytics, as at 31.12.24. Liontrust GF European Smaller Companies Fund, A5 share class, total return, net of fees, income reinvested, Euros versus MSCI Europe Small Cap Index. Discrete data is not available for 10 full 12 month periods due to the launch date of the portfolio, 01.02.17

INVESTMENT OBJECTIVE & POLICY[1]:	The investment objective of the Fund is to achieve long term capital growth by investing primarily in European smaller companies. The Fund may invest in all economic sectors in all parts of the world, although it is intended it will invest primarily in equities and equity related derivatives (i.e. total return swaps, futures and embedded derivatives) in European companies (including the UK and Switzerland). The majority of the assets of the Fund (more than 85%) are expected to be invested in smaller companies (with a market capitalisation of less than 5 billion euros at the time of the initial investment). In normal conditions, the Fund will aim to hold a diversified portfolio, although at times the Investment Adviser may decide to hold a more concentrated portfolio, and it is possible that a substantial portion of the Fund could be invested in cash or cash equivalents. The Fund may use FX forwards to hedge the Fund's currency exposures. The Fund has both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign exchange contracts to protect returns in the base currency of the Fund.
RECOMMENDED INVESTMENT HORIZON:	5 years or more
SRI[2]:	5
ACTIVE / PASSIVE INVESTMENT STYLE:	Active
BENCHMARK:	The Fund is considered to be actively managed in reference to MSCI Europe Small -Cap Index net total return (the "Benchmark") by virtue of the fact that it seeks to outperform the Benchmark. However the Benchmark is not used to define the portfolio composition of the Fund and the Fund may be wholly invested in securities which are not constituents of the Benchmark.

Notes: 1. As specified in the PRIIP KID (Packaged Retail and Insurance-based Investment Products Key Investor Document) of the fund; 2. SRI = Summary Risk Indicator. Please refer to the PRIIP for further detail on how this is calculated

Cashflow Solution Pan Europe Small Cap Equities Composite

Benchmark: MSCI Europe Small Cap - Net Return
Currency: EUR
Inception Date: 01 June 2014
Reporting Date: 31 December 2023

Year	Composite Total Return Gross %	Primary Bench. %	Composite 3-Yr Ann Return %	Bench. 3-Yr Ann Return %	Composite 3-Yr St Dev %	Bench. 3-Yr St Dev %	Number of Portfolios	Composite Dispersion %	Composite Assets	Total Firm Assets
2014*	8.18	-0.79	n/a	n/a	n/a	n/a	≤ 5	n/a	46,502,034	5,333,957,314
2015	29.88	23.53	n/a	n/a	n/a	n/a	≤ 5	n/a	50,779,382	6,164,912,672
2016	12.28	0.86	n/a	n/a	n/a	n/a	≤ 5	n/a	47,255,355	6,737,342,637
2017	14.74	19.03	18.72	14.04	11.65	13.35	≤ 5	n/a	66,962,887	11,502,718,419
2018	-18.38	-15.86	1.69	0.34	12.50	12.63	≤ 5	n/a	50,673,322	12,025,824,402
2019	37.66	31.44	8.83	9.60	14.23	11.99	≤ 5	n/a	69,773,742	21,094,255,942
2020	6.62	4.58	6.21	4.97	24.17	21.25	≤ 5	n/a	110,548,171	30,688,715,252
2021	37.97	23.82	26.51	19.40	23.39	20.51	≤ 5	n/a	85,108,529	41,920,484,385
2022	-15.46	-22.50	7.54	0.12	24.53	23.86	≤ 5	n/a	79,231,541	34,777,146,491
2023	7.03	12.74	7.68	2.66	16.00	18.19	≤ 5	n/a	47,533,890	30,992,475,515

* Data is for the period from June 1, 2014 (Inception) through December 31, 2014.
Three-year standard deviations: n/a displayed when the Composite does not yet have 36 monthly returns as of this date.
Composite Dispersion: n/a displayed when there are five or fewer portfolios in the composite for the full annual period.

