LIONTRUST SUSTAINABLE FUTURE ICVC

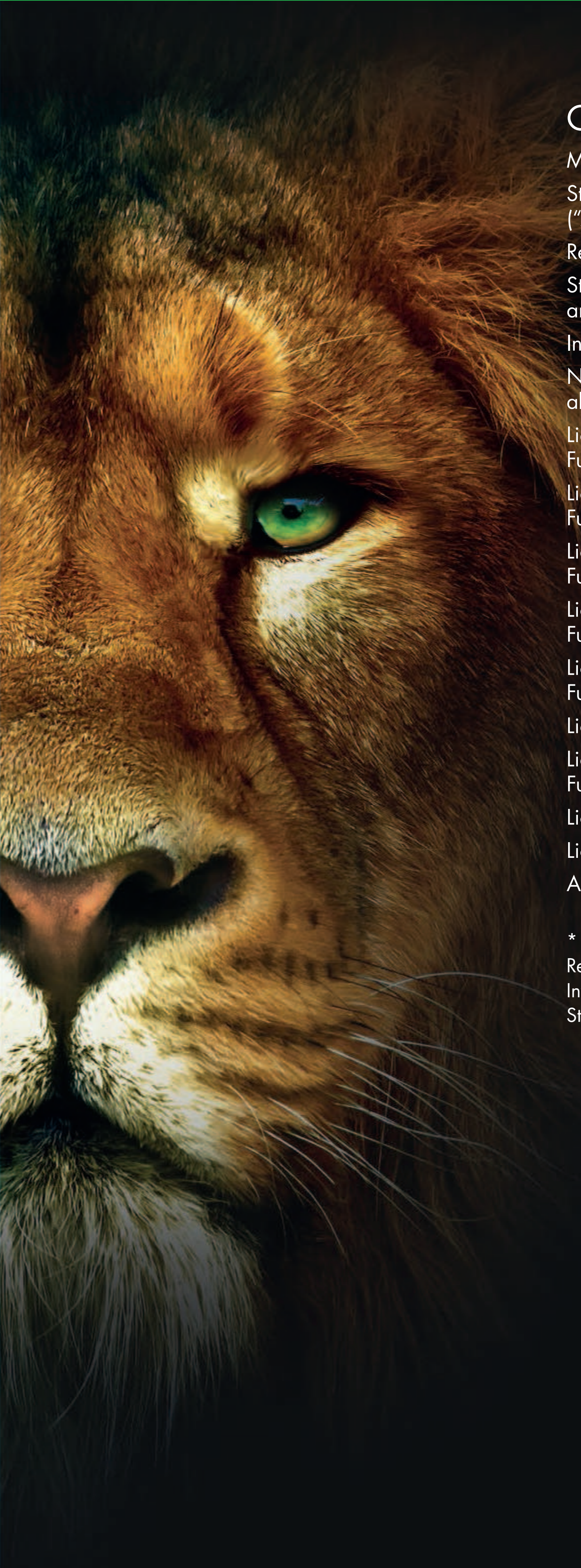
Annual Report &
Financial Statements

For the period:
1 February 2023
to
31 January 2024

Managed in accordance with
The Liontrust Sustainable Future Process

LIONTRUST FUND PARTNERS LLP

LIONTRUST



Contents

* Collectively these comprise the Authorised Corporate Director's Report (herein referred to as the ACD's Report) along with the Investment objective and policy, Investment review, Portfolio Statement and Material portfolio changes of each Sub-fund.

Management and Administration

Management and Administration

The Authorised Corporate Director ("ACD") of Liontrust Sustainable Future ICVC (the "Company") is:

Liontrust Fund Partners LLP

The registered office of the ACD and the Company is 2 Savoy Court, London, WC2R 0EZ.

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

Depositary

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
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.

Management and Administration (continued)

Company Information

The Company is an investment company with variable capital under regulation 12 of the Open-Ended Investment Company Regulations 2001, incorporated in England and Wales under registered number IC 89 and authorised by the Financial Conduct Authority on 29 January 2001. At the year end the Company offered nine Sub-funds, the Liontrust Sustainable Future Managed Growth Fund, the Liontrust Sustainable Future Cautious Managed Fund, the Liontrust Sustainable Future Corporate Bond Fund, the Liontrust Sustainable Future Defensive Managed Fund, the Liontrust Sustainable Future European Growth Fund, the Liontrust Sustainable Future Global Growth Fund, the Liontrust Sustainable Future Managed Fund, the Liontrust Sustainable Future UK Growth Fund and the Liontrust UK Ethical Fund (the "Sub-funds").

The Company is a UCITS scheme which complies with the FCA's Collective Investment Schemes Sourcebook ("COLL") and is structured as an umbrella company so that different Sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary.

The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. Each share class has the same rights on a winding up of the Company. Investment of the assets of each of the Sub-funds must comply with the FCA's COLL and the investment objective and policy of the relevant Sub-fund.

Remuneration policy

Following the implementation of UCITS V in the UK on 18 March 2016, all authorised UCITS Managers are required to comply with the UCITS V Remuneration Code from the start of their next accounting year. Under the UCITS V Directive (2014/91/EU), the ACD is required to disclose information relating to the remuneration paid to its staff for the financial year.

The table below provides an overview of the following for the year ended 31 March 2023:

- Aggregate total remuneration paid by the ACD to its staff (employees and members)
- Aggregate total remuneration paid by the ACD to all relevant UCITS code staff

	Headcount	Total Remuneration (£'000)
ACD UK Staff[1]	**102**	**15,629**
of which		
Fixed remuneration	102	9,728
Variable remuneration	102	5,901
UCITS Remuneration Code Staff[1, 2]	**14**	**14,553**
of which		
Senior Management	2	632
Other control functions:		
Other code staff/risk takers	12	13,921

1 The ACD's UK staff costs have been incurred by another Group entity and allocated to the ACD. The most appropriate measure of staff costs are those staff who are members of Liontrust Investment Partners LLP or Group staff who are employed by LAM but have their costs apportioned to the LLP. The information has been disclosed on an annualised basis.

2 UCITS Aggregate Remuneration Code Staff applies only in respect of the provision of services to UCITS funds rather than their total remuneration in the year. For senior management and control function staff, remuneration is apportioned on the basis of assets under management for UCITS funds versus the total Group assets under management. For portfolio management staff remuneration is apportioned directly to the Sub-funds.

Management and Administration (continued)

Remuneration policy (continued)

Remuneration is made up of fixed pay (i.e. salary and benefits such as pension contributions) and variable pay (annual performance based or linked directly to investment management revenues). Annual incentives are designed to reward performance in line with the business strategy, objectives, values and long term interests of the ACD and LAM PLC Group. The annual incentive earned by an individual is dependent on the achievement of financial and non-financial objectives, including adherence to effective risk management practices. The ACD provides long-term incentives which are designed to link reward with long-term success and recognise the responsibility participants have in driving future success and delivering value. Long-term incentive awards are conditional on the satisfaction of corporate performance measures. The structure of remuneration packages is such that the fixed element is sufficiently large to enable a flexible incentive policy to be operated.

