

Liontrust Diversified Real Assets Fund

Foresight Group is the sub-investment
manager and sub-distributor of the
Diversified Real Assets Fund

Foresight

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Key Features

- **Global Exposure:** The Diversified Real Assets Fund ("Fund" or "DRAF") is designed to give investors global exposure to real assets across multiple asset classes
- **Diversified Solution:** Created as an alternative building block for multi-asset portfolios, the Fund provides a single diversified solution to investors
- **Stable Returns:** We consider the Fund as a buy-and-hold strategy with the aim of providing stable real returns of income and capital growth through a full market cycle

Since its inception*, the Fund has demonstrated a more stable return profile and exhibited greater resilience during market downturns relative to equities. Additionally, it has provided less sensitivity to interest rates versus traditional fixed income.

*5 August 2014

What We Invest In

The Fund invests in listed owners, operators and developers of real assets within the sub-sectors of infrastructure, renewables, real estate, communications, energy and commodities.

It is not bound by a single asset class or sector within real assets and invests across equities, fixed income and commodities. This unconstrained approach provides flexibility to the portfolio management team, to manage the strategy across uncertain macroeconomic environments.



Waste Water

Thames Tideway, INPP



Transport

HS1, HICL



Digital

Swedish datacentre,
Cordiant



Roads

Kicking Horse Pass
(Canada), BBGI



Wind

Braes of Doune,
Greencoat Wind



Storage

Clean Fuel Storage (US),
Victory Hall

The Fund does not use a specific benchmark to measure performance. However, the performance of the Fund can be assessed against the prevailing Bank of England base rate over the medium to long term (at least 5 years)¹.

¹ The Base Rate has been chosen because funds that invest in "alternative" asset classes often use a cash interest rate for performance assessment purposes. Investors should note that it is not an exact like-for-like comparison because the Fund investments are subject to a level of risk or volatility. Investors can find details of the Bank of England's base rate [here](#).

How We Invest

We believe the right mix of real assets can help increase the likelihood of investors' portfolios achieving good outcomes across different market environments.

On average and over the long-term, portfolio allocations are balanced between 'defensive', 'core' and 'growth' real asset sectors to provide broad exposure.

The table below shows how the Fund maintains flexibility in its allocations to manage risks and opportunities across different business cycles. Intra-cycle adjustments are also made to ensure the Fund can provide the best risk-adjusted outcomes over the long-term.

Business Cycle	Monetary Cycle	Allocations					
			Core Property	Core Infrastructure	Renewables	Cyclicals	Diversifiers
Recovery	Easy	++	+	++	++	=	
Expansion	Tightening	+	=	=	+	-	
Slowdown	Tight	+	+	-	-	++	
Contraction	Easing	=	++	+	--	+	

Note: The above table represents directional asset allocation changes. It is not an exact representation of the adjustments made to our positionings so may or may not net to zero.

Key:

- **Strongly underweight:** The Fund holds far less of these allocations in this business cycle
- **Underweight:** The Fund holds less of these allocations in this business cycle
- = **Neutral:** The business cycle doesn't influence this allocation
- + **Overweight:** The Fund holds more of these allocations in this business cycle
- ++ **Strongly overweight:** The Fund holds far more of these allocations in this business cycle

How We Invest (continued)

Within sectors, security selection is driven by a focus on real returns (cash flows directly or indirectly linked to inflation), firms with transparent business models, high quality management teams, sustainable growing cashflows and reasonable valuations².

Our investment approach requires direct engagement between our fund managers and the management teams of our underlying companies. Furthermore, we periodically conduct comprehensive sector reviews to help inform our sector preferences. On several of our holdings the team performs site visits, given the importance of asset quality to the underlying cash flow profile of these companies.

For real asset companies, many of which operate in capital intensive industries, capital allocation is a meaningful driver of returns. Alongside the management, we actively engage with the chairs and boards of our companies on key matters including investment strategy, capital expenditure plans, dividend policy and governance issues.

Portfolio Construction

Our investment process dictates that no single factor dominates the overall risk profile of the Fund. Real assets typically possess characteristics of both equities (growth) and fixed income (income) and achieving the right balance between these two is key.

The Fund is daily dealing and its all-cap global, multi sector approach ensures that it remains highly liquid across all market environments. Position sizing is determined both by conviction and liquidity³.

The average number of holdings is between 40-60 with an average investing time horizon of five years.

² A real return is a measure in percentage terms of the return delivered by an investment that takes account of the impact of inflation or deflation, taxes and investment fees over a specific period. It can be calculated by subtracting the inflation/deflation rate, tax and investment fees from the nominal return.

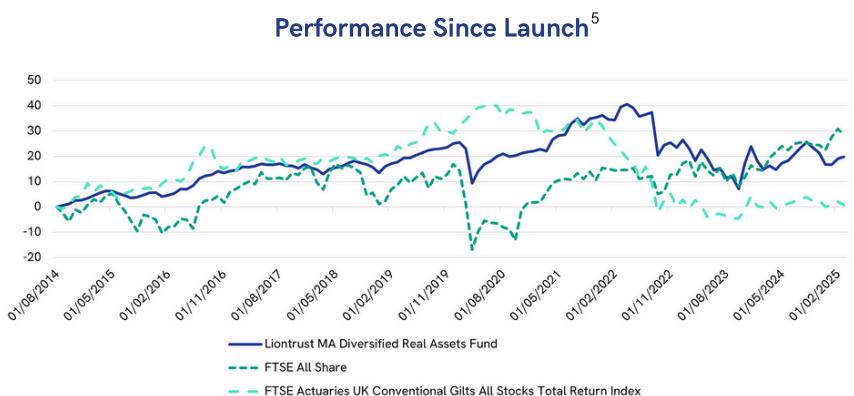
³ Liquidity refers to how easily an asset can be converted into cash. Shares which can be bought or sold rapidly on the stock market are considered to be liquid assets whereas a commercial property is more illiquid because it can take longer to sell.