Disclosures

GIPS Firm Definition
Liontrust Asset Management PLC ("Liontrust" or the "Firm") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with GIPS standards. Liontrust has been independently verified for the periods 1st January 2000 to 31st December 2023 inclusive. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

For the purposes of GIPS, the Firm is defined as all funds under the management of Liontrust Asset Management PLC. All future references to the "Firm" are based on this assumption. Liontrust Asset Management PLC (the "Firm") is the parent company of the Liontrust Group which incorporates a number of authorised and regulated subsidiary entities that perform investment management activities on behalf of the Liontrust Group including Liontrust Fund Partners LLP and Liontrust Investment Partners LLP. The Group have acquired investment teams and collective investment funds in several transactions including the acquisition of Alliance Trust Investments Limited, Neptune Investment Management Limited, Architas Multi Manager Limited and Majedie Asset Management Limited. In each case, the relevant investment teams and funds have transferred to the Liontrust Group. Liontrust is a specialist fund management company launched in 1995 and listed on the London Stock Exchange in 1999.

UK individuals: 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 or by Liontrust Investment Partners LLP (2 Savoy Court, London WC2R 0EZ), authorised and regulated in the UK by the Financial Conduct Authority (FRN 518552) to undertake regulated investment business.

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The Firm was redefined from Liontrust Investment Partners LLP to Liontrust Asset Management PLC on 1st January 2018 as this Firm definition is the broadest definition available that includes all assets contained in the Firm's composites.

Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

A list of composite descriptions and a list of broad distribution pooled funds are available upon request.

GIPS Composite Description

The Cashflow Solution - Pan Europe Small Cap Equities Composite includes all institutional portfolios and pooled vehicles invested in developed Europe that follows the strategy underlined:The aim of the investment process is to buy companies with strong cash flows that deploy cash prudently and which we consider to be relatively cheap. We want to invest in these businesses because in our experience strong company cash flows after investment spending provides a valuable margin of safety that is often undervalued and underappreciated by investors, most of whom tend to be more focused on forecasting future profits. The process will invest in Pan European stocks listed on a recognised stock exchange of an EEA Member State. The majority (90%) of holdings should have a market capitalisation of less than €5bn. At selection stocks are equally weighted in the portfolio and only stocks from the top 20% of the process's combined cash flow ratios are selected for inclusion. This tends to result in a concentrated portfolio and typically will hold between 30 and 50 stocks. The portfolio is invested in smaller companies - these stocks may be less liquid and the price swings greater than those in, for example, larger companies. Investment in the portfolio involves a foreign currency and may be subject to fluctuations in value due to movements in exchange rates.

For the purposes of GIPS the composite was created on the 1st June 2014.

GIPS Composite Historical Changes

Update - Primary Share Class changed from ACC A5 - IE00BYXLK855 upon its closure to ACC C A3 - IE00BYXLK632 on 1st June 2022. Both share classes have the same inception date

The Benchmark is the MSCI Europe Small Cap Index.

Returns presented are time-weighted returns. Valuations and performance returns are presented in EUR.

Liontrust is generally permitted to use financial derivative instruments to more effectively manage the level of investment risk and to facilitate efficient investment and management of cash and liquidity in each Fund. Liontrust may use futures, forwards (including forward rate agreements), options (both writing and purchasing), swaps (including credit default swaps) and contracts for difference, including both exchange traded and over the counter derivative instruments for any Fund. Additional information regarding investments in derivative instruments are available on request.

Three-year annualised standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period. From the 2022 GIPS report onwards, standard deviation of the population has been used for all periods, replacing the previously used sample calculation.

GIPS Fee Schedule

A representative fee schedule for this composite is a yearly Ongoing Charges Figure (OCF) ranging between 0.30% - 1.75% and 10% Outperformance Fee relative to the benchmark on a high watermark basis, if applicable. Note that fees for institutional investors are assessed on a case-by-case basis

All Gross of fee returns are presented before Ongoing Charges Figure (OCF) but after the deduction of trading expenses and in some instances Trustee and Audit fees. Fund and Benchmark returns are net of non-recoverable withholding tax.

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