Staff are eligible for an annual incentive based on their individual performance, and depending on their role, the performance of their business unit and/or the group. These incentives are managed within a strict risk framework, and the Directors of LAM retain ultimate discretion to reduce annual incentive outcomes where appropriate.

The ACD actively manages risks associated with delivering and measuring performance. All our activities are carefully managed within our risk appetite, and individual incentive outcomes are reviewed and may be reduced in light of any associated risk management issues.

The Liontrust Group operates a Remuneration Committee (the "Committee"). The Committee reports to the Board. The Committee reviews risk and compliance issues in relation to the vesting of deferred awards for all employees and members. Compliance is monitored throughout the vesting period by the Committee.

These remuneration policies apply also to other entities in the Liontrust Group to which investment management of the Company has been delegated, and those delegates are subject to contractual arrangements to ensure that policies which are regarded as equivalent are applied.

The Board adopts, and reviews annually, the general principles of the applicable remuneration policies, and the implementation of the remuneration policies is, at least annually, subject to central and independent internal review by the Committee for compliance with policies and procedures.

Scope of the policy

By entity

The ACD is subject to the requirements of the UCITS Remuneration Code as set out in SYSC 19E of the FCA Handbook (the "Code").

The Committee has determined that it is appropriate for it to disapply the rules on retention (SYSC 19E.2.18R), deferral (SYSC 19E.2.20R) and performance adjustment (SYSC 19E.2.22R) of the Code, in view of the size, internal organisation and the nature, scope and complexity of activities of the ACD.

However, the ACD chooses to comply with certain of the above 'payout process rules' on a voluntary basis.

By individual

The requirements of the Code are applicable to the remuneration arrangements of individuals who fall within the definition of Code Staff under the Code and this policy sets out the basis on which the rules contained within the Code will be applied to Code Staff. The Committee itself sets the remuneration and has oversight of remuneration arrangements for all other Code Staff together with such other senior employees as the Committee may determine from time to time.

The Committee also reviews the remuneration arrangements of other employees and the operation of the incentive plans to ensure that remuneration arrangements have regard to pay and employment conditions. However, decisions on individual remuneration arrangements are made by management in the area, with oversight by the Human Resources Director.

No hedging or other mitigation arrangements may be entered into by employees as that would undermine risk alignment effects.

Management and Administration (continued)

Approach to the remuneration

The Committee seeks to balance the components of remuneration, namely:

- Base salary,
- Benefits and allowances,
- Annual bonus (both paid immediately in cash and deferrals) and
- Longer-term incentives

in order to ensure proper alignment of the interests with shareholders and investors in the Sub-funds within a framework which discourages excessive risk-taking and ensures that the policy is in line with the business strategy, objectives, values and interests of Liontrust, the Sub-funds and their investors.

The Committee has regard to the LAM Risk Appetite statement and the investment objectives of the Sub-funds (as outlined in the Prospectus) in its determination of the appropriate risk/reward balance.

Securities Financing Transactions Regulation

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) or total return swaps are required on all reports & accounts published after 13 January 2017. During the period to 31 January 2024 and at the balance sheet date, the Sub-funds did not use SFT's or total return swaps, as such no disclosure is required.

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 have changed 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.

Changes to the Company

In September 2023, Stuart Steven retired from fund management and relinquished his responsibilities from April 2023. Aitken Ross, Kenny Watson and Jack Willis are continuing their roles as lead managers of the Liontrust SF Corporate Bond Fund.

Holdings in Other Funds of the Company

As at 31 January 2024, the following Sub-funds held shares in other Sub-funds within the Liontrust Sustainable Future ICVC.

Sub-fund	Shares held	Holding	Market value (£'000)
Liontrust Sustainable Future Cautious Managed Fund	Liontrust Sustainable Future Corporate Bond Fund	5,367,575	5,117
Liontrust Sustainable Future Defensive Managed Fund	Liontrust Sustainable Future Corporate Bond Fund	12,123,650	11,558

Management and Administration (continued)

Statement of the Authorised Corporate Director's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Authorised Corporate Director ("ACD") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of the net revenue/expense and net capital gains or losses on the property of the Company for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its Sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its Sub-funds or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

The ACD is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report of the ACD to the Shareholders

The ACD, as sole director, presents its report and the audited financial statements of the Company for the year from 1 February 2023 to 31 January 2024.

The Company is a UCITS scheme which complies with the FCA's Collective Investment Schemes sourcebook. The shareholders are not liable for the debts of the Company.

The investment objectives and policies of each Sub-fund of the Company are covered in the section for each Sub-fund. The names and addresses of the ACD, the Depositary and the Auditor are detailed on page 1.

In the future there may be other Sub-funds of the Company.

The ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Sub-funds consist predominantly of securities that are readily realisable and, accordingly, the Sub-funds have adequate financial resources to continue in operational existence for at least 12 months.

Management and Administration (continued)

Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist fund management company with £27.8 billion in assets under management (AUM) as at 31 March 2024 and that takes pride in having a distinct culture and approach to managing money. What makes Liontrust distinct?

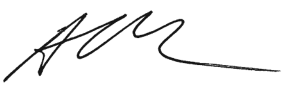
- The Company launched in 1995 and was listed on the London Stock Exchange in 1999.
- We are an independent business with no corporate parent, our head office is on the Strand in London and we have offices in Edinburgh and Luxembourg.
- We believe in the benefits of active fund management over the long-term 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.

The ongoing war in Ukraine and the resultant geopolitical tensions including sanctions imposed on Russia and retaliatory action taken by Russia against foreign investors, continue to impact global financial markets (including stock, currency and commodities markets). Economic sanctions and the fallout from the conflict are affecting companies operating in a wide variety of sectors worldwide, including energy, financial services and defence, amongst others. As a result, the performance of the Sub-funds may be negatively impacted even if they have no direct exposure to the regions involved in the conflict.

Member's Statement

In accordance with COLL 4.5.8BR, we hereby certify the Annual Report and the Financial Statements were approved by the management committee of members of the ACD and authorised for issue on 9 May 2024.



Antony Morrison

Member

9 May 2024

Statement of the Depositary's Responsibilities and Report of the Depositary

To the Shareholders of Liontrust Sustainable Future ICVC ("the Company") for the year ended 31 January 2024.

