

LIONTRUST UK GROWTH FUND

Interim Report &
Financial Statements (unaudited)

For the period:
1 January 2023
to
30 June 2023

Managed in accordance with
The Liontrust Economic Advantage

LIONTRUST FUND PARTNERS LLP

LIONTRUST 

Contents

Management and Administration*	1
Manager's Investment Report*	3
Authorised Status*	11
Certification of Financial Statements by Partners of the Manager	11
Performance Tables	12
Portfolio Statement*	13
Financial Statements:	
Statement of Total Return	17
Statement of Change in Net Assets Attributable to Unitholders	17
Balance Sheet	18
Securities Financing Transactions	19
Additional information	22

* 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

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

The Manager of Liontrust UK Growth 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 UK Growth Fund

Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist fund management company with £29.5 billion in assets under management as at 30 June 2023 and that takes pride in having a distinct culture and approach to managing money. 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 seven 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.

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 at least 90% in companies which are incorporated, domiciled or conduct significant business in the United Kingdom (UK).

The Fund will typically invest 90% (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.

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 detail.

The Team

The award-winning Economic Advantage team have an average industry experience of 21 years. Anthony Cross joined Liontrust from Schroders in 1997 and was joined by Julian Fosh in 2008. Julian had previously managed funds at Scottish Amicable Investment Managers, Brittanica Investment Managers, Scottish Friendly Assurance Society and Saracen Fund Managers. Victoria Stevens and Matt Tonge joined the team in 2015. Victoria was previously Deputy Head of Corporate Broking at FinnCap, while Matt had spent nine years on the Liontrust dealing desk, latterly winning an industry award for his work in mid and small cap stocks. Alex Wedge joined the team in March 2020 from N+1 Singer, where he had spent over seven years, latterly as a senior member of the equity sales team. Natalie Bell joined the team in August 2022, having previously been a member of the Liontrust Responsible Capitalism team where she led engagement with investee companies.

The Process

The process seeks to identify companies that possess intangible assets which produce barriers to competition and provide a durable competitive advantage that allows the companies to defy industry competition and sustain a higher than average level of profitability for longer than expected.

In the fund managers' experience, the hardest characteristics for competitors to replicate are three classes of intangible asset: intellectual property, strong distribution channels and significant recurring business.

Other less powerful but nonetheless important intangible strengths include franchises and licences; good customer databases and relationships; effective procedures and formats; strong brands and company culture.

These intangible assets produce barriers to competition, protect margins and are capable, in the opinion of the fund managers' of reaping a financial advantage in the form of cash flow returns in excess of the cost of capital. A company that consistently generates excess cash flow returns will benefit from compounding as it reinvests this excess return into the business.

Every smaller company held in the Economic Advantage funds has at least 3% of its equity held by senior management and main board directors. Companies are also assessed for employee ownership below the senior management and board and changes in equity ownership are monitored.

Manager's Investment Report (continued)

Performance of the Fund

In the six months to 30 June 2023 an investment in the Fund returned -0.4% (retail class) and 0.0% (institutional class). This compares with a return of 2.6% from the FTSE All-Share Index comparator benchmark index and a return of 1.9% in the IA UK All Companies sector, also a comparator benchmark.

Since Anthony Cross and Julian Fosh took over management of the Fund on 25 March 2009, the Fund has risen 319% (retail class) and 362% (institutional class). This compares with a rise of 245% in the Fund's comparator benchmark, the FTSE All-Share Index and a return of 231% in the IA UK All Companies sector, also a comparator benchmark.

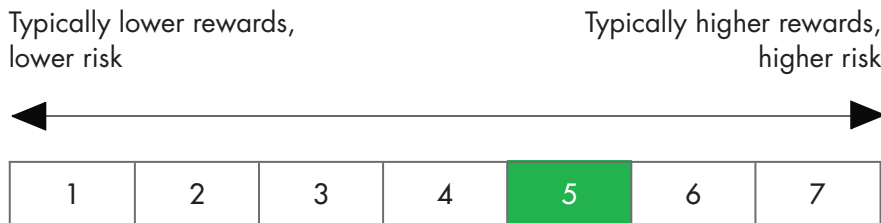
Source: Financial Express, bid-to-bid basis, total return net of fees, income reinvested, figures for performance up to 30 June 2023. The primary class post-Retail Distribution Review is the institutional class, whereas pre-Retail Distribution Review the bundled Retail class performance history is used, 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 and 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 5 primarily for its exposure to 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.
- 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 may invest in companies listed on the Alternative Investment Market (AIM) which is primarily for emerging or smaller companies. The rules are less demanding than those of the official List of the London Stock Exchange and therefore companies listed on AIM may carry a greater risk than a company with a full listing.
- The Fund may have 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.
- 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 page 1) or online www.liontrust.co.uk.