Performance

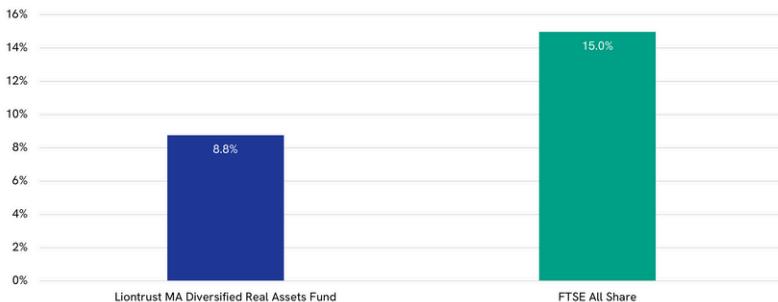
Since its inception*, the Fund has demonstrated a more stable return profile and exhibited greater resilience during market downturns relative to equities. Additionally, it has provided less sensitivity to interest rates versus traditional fixed income.

The Fund has outperformed either equities or fixed income securities in seven out of the ten calendar years since its inception⁴. Cumulative returns have been slightly below equities but meaningfully ahead of fixed income, with much lower volatility (more stability) than equities.

*5 August 2014



Annualised Volatility Since Launch⁵

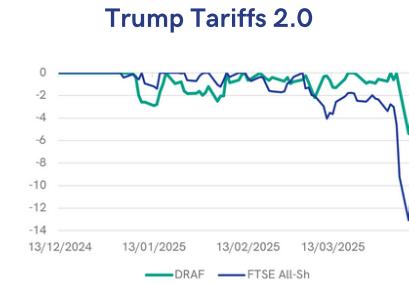
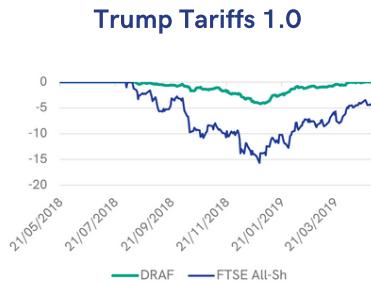
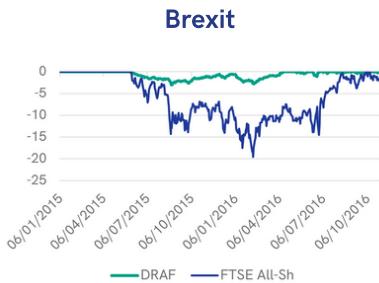


⁴ Past performance is not a reliable guide to future performance. Your capital is at risk.

⁵ Source: FCM, Bloomberg as at 31 March 2025

Performance (continued)

Below, we highlight the Fund's reduced drawdowns since its inception compared to equities during periods of market stress.



Our Team

The Fund has been managed by Mayank Markanday since 2017, who has over 18 years of experience as a Fund Manager, managing mandates across fixed income, equities, real assets and macro-based strategies for both institutional and intermediary clients.

Mayank is supported by the experienced Foresight Capital Management ("FCM") investment team at Foresight Group and benefits from the Group's private markets expertise when it comes to security selection, asset allocation and valuations⁶.



Mayank Markanday
Fund Manager



Nick Scullion
Partner



Eric Bright
Managing Director



Seth Hoskin
Investment Manager



Jasmine Savage
Investment Associate



Sefa Degirmenci
Investment Associate



Louis Bromfield
Lead Sustainability Manager



Anna Elliot
Sustainability Analyst

Mayank and the FCM investment team are specialists in researching the real asset universe. They utilise a private markets approach with a specific focus on asset quality and risk, capital allocation and an evaluation of the quality and independence of the board. This is supplemented by external third-party specialist broker research where the team has access to research and analysts.

The strategy also benefits from centralised research resources including access to a Governance and Stewardship desk that assists in board engagement and voting.

⁶ Mayank joined Foresight Group on 3 February 2025. Foresight Group has £13.2bn Assets Under Management (as at 31 March 2025) which, in addition to FCM, includes our Infrastructure and Private Equity businesses which manage private funds and closed-ended vehicles on behalf of retail and institutional investors. On 5 March 2025, Foresight Group completed the acquisition of the trade and assets of WHEB Asset Management LLP. WHEB is a leader in impact investing, managing a single global mid-cap equity strategy that invests in listed companies whose products and services provide solutions to key sustainability challenges. Full details can be found [here](#).

For more information, please contact the FCM team:

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Important Information

The value of units in Liontrust Diversified Real Assets Fund (“Fund”) may increase or decrease and you may not get back the amount originally invested, for reasons including adverse market and foreign exchange rate movements. Portfolio holdings are subject to change without notice. **Past performance is not a reliable guide to future performance. Your capital is at risk.** For full risks and investor rights, please see the Liontrust Multi-Asset Global Solutions ICVC prospectus and the Key Investor Information Document for more information.

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April 2025

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