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Corporate Director ("the ACD") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the ACD:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

For and on behalf of The Bank of New York Mellon (International) Limited

9 May 2024

Independent Auditor's Report to the Shareholders of Liontrust Sustainable Future ICVC (the "Company")

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Company for the year ended 31 January 2024 which comprise the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for the each of the Company's Sub-funds listed on the Contents page and the accounting polices set out on pages 12 to 14.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of each of the Sub-funds as at 31 January 2024 and of the net revenue/net expense and the net capital gains/net capital losses on the property of each of the Sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going Concern

The ACD has prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or its Sub-funds or to cease their operations, and as they have concluded that the Company and its Sub-funds' financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the ACD's conclusions, we considered the inherent risks to the Company's and its Sub-funds' business model and analysed how those risks might affect the Company's and its Sub-funds' financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the ACD's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the ACD's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's and its Sub-funds' ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company or its Sub-funds will continue in operation.

Independent Auditor's Report to the Shareholders of Liontrust Sustainable Future ICVC (the "Company") (continued)

Report on the audit of the financial statements (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the ACD, the Depositary, the Administrator and the Investment Manager; and
- Reading ACD board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the ACD and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

Independent Auditor's Report to the Shareholders of Liontrust Sustainable Future ICVC (the "Company") (continued)

Report on the audit of the financial statements (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The ACD is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the ACD's Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with the accounting records.

Authorised Corporate Director's responsibilities

As explained more fully in their statement set out on page 5, the ACD is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor’s report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC’s website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Shareholders of Liontrust Sustainable Future ICVC (the "Company") (continued)

Report on the audit of the financial statements (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Frances Gaffney

Frances Gaffney

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Sqaure
Canary Wharf
London
E14 5GL

9 May 2024

Notes applicable to the financial statements of all Sub-funds

for the year ended 31 January 2024

1 Accounting Policies

a) Basis of accounting

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. 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 ACD has made an assessment of the Company and its Sub-funds' ability to continue as a going concern and is satisfied it has the resources to continue in business for at least the next twelve months after the financial statements are signed and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment considers liquidity, fluctuations in global capital markets, known redemption levels, expense projections and key service provider's operational resilience.

b) Valuation of investments

The valuation of the Sub-funds' listed investments is based on the bid-market prices, excluding any accrued interest in the case of debt securities, at close of business on the last day of the accounting year, in accordance with the provisions of the Prospectus. Unquoted securities are valued by the ACD on a fair value basis taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

For Collective Investment Schemes (CIS) investments are valued at the bid price for dual priced funds and at the single price for single priced funds.

c) Revenue

Dividends on quoted ordinary shares and preference shares are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when they are declared.

Revenue from collective investment schemes is recognised when the investment is quoted ex-distribution. Accumulation of revenue relating to accumulated shares or units held in collective investment schemes is recognised as revenue and included in the amounts available for distribution. Equalisation received from distributions or accumulations is treated as capital by deducting from the cost of investments.

Revenue from securities lending is accounted for net of associated costs and is recognised on an accruals basis.

Interest on bank balances and deposits is recognised on an accruals basis.

Revenue arising on debt securities is accreted or amortised over the life of such securities and recognised at a consistent rate over the life of the instrument (effective yield basis). Future cash flow on all debt securities are considered when calculating revenue on an effective yield basis and where purchase costs are considered to reflect incurred credit losses, such losses are taken into account so that interest is recognised at a reasonably expected commercial rate.

Accrued interest purchased and sold on debt securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Sub-funds.

All revenue is recognised at a gross amount that includes any withholding taxes but excludes any other taxes, such as attributable tax credits.

Dividends received from UK REITs are split into PID (Property Income Distributions) and Non-PID components for tax purposes. Revenue arising from UK REITs tax-exempt rental business is colloquially known as PID revenue and is taxable in the hands of the Sub-fund. A UK REIT may also carry out other activities that give rise to taxable profits and gains, it is from these that the REIT will make a non-PID distribution, these are treated for tax purposes in the same way as dividends from normal UK companies.

Notes applicable to the financial statements of all Sub-funds (continued)

for the year ended 31 January 2024

1 Accounting Policies (continued)

c) Revenue (continued)

US REIT dividend revenue is accounted for partly as revenue and partly as capital, depending on the underlying REIT distribution. All US REIT dividend revenue is recognised on an accruals basis and the allocation between income and capital is estimated when the security goes ex-dividend. US REITs issue information on the revenue/capital split of these dividends on an annual basis based on the calendar year. When this information is received, then the estimated allocation is adjusted accordingly.

d) Rebates of ACD fees

Rebates of ACD fees are recognised on an accrual basis. These rebates are treated as revenue or capital based on the underlying fund's treatment of the ACD fees.

e) Expenses

All expenses are recognised on an accruals basis and are charged against revenue except for costs associated with the purchase and sale of investments.

The operating expenses of the Sub-funds are paid out of the General administration charge by the ACD.

f) Allocation of income and expenses

The allocation of income and expenses to each share class is based on the proportion of the Sub-funds' assets attributable to each share class on the day the income is earned or the expense is incurred. The ACD's charge is allocated at a fixed rate based on the net asset value (NAV) of the respective share class.

g) Taxation

Corporation tax is charged at 20% of the income liable to corporation tax, less expenses. Deferred tax is provided for at the rate at which taxation is likely to become payable in respect of all timing differences between the accounting and taxation treatment of items.

h) Exchange rates

Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling on the date of the transaction. Investments and other assets and liabilities denominated in foreign currencies are translated into Sterling at the exchange rates applicable at the end of the accounting period.

i) Financial instruments

Where appropriate, certain permitted financial instruments such as derivative contracts or forward exchange contracts are used for investment purposes as well as efficient portfolio management. Where such financial instruments are used to protect or enhance revenue, the revenue and expenses derived there from are included in "Revenue" or "Expenses" in the Statement of Total Return. Where such financial instruments are used to protect or enhance capital, the returns derived there from are included in "Net capital gains/(losses) on investments" in the Statement of Total Return. Any positions in respect of such instruments open at the year end are reflected in the portfolio statement at their market value. Where positions generate total returns, such returns are apportioned between capital and revenue to properly reflect the nature of the transaction. The amounts held at futures clearing houses in respect of these financial instruments are included in the cash and bank balances and detailed in the Notes to the Financial Statements. Transaction costs associated with derivatives are charged to revenue when incurred. All forward contracts outstanding at financial reporting dates are marked-to-market. Some of the Sub-funds may enter into permitted transactions such as derivative contracts or forward currency transactions as outlined in the relevant Investment Objective and Policy of the Sub-funds.

Notes applicable to the financial statements of all Sub-funds (continued)

for the year ended 31 January 2024

1 Accounting Policies (continued)

i) Financial instruments (continued)

Derivative financial instruments are initially recorded at transaction value on the date on which the derivative contract is entered into. All contracts outstanding at the financial reporting date are carried at a value provided by independent pricing providers.

Distribution Policies

j) Basis of distribution

The net revenue available for distribution at the end of each distribution period will be paid as a dividend distribution. Should the expenses of a Sub-fund (including taxation) exceed the revenue of a Sub-fund, there will be no distribution and the shortfall will be set against the capital of a Sub-fund.