Manager's Investment Report (continued)

The Market

The FTSE All-Share Index returned 2.6% in the six months to 30 June 2023.

Uncertainty over the path of inflation and interest rates remained a feature of markets over the six months.

Equity markets started 2023 strongly, helped by expectations for a softer landing and fewer interest rate rises, before macroeconomic releases began to point to unexpected economic strength and inflation persistence, which reined in excitement over the prospect of an imminent interest rate 'pivot'.

UK, European and US base rates were all raised several times across the period, with the Bank of England's June increase representing its 13th consecutive hike. It raised rates by 50 basis points in February, stepped down to 25 basis point increments for March and May hikes, and – in a surprise move – shifted back to a 50 basis point increase in June, taking the base rate to 5.0%. Its latest move came in the wake of data showing consumer price inflation remained stubbornly high at 8.7% in May, the same level as April and defying forecasts of an easing to 8.4%.

Investors' preoccupation with interest rates was punctured in episodic fashion during the first half of the year, with March's short banking crisis providing one such focal point. News of Silicon Valley Bank's demise shifted the market narrative briefly to one of banking system resilience, with First Republic Bank and Credit Suisse among the institutions to fail. However, stockmarkets ultimately recovered ground fairly swiftly as investors were content that systemic problems had been side-stepped through the swift action of regulators in the US and Europe.

Attention then turned to negotiations on extending the US debt limit, which weighed on sentiment through to the start of June when a last-minute deal was struck.

There was once again a strong size bias to the UK stockmarket's returns over the six months. The large-cap FTSE 100 Index returned 3.2%, which compares with the 0.6% return from both the mid-cap FTSE 250 Index and FTSE Small Cap Index and the -8.5% performance of the FTSE AIM All Share Index.

The emergence of country-specific factors – such as Brexit-related labour shortages – which have driven expectations of UK inflation and interest rates higher than many other developed markets has coincided with a period of relative strength for the typically more internationally diversified FTSE 100 large-cap index. Since the start of 2022, the FTSE 100 Index has now outperformed the FTSE 250 Index by 23 percentage points.

The Fund

The Fund recorded a flat return in the six months to 30 June 2023, compared with the 2.6% return of the FTSE All-Share Index.

Around two thirds of the Fund is invested in large-caps, underweight versus the FTSE All-Share's 83% exposure to FTSE 100 stocks. The majority of the remainder of the portfolio (around 20%) is invested in mid cap stocks, with the small cap component capped at a maximum of 10% (currently around 6%).

This small relative overweight position in mid and small caps leaves it somewhat exposed to shifts in sentiment towards these segments, but we retain our high conviction in the Fund's companies and believe many of them have been unduly affected by the indiscriminate de-rating of share valuations.

Looking at stock specifics, two of the Fund's largest positive contributors to performance were **Sage** and **Compass**, as both slightly increased full-year profits guidance when announcing results for the six months to 31 March.

Sage, the provider of SME-focused online accountancy, payroll and HR tools, reported a 12% increase in underlying recurring revenue, driven by 29% growth in its Sage Business Cloud product to £787m. As a result, it has upgraded its full-year recurring revenue growth target to 11%, which compares with analyst consensus of about 10%, and also expects operating margins to improve this year and in future periods; for the first six months, operating margins expanded by 1.6 percentage points to 19%.

Global catering group **Compass** recorded 25% organic revenue growth to £15.8bn as balanced growth in demand for outsourced services fed through in all its regions, more than offsetting the impact of some pockets of macroeconomic weakness. It upgraded its full-year outlook, with the organic revenue growth target raised from 15% to 18% and operating margins expected to be 6.7% - 6.8% (versus 6.5% previously). As a result, operating profit growth is now expected to be 30% rather than 20%.

Manager's Investment Report (continued)

The Fund (continued)

Staying within the Fund's large-caps, **RELX** moved higher as 2022 results showed it to be reaping the rewards of its shift in recent years from publishing to information and analytics. It recorded 9% underlying growth in revenues, with adjusted operating profit rising 15%. In its outlook comments, RELX forecasts that these growth rates in revenues and profits will remain above historical trends as its long-term growth trajectory improves.

Precision measurement specialist **Spectris** was another portfolio highlight, also performing well after releasing earnings figures. Its 2022 results showed 19% growth in profit before tax to £220m, ahead of consensus forecasts of £208m. Sales rose 14% in like-for-like terms to £1.33bn over the year, above its high single-digit percentage target, as both volumes and prices rose. Engineering peer **IMI** also strengthened over the period. Its first quarter trading statement showed 16% year-on-year growth in revenues on an adjusted basis, with margins improving in all three of its operating divisions, allowing it to upgrade full-year earnings guidance. IMI designs, manufactures and services highly engineered products that control the precise movement of fluids. It has extensive intellectual property, manufacturing valves used in some of the world's harshest environments, and also strong distribution channels, with operations in over 50 countries.

In terms of detractors, **British American Tobacco** shares have been weak in 2023, underperforming the FTSE All-Share Index after a strong 2022. Investors are concerned that a weakening US cigarette market might lead to a guidance cut, as the company plans a transition towards reduced risk products. In a surprise announcement in May, the company announced the immediate removal of its CEO and promotion of its finance director to the top role.

Future was heavily penalised after it warned that results for the year to 30 September 2023 would be at the bottom end of market expectations. Future is a multi-platform media company owning a number of content brands in specialist consumer and B2B sectors which it is seeking to digitise. It commented that challenging market conditions had persisted, including a wider market slowdown in audience numbers, and that it is increasing its investments in pursuing growth in the US market.

Future is a good example of the extremity of share price weakness experienced by some mid and small cap companies over the past year. The shares roughly halved over the six months as investors digested its exposure to short-term macroeconomic headwinds and also to the potential longer-term challenge from the rise of generative Artificial Intelligence (AI).

However, we think it remarkable that the market appears to be pricing in an existential decline of the business over a very short time frame, and entirely discounting the competitive advantage of Future's premium content, market leadership positions and attractive business model. It continues to generate prodigious amounts of free cash flow which would recoup an investment at its current share price in only five years. It is valuation opportunities such as this, thrown up by the market turmoil of the past few years, which have prompted us to selectively top up our positions with our focus on long term alpha generation.

Intellectual property support services provider **RWS** was another heavy faller, thanks to both the impact of forecast reductions and also being caught up in wider market concerns about the impact of generative AI models on company business models. RWS has faced a number of recent headwinds to trading, including macro-related delays to decision-making among some customers (notably large technology clients based on the US west coast), regulatory bottlenecks impacting life sciences translation clients, and a backlog of work building up in its IP Services division ahead of the introduction of the EU Unitary Patent in June 2023.

There is currently a lot of investor uncertainty over Artificial Intelligence and how to accurately assess the potential threats and opportunities presented by this significant technological shift. It will inevitably take some time for the implications to be fully understood by the market, and we have been in active dialogue with companies to better understand the potential impacts.

We always strive to be alive to risks which may threaten the competitive position of our holdings, with generative AI now another factor to consider. However, we continue to believe that our long-term investment approach remains a powerful driver of returns. In many cases the market has been quick to price in significant downside from AI in terms of business model disruption but has – in our view – underestimated the extent to which many of these companies could prove able to successfully integrate AI into their existing product offerings and leverage their key competitive strengths to reap the productivity and efficiency benefits of this technological shift for both their customers and themselves.

Portfolio Changes

Two new positions were added to the Fund in the first half of 2023: **Tatton Asset Management** and **YouGov**.

Manager's Investment Report (continued)

Portfolio Changes (continued)

Tatton Asset Management's core division has been a significant market disruptor, offering its low cost discretionary portfolio management service, predominantly via a model portfolio service, to financial advisers nationwide. Consistent strong organic net flows have led assets under management to grow rapidly to around £13bn currently. We believe Tatton possesses key intangible asset strength in the form of its significant recurring revenue.

YouGov is a leading market research, analytics and data business providing important information to corporate clients and media agencies about their end customers and markets. The company's competitive advantage stems from its vast and ever-growing database, amassed over 20 years and derived from a panel of over 24 million members. Its distribution strengths are underpinned by the global reach of its panel – covering 59 markets – and its 39 offices and 1,650 employees around the world.

Outlook

Overall, while there have inevitably been individual instances of stocks disappointing on short term earnings, we have been very encouraged by the trading resilience of the companies in the Fund, despite the wider macroeconomic challenges. A comfortable majority of the Fund's holdings provided updates on trading which were either in line with consensus expectations or beat forecasts.