The Liontrust Sustainable Future Corporate Bond Fund distributes on a coupon basis where the coupon basis is higher than the effective yield basis. The revenue within the financial statements is calculated on an effective yield basis.

The ACD's charge and expenses are charged against revenue in respect of all the Sub-funds except for Liontrust Sustainable Future Cautious Managed Fund and Liontrust Sustainable Future Defensive Managed Fund where the ACD's fees and expenses are charged against capital.

k) Equalisation

Equalisation on distributions from collective investment schemes is deducted from cost of investment and does not form part of each Sub-fund's distribution.

l) Special dividends

Special dividends are reviewed on a case by case basis when determining if the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distribution. The tax accounting treatment follows the treatment of the principal amount.

m) Functional currency

The base currency of the Company is Sterling and is taken to be the 'functional currency' of the Company.

Sustainable Future Cautious Managed Fund

Report for the year from 1 February 2023 to 31 January 2024

Investment Objective

The Sub-fund aims to deliver income and capital growth over the long term (5 years or more) through investment in sustainable securities.

Investment Policy

The Sub-fund will invest globally and will seek to achieve the investment objective through investment in securities that provide or produce sustainable products and services as well as having a progressive approach to the management of environmental, social and governance ("ESG") issues. Further information on the investment process can be found in the Prospectus.

All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

Allocations to equities, fixed income, and cash will vary over time depending on market circumstances. Asset allocation limits will remain in line with the following asset allocation ranges:

Equity – 40-60 %

Fixed income – 20-50%

Cash – 0-20%

The Sub-fund may also invest in collective investment schemes including other Liontrust Funds (up to 10% of Sub-fund assets), other transferable securities, money market instruments, warrants and deposits. The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Sustainable Future Cautious Managed Fund (continued)

Investment review

Sub-fund review

The Sub-fund (Class 2 income) returned 4.3% over the period under review, versus the 4.4% IA Mixed Investment 40-85% Shares sector average (the comparator benchmark)*.

The future of sustainable investment has been questioned by a number of different parties recently. Yet, in contrast, we are more excited about the prospects for the sustainable themes and stocks we invest in than we have been for many years.

We believe interest rates are at peak levels and should fall towards central banks' targets by mid to late 2024. The current higher interest rate environment will likely lead to lower economic growth, resulting in early cuts in interest rates.

Given this view and the fact that interest rate rises were the primary catalyst for the sell-off in the long duration growth equities in which we invest, we should expect that the valuation multiples applied to growth equities should stabilise in conjunction with the peak in interest rates/yields. This would remove a significant structural returns headwind.

We are confident about the outlook for our sustainable investment strategies and believe they will build on their long-term positive track record as we back those businesses which are growing profitability while delivering solutions to critical environmental and social problems.

Those businesses which are providing these solutions will potentially access vast growth opportunities. In many cases, the speed and scale of this growth is likely to be underestimated in the valuation of their shares.

This is where the opportunity lies – finding great companies and helping to solve challenges we face as a society and world, whose prospects are undervalued by the market.

Having struggled in 2022 with worries about growth and margins, **Spotify** ended 2023 as one of the Sub-fund's top performers. We felt the market somewhat misunderstood the company and its potential, namely around the key metrics that we believe are important for Spotify: user and subscriber growth. Recent quarterly results show that Spotify has been growing these metrics strongly, exceeding expectations and with management clearly communicating a pivot to profitability.

Another one of our top performers was **Palo Alto Networks**, which is exposed to our theme of *Enabling digital security*. The company provides cyber security solutions for over 85,000 organisations. Almost every facet of our lives has some online exposure, whether personal information, finances, commercial interactions and simple communications. The same is true for businesses, governments and international institutions. Keeping this information secure and only accessible by the right people is essential for retaining trust in all these on-line interactions.

Palo Alto has traded strongly, with a series of encouraging earnings releases throughout the year, coupled with a share price boost towards the end of the year as expectations of an interest rate pivot were revived in Q4. Palo Alto's strategy is to build on the leading firewall product and move to subscription-based firewall and security as a service. This is increasingly based on consumption of data, meaning the market for security solutions will grow as data increases and more of this data is shifted into the cloud.

While its third quarter earnings release disappointed investors, **Alphabet** was among the top performers over the year. The company's quarterly earnings releases were well received by the market, and investor excitement towards the 'Magnificent Seven' stocks, driven by artificial intelligence, helped Alphabet's share price rise over the year.

Among the detractors over the year was **First Republic Bank**, with the company swept up in the turmoil following the collapse of Silicon Valley Bank (SVB) in March, given its deposit base was primarily in the San Francisco Bay area, as was SVB's. Panic ensued as reports of the collapse of SVB hit the news, which saw First Republic's deposit base fall from $155 billion to around $70 billion over a few days. While the solvency of First Republic was sound, the sharp fall in its deposit base led to higher funding costs, and hurt profitability. We exited the position over the first quarter of 2023.

Exposed to our *Saving for the future* theme, **Charles Schwab** was another one of the Sub-fund's positions to be negatively impacted by concerns around the collapse of SVB. Shares in the US investment firm fell amid a crisis of confidence in the banking sector with these concerns being further amplified after UBS announced that it was to buy out struggling Swiss lender Credit Suisse.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Shares in UK wealth manager **St. James's Place** tumbled following the announcement that it was reviewing its fees and charges. The company is aligned with our theme of *Saving for the Future*, recognising value that companies such as St James Place offers in helping people prepare for their financial future in a backdrop of increasing financial complexity and diminishing state/employer support.

We have long recognised that the charging approach from the company is distinctive, however felt that over the lifetime of a client it was reasonable given the comprehensive advice and overall value of their service. This view is supported by consistently high customer satisfaction scores and the industry leading advisor training St James Place provides. Earlier this year we met with the Management team following the reduction of long-term client fees in light of the new Consumer Duty rules from the FCA. We felt they were taking proactive sensible actions to the benefit of customers and incentivise long-term investing.

The recent news indicates that they will now additionally be scrapping the exit fee element of their fee model and lower their overall. Our initial view is that this will lead to a hit on shorter term earnings and profitability but the longer term picture is less affected. Ultimately if clients are happy with the service and advice they receive then the company will retain and grow assets under management. This is the metric we focus on, and thus far seems to have held up well. It is under review, but we continue to hold our position in the portfolios.

Portfolio activity was limited over the first half. Having exited First Republic, we initiated a position in **Morningstar** under our *Saving for the future* theme. Morningstar provides both quantitative and qualitative research to the investment industry, with databases and analytical tools covering private markets, ESG, credit ratings, equity valuation, and more. On the client side, they provide software and investment management services to financial advisors and institutions.