Inevitably, markets use a broad brush when reacting to economic developments and do not differentiate between companies until later in the cycle when the successful ones are able to show, by their delivered results, their superiority. We believe that the Fund is invested in companies which are dependable, consistent businesses in possession of barriers to competition which give them pricing power. The average portfolio company has a strong balance sheet with conservative borrowing and a strong majority of the smaller companies actually hold net cash.

We note that, if investors are concerned about a weakening outlook for the UK economy in particular, data from Factset estimates the portfolio's overseas sales exposure to be around 83%, in excess of the FTSE All Share benchmark's 77%, despite its modestly greater weighting further down the market cap scale. Many of our mid and small caps can already be considered genuinely global businesses, with all the benefits of geographic diversification and growth runway which that entails.

Anthony Cross, Julian Fosh, Victoria Stevens, Matthew Tonge, Alex Wedge & Natalie Bell

Fund Managers

July 2023

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)

Material portfolio changes by value

Purchases

GSK
IMI
John Wood
Shell
Tatton Asset Management
AstraZeneca
Hargreaves Lansdown
YouGov
BP
Bunzl

Sales

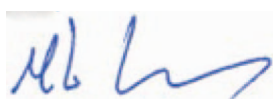
EMIS
Shell
AstraZeneca
BP
Unilever
Diageo
PayPoint
British American Tobacco
GSK
BAE Systems

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
29 August 2023

Performance Tables (unaudited)

as at 30 June 2023

Net asset value

Period end	Units in Issue	Net Asset Value (£'000)	Net Asset Value per unit (p)
30 June 2023			
B Income+	3,834,924	18,238	475.58
Institutional Income	106,116,094	503,358	474.35
Mandate Accumulation	236,896,749	291,188	122.92
Mandate Income	117,181,197	122,093	104.19
Retail Income	13,720,508	64,166	467.66
S Accumulation	5,000	6	118.54
S Income	5,000	6	114.05
31 December 2022			
B Income+	3,925,259	18,664	475.49
Institutional Income	122,733,701	581,281	473.61
Mandate Accumulation	104,240,733	127,853	122.65
Mandate Income	118,777,244	123,444	103.93
Retail Income	14,215,861	66,636	468.74
S Accumulation	5,000	6	118.33
S Income	5,000	6	113.82
31 December 2021			
B Income+	4,159,112	20,458	491.88
Institutional Income	95,910,637	469,920	489.96
Mandate Accumulation	19,680,716	24,437	124.17
Mandate Income	124,561,691	133,930	107.52
Retail Income	15,484,309	75,081	484.89
S Accumulation	5,000	6	119.88
S Income	5,000	6	117.74
31 December 2020			
B Income+	572,499	2,365	413.13
Institutional Income	94,248,281	387,592	411.25
Mandate Accumulation	13,286,376	13,599	102.35
Mandate Income	123,469,602	111,270	90.12
Retail Income	20,813,889	84,748	407.17
S Accumulation†	5,000	5	98.90
S Income†	5,000	5	98.84

+ previously Advised Income.

† Launched 7 December 2020.

Portfolio Statement (unaudited)

as at 30 June 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (97.54%)	938,082	93.90
	UNITED KINGDOM (97.54%)	938,082	93.90
	Advertising (1.72%)	11,761	1.18
1,732,174	Next Fifteen Communications	11,761	1.18
	Aerospace & Defence (3.35%)	33,703	3.37
3,635,730	BAE Systems	33,703	3.37
	Agriculture (4.49%)	33,205	3.32
1,273,429	British American Tobacco	33,205	3.32
	Auto Parts & Equipment (0.91%)	9,905	0.99
7,251,125	TI Fluid Systems	9,905	0.99
	Beverages (4.90%)	42,219	4.23
1,249,626	Diageo	42,219	4.23
	Chemicals (0.64%)	2,992	0.30
4,103,745	Synthomer	2,992	0.30
	Commercial Services (7.31%)	75,100	7.52
227,201	Intertek	9,688	0.97
3,251,257	Pagegroup	13,057	1.31
1,059,421	RELX	27,767	2.78
4,049,859	RVVS	9,533	0.95
1,262,584	Savills	10,745	1.08
422,583	YouGov	4,310	0.43
	Cosmetics & Personal Care (6.68%)	61,923	6.20
3,939,054	Haleon	12,690	1.27
1,201,547	Unilever	49,233	4.93
	Distribution & Wholesale (1.32%)	16,200	1.62
540,181	Bunzl	16,200	1.62
	Diversified Financial Services (4.62%)	46,447	4.66
320,687	Brooks Macdonald	6,574	0.66