We also added multinational plumbing and heating products distributor **Ferguson**, under our *Building better cities* theme. Sanitation is an area of sustainable development which offers a huge opportunity to improve over the coming decades. Clean water, decent toilets and good hygiene are basic human rights, and these also interact with other goals such as education, reducing inequalities and climate action.

In the third quarter, we initiated a new position in leading Human Capital Management (HCM) software provider **Paylocity** in the third quarter. Exposed to our *Increasing financial resilience* theme, Paylocity's products enable its customers, which are primarily small businesses, to manage the increasingly complex demands of managing its employees. We believe HCM is key to the strength and resilience of small and medium-sized enterprises (SME's) as incorrect payroll and incorrect taxes have high costs when they are not processed correctly. The importance of the ensuring your workforce is engaged in a hybrid work environment places further importance on HCM within the workplace.

In the final quarter, we initiated a position in **Edwards Lifesciences**, the developer and supplier of patient-focused medical innovations for heart disease and critical care monitoring under our *Enabling innovation in healthcare* theme. All of the company's products and services provide lifesaving results. As compared with open heart surgery, minimally invasive techniques (and percutaneous in the case of Edwards) are lower risk for the patient, as well as cheaper and timelier for both they and the healthcare system as a whole.

We also bought **Veralto** under our *Improving the management of water* theme. Veralto is a spin-out of Danaher's 'Environmental and Applied Solutions' segment, which focuses on providing tools and services to enable the testing and treatment of water, as well as the creation and key regulatory printing of consumer-packaged goods.

We re-added **Kingspan** under our *Improving the efficiency of energy use* theme for very strong sustainable investment reasons and because the company has now implemented the required controls around product certification and fire safety. Continued engagement with the company by the Sustainable Investment team has provided the reassurance that deficiencies highlighted by the Grenfell Tower inquiry will not occur again.

Kingspan's products dramatically improve the energy efficiency of buildings. The company estimates that through the use of its products sold in 2022, 173 million tonnes of CO2 will be saved, equivalent to the energy use of around 20 million homes. We believe Kingspan is well positioned to have a significant impact in reducing global energy use from buildings, which is essential if we are to prevent global warming exceeding the 1.5C threshold that the IPCC (Intergovernmental Panel on Climate Change) warns is critical.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

In terms of disposals, we exited the position in **Puma**. The departure of the CEO to a competitor was disappointing, given we rated his strategy and leadership highly. We had also hoped the sales of products directly related to wellness and exercise would outgrow the fashion-focused sales, which would have increased the thematic exposure, and seen an upgrade from C to B in terms of the product rating. This mix shift did not eventuate, as sportswear sales had disappointed. We therefore decided to exit the position.

We also sold **Intertek**. We have become increasingly concerned that the "reshoring" phenomena is a headwind for growth and margins for Intertek. As production is incrementally brought back to home shores, particularly in the US, the level of complexity in terms of supply chain auditing also falls, which we feel may negatively affect the long-term earnings and returns profile of Intertek.

We sold the position in air conditioning and heating pump provider **Daikin**. We have previously flagged the military division of Daikin with our advisory committee, and have been satisfied it is both immaterial (at around 0.50% of sales) and a legacy business which continues to shrink. We discussed the production of white phosphorus, which is manufactured solely for artillery shells that produce smoke (i.e., not incendiary) and are used purely for training purpose. The advisory committee felt the risks in the current geo-political environment meant that there was a material chance that the production of white phosphorous may one day be used as a weapon. So while this did not constitute a breach of screen, they felt we needed to engage with Daikin to get it to divest its military division – something we have done on numerous occasions, without any success.

We also identified an emerging risk from the chemicals division in Daikin – the production of Polyfluorinated Substances (PFAS). These "forever chemicals" are an emerging risk to both food and water systems, and our process is tracking the issue through testing and detection companies.

We came to the conclusion that these two risks are material to the Daikin investment case, and despite the positive environmental impact of the Daikin business, these risks weigh heavily on Daikin.

Last, we sold e-signature software provider **DocuSign**, which was held under our *Delivering a circular materials economy* theme. While DocuSign continues to dominate the high-end of the e-signature market, the rest of the market is increasingly commoditised, and pricing well below what works for DocuSign. In our opinion, the company needs to accelerate core growth above 10% in the near-term and thus needs to carve out a new market and new products in the contract lifecycle management software (CLM) space. While this may work, we believe the chances they'll dominate as in e-signature are lower than we require for investments in our process.

**Source: Financial Express, bid-to-bid, net of fees, 31.01.24. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested.

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.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
United Kingdom Gilt 0.875% 31/7/2033	United Kingdom Gilt 0.875% 31/7/2033
United Kingdom Gilt 1.5% 31/7/2053	United Kingdom Gilt 1.5% 31/7/2053
Veralto	Palo Alto Networks
Lloyds Banking 6.625% 2/6/2033	Abcam
Liontrust GF Sustainable Future US Growth Fund ++	HSBC 5.40114% Perpetual
Paylocity	Spotify Technology
ConvaTec	3i
Experian	Lloyds Banking 2.707% 3/12/2035
Kingspan	NVR
Edwards Lifesciences	Puma

++ Managed by Liontrust Investment Partners LLP.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk						Typically higher rewards, higher risk
1	2	3	4	**5**	6	7

- This 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 Sub-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 Sub-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 Sub-fund or a representative fund or Index's value has moved up and down in the past.
- All investments will be expected to conform to our social and environmental criteria.
- The Sub-fund is categorised 5 primarily because of its exposure to a diversified portfolio of Global equities and bonds.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-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 Sub-fund.
  - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result;
  - the creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- The Sub-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 Sub-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 Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-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.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

- Outside of normal conditions, the Sub-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.
- There is no guarantee that a total return will be generated over a three year time period or within another time period.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- 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 Sub-fund's risks, please see the Prospectus which may be obtained from Liontrust (address on page 1) or online at www.liontrust.co.uk.