Portfolio Statement (unaudited) (continued)

as at 30 June 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
EQUITIES (continued)			
UNITED KINGDOM (continued)			
Diversified Financial Services (continued)			
2,005,797	Hargreaves Lansdown	16,359	1.64
838,880	PayPoint	4,048	0.41
1,134,987	Tatton Asset Management	5,005	0.50
9,563,883	TP ICAP	14,461	1.45
Electronics (6.02%)		62,432	6.24
826,153	Halma	18,811	1.88
261,855	Renishaw	10,212	1.02
4,407,431	Rotork	13,425	1.34
556,188	Spectris	19,984	2.00
Engineering & Construction (1.34%)		21,254	2.13
1,296,761	IMI	21,254	2.13
Food Services (2.21%)		23,615	2.36
1,072,945	Compass	23,615	2.36
Household Products (2.38%)		22,788	2.28
385,446	Reckitt Benckiser	22,788	2.28
Internet (1.98%)		22,328	2.24
7,748,027	Moonpig	11,173	1.12
2,132,041	Rightmove	11,155	1.12
Machinery Construction & Mining (1.49%)		14,584	1.46
830,533	Weir	14,584	1.46
Machinery Diversified (2.31%)		20,997	2.10
202,673	Spirax-Sarco Engineering	20,997	2.10
Media (2.66%)		21,875	2.19
882,461	Future	5,957	0.60
1,936,438	Pearson	15,918	1.59

Portfolio Statement (unaudited) (continued)

as at 30 June 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Miscellaneous Manufacturing (1.50%)	16,329	1.64
993,227	Smiths	16,329	1.64
	Oil & Gas Producers (15.14%)	139,450	13.96
11,950,818	BP	54,777	5.48
3,614,659	Shell	84,673	8.48
	Oil & Gas Services (0.62%)	10,327	1.03
7,632,992	John Wood	10,327	1.03
	Pharmaceuticals (15.21%)	145,150	14.52
718,696	AstraZeneca	81,040	8.11
2,571,213	GSK	35,709	3.57
1,558,785	Indivior	28,401	2.84
	Retail (2.82%)	26,834	2.69
5,059,723	Domino's Pizza	13,965	1.40
831,347	VH Smith	12,869	1.29
	Software (3.27%)	28,619	2.86
489,614	EMIS	6,698	0.67
2,370,350	Sage	21,921	2.19
	Telecommunications (0.98%)	11,009	1.10
964,021	Gamma Communications	11,009	1.10
	Textiles (1.67%)	17,036	1.71
24,477,221	Coats	17,036	1.71
	COLLECTIVE INVESTMENT SCHEMES (3.90%)	49,636	4.97
	IRELAND (1.95%)	24,818	2.48
24,818,017	HSBC Sterling Liquidity Fund	24,818	2.48

Portfolio Statement (unaudited) (continued)

as at 30 June 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	COLLECTIVE INVESTMENT SCHEMES (continued)		
	LUXEMBOURG (1.95%)	24,818	2.49
24,818,016	JP Morgan Liquidity Fund	24,818	2.49
	Portfolio of investments	987,718	98.87
	Net other assets	11,337	1.13
	Total net assets	999,055	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 31 December 2022.

Financial Statements (unaudited)

Statement of Total Return (unaudited)

for the period ended 30 June 2023

	(£'000)	1.1.2023 to 30.6.2023 (£'000)	(£'000)	1.1.2022 to 30.6.2022 (£'000)
Income				
Net capital losses		(12,104)		(57,510)
Revenue	15,006		10,536	
Expenses	(3,893)		(3,161)	
Interest payable and similar charges	–		(1)	
Net revenue before taxation	11,113		7,374	
Taxation	–		1	
Net revenue after taxation		11,113		7,375
Total return before distributions		(991)		(50,135)
Distributions		–		–
Change in net assets attributable to unitholders from investment activities		(991)		(50,135)

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

for the period ended 30 June 2023

	(£'000)	1.1.2023 to 30.6.2023 (£'000)	(£'000)	1.1.2022 to 30.6.2022 (£'000)
Opening net assets attributable to unitholders		917,890		723,838
Amounts received on issue of units	307,975		220,016	
In-specie transfer	(11,189)		–	
Amounts paid on cancellation of units	(214,683)		(101,582)	
		82,103		118,434
Dilution adjustment		53		–
Change in net assets attributable to unitholders from investment activities		(991)		(50,135)
Closing net assets attributable to unitholders		999,055		792,137