Sustainable Future Cautious Managed Fund (continued)

Comparative Tables
for the year ended 31 January 2024

Class 2 Net Income Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	144.19	161.45	157.50
Return before operating charges	5.48	(13.25)	7.68
Operating charges	(1.21)	(1.26)	(1.47)
Return after operating charges	4.27	(14.51)	6.21
Distributions	(3.22)	(2.75)	(2.26)
Closing net asset value per share	**145.24**	**144.19**	**161.45**
After direct transaction costs of*	(0.06)	(0.07)	(0.10)
Performance			
Return after charges	2.96%	(8.99%)	3.94%
Other information			
Closing net asset value (£'000)	792,964	1,009,347	1,094,342
Closing number of shares	545,964,641	700,034,128	677,803,580
Operating charges**	0.86%	0.86%	0.88%
Direct transaction costs*	0.04%	0.05%	0.06%
Prices			
Highest share price	149.11	163.07	176.24
Lowest share price	130.64	131.30	156.56

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Cautious Managed Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2024

Class 3 Net Income Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	147.91	165.19	160.65
Return before operating charges	5.55	(13.70)	7.76
Operating charges	(0.74)	(0.77)	(0.91)
Return after operating charges	4.81	(14.47)	6.85
Distributions	(3.30)	(2.81)	(2.31)
Closing net asset value per share	**149.42**	**147.91**	**165.19**
After direct transaction costs of*	(0.06)	(0.07)	(0.10)
Performance			
Return after charges	3.25%	(8.76%)	4.26%
Other information			
Closing net asset value (£'000)	79,462	88,802	89,825
Closing number of shares	53,181,646	60,036,129	54,377,805
Operating charges**	0.51%	0.51%	0.53%
Direct transaction costs*	0.04%	0.05%	0.06%
Prices			
Highest share price	153.36	166.84	180.18
Lowest share price	134.30	134.58	159.74

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (53.72%)	**489,679**	**56.13**
	DENMARK (1.62%)	**15,029**	**1.72**
91,288	Ringkjoebing Landbobank	11,669	1.34
149,038	Vestas Wind Systems	3,360	0.38
	GERMANY (1.62%)	**7,201**	**0.83**
153,782	Evotec	1,883	0.22
184,901	Infineon Technologies	5,318	0.61
	IRELAND (1.51%)	**15,511**	**1.78**
105,359	Experian	3,473	0.40
35,748	Kerry	2,518	0.29
78,998	Kingspan	5,090	0.58
150,373	Smurfit Kappa	4,430	0.51
	JAPAN (2.71%)	**15,502**	**1.78**
4,519	Canadian Solar Infrastructure Fund	2,755	0.32
25,000	Keyence	8,933	1.02
207,000	TechnoPro	3,814	0.44
	NETHERLANDS (1.94%)	**21,025**	**2.41**
5,750	Adyen	5,743	0.66
22,445	ASML	15,282	1.75
	SWEDEN (1.59%)	**11,462**	**1.32**
321,377	Avanza Bank	5,132	0.59
37,434	Spotify Technology	6,330	0.73
	SWITZERLAND (1.48%)	**12,336**	**1.41**
110,938	Alcon	6,646	0.76
25,155	Roche	5,690	0.65
	UNITED KINGDOM (18.10%)	**172,335**	**19.73**
384,630	3i	9,535	1.09
264,709	Admiral	6,657	0.76
1,004,349	AJ Bell	3,176	0.36
117,683	Ashtead	6,122	0.70

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
67,917	AstraZeneca	7,131	0.82
265,835	Compass	5,790	0.66
2,378,263	ConvaTec	5,732	0.66
87,876	Croda International	4,222	0.48
1,189,903	DFS Furniture	1,376	0.16
24,956	Ferguson	3,706	0.42
499,508	GSK	7,832	0.90
690,506	Gym	732	0.08
2,044,517	Haleon	6,573	0.75
204,920	Halma	4,492	0.51
2,522,659	Helios Towers	1,995	0.23
13,006,462	Home REIT^	1,817	0.21
133,622	Intertek	6,004	0.69
5,099,363	IP	2,667	0.31
2,771,028	Legal & General	7,066	0.81
87,934	London Stock Exchange	7,863	0.90
1,877,285	Mobico	1,612	0.18
761,167	Molton Ventures	1,816	0.21
2,882,195	NatWest	6,488	0.74
786,833	Oxford Biomedica	1,431	0.16
1,179,913	Paragon Banking	8,301	0.95
366,588	Porvair	2,420	0.28
3,584,616	PRS REIT	3,018	0.35
377,690	Rentokil Initial	1,542	0.18
1,245,479	Rotork	3,903	0.45
3,526,139	SDCL Energy Efficiency Income Trust	1,922	0.22
347,611	Softcat	5,026	0.58
101,706	Spectris	3,763	0.43
49,157	Spirax-Sarco Engineering	4,918	0.56
725,086	St James's Place	4,742	0.54
1,755,120	Trainline	5,799	0.66
230,773	Unilever	8,878	1.02
774,202	Wise	6,268	0.72
	UNITED STATES OF AMERICA (23.15%)	**219,278**	**25.15**
12,980	Adobe	6,293	0.72
34,794	Advanced Drainage Systems	3,560	0.41
78,566	Agilent Technologies	8,026	0.92

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED STATES OF AMERICA (continued)		
90,015	Alphabet	10,017	1.15
44,945	American Tower REIT	6,905	0.79
33,504	Ansys	8,624	0.99
40,636	Autodesk	8,099	0.93
68,649	Bright Horizons Family Solutions	5,296	0.61
52,411	Brown & Brown	3,191	0.37
54,776	Cadence Design Systems	12,407	1.42
104,375	Charles Schwab	5,155	0.59
61,517	Ecolab	9,574	1.10
87,888	Edwards Lifesciences	5,414	0.62
7,998	Equinix REIT	5,211	0.60
30,431	Illumina	3,417	0.39
16,469	Intuit	8,162	0.94
30,634	Intuitive Surgical	9,095	1.04
53,194	IQVIA	8,696	1.00
42,678	Masimo	4,321	0.49
20,629	Morningstar	4,523	0.52
163,619	Nasdaq	7,423	0.85
1,053	NVR	5,832	0.67
21,996	Palo Alto Networks	5,845	0.67
31,388	Paylocity	3,905	0.45
67,066	PayPal	3,229	0.37
55,144	PTC	7,820	0.90
22,620	Thermo Fisher Scientific	9,570	1.10
24,118	TopBuild	6,991	0.80
61,050	Trex	3,906	0.45
127,624	Veralto	7,686	0.88
56,686	VeriSign	8,853	1.01
57,019	Visa 'A'	12,232	1.40
	BONDS (37.80%)	**348,735**	**39.97**
	UNITED KINGDOM GOVERNMENT BONDS (13.21%)	**150,325**	**17.23**
£ 163,600,000	United Kingdom Gilt 0.875% 31/7/2033	125,255	14.36
£ 48,150,000	United Kingdom Gilt 1.5% 31/7/2053	25,070	2.87

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (21.60%)	**184,951**	**21.20**
£ 2,300,000	3i 5.75% 3/12/2032	2,413	0.28
£ 3,600,000	Anglian Water Osprey Financing 2% 31/7/2028	2,921	0.33
£ 1,500,000	Annington Funding 3.184% 12/7/2029	1,341	0.15
£ 1,200,000	Annington Funding 3.935% 12/7/2047	906	0.10
£ 3,650,000	AT&T 7% 30/4/2040	4,153	0.48
£ 3,400,000	Aviva 5.125% 4/6/2050	3,235	0.37
£ 2,667,000	Aviva 6.875% Perpetual	2,474	0.28
£ 3,500,000	Banco Santander 2.25% 4/10/2032	3,048	0.35
£ 3,000,000	Barclays 7.09% 6/11/2029	3,186	0.37
£ 6,000,000	Barclays 8.407% 14/11/2032	6,388	0.73
£ 2,700,000	Blackstone Property Partners Europe Sarl 2.625% 20/10/2028	2,314	0.27
£ 3,000,000	BNP Paribas 6% 18/8/2029	3,138	0.36
£ 2,095,000	Bunzl Finance 1.5% 30/10/2030	1,702	0.20
£ 1,083,000	Bunzl Finance 2.25% 11/6/2025	1,041	0.12
£ 4,400,000	Cadent Finance 2.25% 10/10/2035	3,173	0.36
£ 3,100,000	Clarion Funding 1.25% 13/11/2032	2,295	0.26
£ 3,200,000	Compass 4.375% 8/9/2032	3,171	0.36
£ 2,200,000	CPUK Finance 3.69% 28/2/2047	2,035	0.23
£ 2,500,000	Deutsche Telekom International Finance 8.875% 27/11/2028	2,963	0.34
£ 5,600,000	Direct Line Insurance 4% 5/6/2032	4,540	0.52
£ 2,882,000	DWR Cymru Financing UK 2.375% 31/3/2034	2,119	0.24
£ 2,100,000	DWR Cymru Financing UK 2.5% 31/3/2036	1,617	0.19
£ 707,000	GlaxoSmithKline Capital 5.25% 19/12/2033	750	0.09
£ 4,000,000	HSBC 7% 7/4/2038	4,321	0.50
£ 3,000,000	HSBC 8.201% 16/11/2034	3,296	0.38
£ 3,500,000	Legal & General 4.5% 1/11/2050	3,209	0.37
£ 3,143,000	Liberty Living Finance 3.375% 28/11/2029	2,849	0.33
£ 7,428,000	Lloyds Banking 2.707% 3/12/2035	5,965	0.68
£ 6,000,000	Lloyds Banking 6.625% 2/6/2033	6,104	0.70
£ 2,950,000	Logicor Financing Sarl 2.75% 15/1/2030	2,460	0.28
£ 3,500,000	London & Quadrant Housing Trust 2% 20/10/2038	2,317	0.27
£ 1,249,000	London Stock Exchange 1.625% 6/4/2030	1,064	0.12
£ 2,400,000	M&G 5.625% 20/10/2051	2,276	0.26
£ 950,000	M&G 6.34% 19/12/2063	894	0.10
£ 2,000,000	Motability Operations 3.625% 10/3/2036	1,762	0.20
£ 2,486,000	National Grid Gas 1.125% 14/1/2033	1,772	0.20
£ 10,700,000	Natwest 2.105% 28/11/2031	9,581	1.10
£ 3,350,000	Next 3.625% 18/5/2028	3,183	0.36

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (continued)		
£ 1,400,000	NGG Finance 5.625% 18/6/2073	1,379	0.16
£ 3,600,000	Optivo Finance 2.857% 7/10/2035	2,836	0.32
£ 2,300,000	Orange 8.125% 20/11/2028	2,651	0.30
£ 1,800,000	Orsted 2.125% 17/5/2027	1,649	0.19
£ 5,733,000	Orsted 2.5% 18/2/3021	4,045	0.46
£ 810,000	Pension Insurance 5.625% 20/9/2030	770	0.09
£ 4,200,000	Pension Insurance 8% 13/11/2033	4,491	0.51
£ 5,500,000	Phoenix 5.625% 28/4/2031	5,185	0.59
£ 1,000,000	Places for People Homes 3.625% 22/11/2028	934	0.11
£ 300,000	Places for People Homes 5.875% 23/5/2031	309	0.04
£ 1,080,000	Places For People Treasury 6.25% 6/12/2041	1,137	0.13
£ 3,250,000	RL Finance Bonds No. 4 4.875% 7/10/2049	2,617	0.30
£ 4,000,000	Rothesay Life 7.734% 16/5/2033	4,256	0.49
£ 3,167,000	Scottish Hydro Electric Transmission 5.5% 15/1/2044	3,188	0.37
£ 1,908,000	Severn Trent Utilities Finance 2% 2/6/2040	1,219	0.14
£ 3,400,000	Severn Trent Utilities Finance 2.625% 22/2/2033	2,798	0.32
£ 2,500,000	Societe Generale 5.75% 22/1/2032	2,526	0.29
£ 2,500,000	Southern Gas Networks 1.25% 2/12/2031	1,894	0.22
£ 2,143,000	Southern Housing 2.375% 8/10/2036	1,556	0.18
£ 2,500,000	Standard Chartered 5.125% 6/6/2034	2,352	0.27
£ 744,000	UNITE 3.5% 15/10/2028	699	0.08
£ 1,986,000	United Utilities Water Finance 0.875% 28/10/2029	1,597	0.18
£ 5,550,000	Verizon Communications 3.375% 27/10/2036	4,616	0.53
£ 4,000,000	Vodafone 4.875% 3/10/2078	3,897	0.45
£ 2,600,000	Vodafone 5.9% 26/11/2032	2,781	0.32
£ 4,007,000	Whitbread 3% 31/5/2031	3,418	0.39
£ 2,667,000	Yorkshire Building Society 7.375% 12/9/2027	2,756	0.32
£ 3,750,000	Yorkshire Water Finance 1.75% 27/10/2032	2,776	0.32
£ 2,760,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	2,643	0.30
	EURO DEBT SECURITIES (1.37%)	**13,459**	**1.54**
€ 5,500,000	Cellnex Finance 2% 15/2/2033	4,036	0.46
€ 4,000,000	Cooperatieve Rabobank UA 3.1% Perpetual	2,862	0.33
€ 4,300,000	Infrastrutture Wireless Italiane 1.75% 19/4/2031	3,264	0.37
€ 3,816,950	Stichting AK Rabobank Certificaten 6.5% Perpetual	3,297	0.38
	US DOLLAR DEBT SECURITIES (1.62%)	**0**	**0.00**

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	COLLECTIVE INVESTMENT SCHEMES (9.15%)	**35,812**	**4.11**
	GUERNSEY (0.43%)	**2,450**	**0.28**
2,255,515	Renewables Infrastructure	2,450	0.28
	IRELAND (5.47%)	**7,616**	**0.87**
660,000	Liontrust GF Sustainable Future US Growth Fund++	7,616	0.87
	UNITED KINGDOM (3.25%)	**25,746**	**2.96**
4,521,011	Aquila European Renewables Income Fund	3,124	0.36
4,097,600	Asian Energy Impact Trust~	1,008	0.11
5,559,757	Atrato Onsite Energy	4,170	0.48
6,087,895	Downing Renewables & Infrastructure Trust	5,479	0.63
2,041,128	Greencoat UK Wind	2,933	0.34
1,675,570	JLEN Environmental Assets	1,625	0.19
5,367,575	Liontrust Sustainable Future Corporate Bond Fund+	5,117	0.59
3,723,436	Triple Point Energy Transition	2,290	0.26
	Portfolio of investments	**874,226**	**100.21**
	Net other liabilities	**(1,800)**	**(0.21)**
	Total net assets	**872,426**	**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 January 2023.