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 30 June 2023

	30.6.2023 (£'000)	31.12.2022 (£'000)
Assets		
Fixed assets		
Investments	987,718	931,148
Current assets:		
Debtors	14,245	3,414
Cash and bank balances	1,996	1,012
Total assets	1,003,959	935,574
Liabilities		
Creditors:		
Distribution payable	–	(15,519)
Other creditors	(4,904)	(2,165)
Total liabilities	(4,904)	(17,684)
Net assets attributable to unitholders	999,055	917,890

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 31 December 2022 and are described in those financial statements.

Securities Financing Transactions

as at 30 June 2023

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 Trustee") on behalf of the Fund. Collateral received is segregated from the assets belonging to the Fund's Trustee 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 30 June 2023.

	Collective Investment Undertaking (£'000)	Manager of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	5	–	2	7
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Securities lending

The following table details the value of securities on loan as a proportion of the Funds' total lendable assets and Net Asset Value (NAV) as at 30 June 2023. The income earned from securities lending are also shown for the period ended 30 June 2023. Total lendable assets represents the aggregate value of assets forming part of the Funds' 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)
1.48	1.31	5

Securities Financing Transactions (continued)

as at 30 June 2023

Securities lending (continued)

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 30 June 2023.

Counterparty	Counterparty's country of establishment	Securities Lending Amount on loan (£'000)	Collateral received (£'000)
BNP Paribas	France	10,259	11,282
Citigroup Global Markets Limited	UK	705	779
Credit Suisse International	Switzerland	84	93
HSBC Bank	UK	68	75
J.P. Morgan Securities Plc	UK	510	563
Merrill Lynch International	UK	26	27
The Bank of Nova Scotia	Canada	1,355	1,490
Total		13,007	14,309

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 30 June 2023.

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Securities lending transactions				
AUD	-	-	130	-
CAD	-	-	7	-
CHF	-	-	1,382	-
EUR	-	-	2,312	-
GBP	-	-	3,591	-
HKD	-	-	317	-
JPY	-	-	766	-
NZD	-	-	27	-
USD	-	-	5,777	-
Total	-	-	14,309	-

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 (continued)

as at 30 June 2023

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 30 June 2023.

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	–	–	1	10	499	–	510
Equities							
Recognised equity index	–	–	–	–	–	13,799	13,799
Total	–	–	1	10	499	13,799	14,309

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 30 June 2023, all non-cash collateral received by the Fund in respect of securities lending transactions is held by the Funds' 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 30 June 2023.

Issuer	Value (£'000)	% of the Sub-fund's NAV
BNP Paribas Arbitrage (Euroclear)	11,282	1.13
The Bank of Nova Scotia	1,490	0.15
Citigroup Global Markets Limited	779	0.08
J.P.Morgan Securities Plc	563	0.05
Credit Suisse International	93	0.01
HSBC Bank	75	0.01
Merrill Lynch International	27	0.00
Total	14,309	1.43

Additional Information

Trust Deed: The Fund was established by a Trust Deed made between the Manager and the Trustee dated 27 January 1993.

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. At its absolute discretion, the Manager may accept a lower minimum amount for the purchase and sale of units.

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, 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**	%
	up to				
B Income	5.00	B Income	1.08	B Income	1.00
Institutional Income	Nil	Institutional Income	0.83	Institutional Income	0.75
Mandate Accumulation	Nil	Mandate Accumulation	0.63	Mandate Accumulation	0.55
Mandate Income	Nil	Mandate Income	0.63	Mandate Income	0.55
	up to				
Retail Income	5.00	Retail Income	1.58	Retail Income	1.50
S Accumulation	Nil	S Accumulation	0.73	S Accumulation	0.65
S Income	Nil	S Income	0.73	S Income	0.65

* 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.

Additional Information (continued)

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 £6,000 of net gains on disposals in the 2023-2024 tax year are exempt from tax (2022-2023: £12,300).

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. Please note we are changing the reference and publication date of our annual Assessment of Value. Previously, the reference date was the end of August, with a publication date of December. Going forward, from 30 June 2023, the reference date will be 30 June, with a publication deadline of end of October. The assessment of value report can be viewed on the Liontrust website www.liontrust.co.uk/learning/assessment-of-value.

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.



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