Stocks shown as REITs represent Real Estate Investment Trust.

\+ Managed by Liontrust Fund Partners LLP.

++ Managed by Liontrust Investment Partners LLP.

^ Suspended Security.

~ Unquoted security.

Sustainable Future Cautious Managed Fund (continued)

Statement of Total Return
for the year ended 31 January 2024

	Notes	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Income					
Net capital gains/(losses)	2		5,218		(125,488)
Revenue	3	25,930		24,453	
Expenses	4	(7,975)		(9,378)	
Interest payable and similar charges	6	(6)		(5)	
Net revenue before taxation		17,949		15,070	
Taxation	5	(2,049)		(1,193)	
Net revenue after taxation			15,900		13,877
Total return before distributions			**21,118**		**(111,611)**
Distributions	7		(22,280)		(21,188)
Change in net assets attributable to shareholders from investment activities			**(1,162)**		**(132,799)**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2024

	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Opening net assets attributable to shareholders		**1,098,149**		**1,184,167**
Amounts received on issue of shares	10,691		119,018	
Amounts paid on cancellation of shares	(235,252)		(72,237)	
		(224,561)		46,781
Change in net assets attributable to shareholders from investment activities		(1,162)		(132,799)
Closing net assets attributable to shareholders		**872,426**		**1,098,149**

Sustainable Future Cautious Managed Fund (continued)

Balance Sheet
as at 31 January 2024

	Notes	31.1.2024 (£'000)	31.1.2023 (£'000)
Assets			
Fixed assets			
Investments		874,226	1,105,463
Current assets:			
Debtors	8	3,970	7,827
Cash and bank balances	9	7,231	638
Total assets		**885,427**	**1,113,928**
Liabilities			
Provision for liabilities	10	(3)	(21)
Creditors:			
Distribution payable		(9,169)	(10,511)
Other creditors	11	(3,829)	(5,247)
Total liabilities		**(13,001)**	**(15,779)**
Net assets attributable to shareholders		**872,426**	**1,098,149**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements
for the year ended 31 January 2024

1 Accounting policies
The accounting policies for the Sub-fund are set out on pages 12 to 14.

2 Net capital gains/(losses)

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
The net capital gains/(losses) comprise:		
Non-derivative securities	5,477	(125,420)
Foreign currency losses	(259)	(68)
Net capital gains/(losses)	**5,218**	**(125,488)**

3 Revenue

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Bank interest	288	3
Equity distributions on CIS holdings	1,111	720
Interest distributions on CIS holdings	239	281
Interest from overseas fixed income securities	2,629	2,773
Interest from UK fixed income securities	12,503	9,133
Management fee rebates on CIS	29	22
Non-taxable overseas dividends	2,746	2,894
Overseas REIT dividends	–	363
Revenue from short-term money market funds	494	1,016
Stock lending income	–	62
UK dividends	5,403	6,004
UK REIT dividends	108	737
US REIT dividends	380	445
Total revenue	**25,930**	**24,453**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

4 Expenses

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	6,955	8,163
General administration charges*	1,020	1,215
Total expenses	**7,975**	**9,378**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £9,200 (2023: £9,200). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

5 Taxation

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
a) Analysis of the tax charge for the year		
Corporation tax	1,738	894
Less: Double taxation relief	(58)	(96)
Overseas tax	429	374
Deferred tax charge [see note(c)]	–	21
Corporation tax prior year adjustment	(42)	–
Deferred tax prior year adjustment	(18)	–
Total tax charge [see note(b)]	**2,049**	**1,193**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

5 Taxation (continued)

b) Factors affecting the tax charge for the year

The taxation assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Net revenue before taxation	17,949	15,070
Corporation tax at 20% (2023 - 20%)	3,590	3,014
Effects of:		
Double taxation relief	(58)	(123)
Movement in unrecognised tax losses	–	(152)
Overseas tax	429	374
Corporation tax prior year adjustment	(42)	–
Deferred tax prior year adjustment	(18)	–
Relief on overseas tax expensed	–	4
Revenue not subject to tax	(1,852)	(1,924)
Total tax charge [see note(a)]	**2,049**	**1,193**

Authorised investment companies with variable capital are exempt from UK tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c) Deferred tax

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Opening deferred tax liability	21	–
Prior year adjustment	(18)	–
Deferred tax charge for the year (see note 5a)	–	21
Closing deferred tax liability	**3**	**21**

6 Interest payable and similar charges

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Overdraft interest	6	5
Total interest payable and similar charges	**6**	**5**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

7 Distributions

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Interim distribution	11,716	10,606
Final distribution	9,169	10,511
	20,885	**21,117**
Amounts deducted on cancellation of shares	1,454	423
Amounts received on issue of shares	(59)	(352)
Distributions	**22,280**	**21,188**
The distributable amount has been calculated as follows:		
Net revenue after taxation	15,900	13,877
Less: Tax relief on capitalised expenses	(1,595)	(2,067)
Add: ACD's charge reimbursed by capital	6,955	8,163
Add: Other expenses reimbursed by capital	1,020	1,215
Distributions	**22,280**	**21,188**

The distribution per share is set out in the tables on page 50.

8 Debtors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued management fee rebates on CIS	4	2
Accrued revenue	3,678	5,347
Amounts receivable for issue of shares	9	1,253
Corporation tax recoverable	15	–
Currency sales awaiting settlement	14	15
Overseas withholding tax	207	192
Sales awaiting settlement	43	1,018
Total debtors	**3,970**	**7,827**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

9 Cash and bank balances

	31.1.2024 (£'000)	31.1.2023 (£'000)
Cash and bank balances	7,231	638
Total cash and bank balances	**7,231**	**638**

10 Provision for liabilities

	Deferred tax provision (£'000)	Total (£'000)
At 31 January 2023	21	21
Deferred tax prior year adjustment	(18)	(18)
At 31 January 2024	**3**	**3**

	Deferred tax provision (£'000)	Total (£'000)
At 31 January 2022	–	–
Origination and reversal of timing differences	21	21
At 31 January 2023	**21**	**21**

11 Creditors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued expenses	83	93
Accrued ACD's charge	541	670
Amounts payable for cancellation of shares	3,191	331
Corporation tax	–	799
Currency purchases awaiting settlement	14	15
Purchases awaiting settlement	–	3,339
Total other creditors	**3,829**	**5,247**

12 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: £nil).

13 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

13 Related party transactions (continued)

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are included within Notes 8 and 11.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £624,000 (2023: £763,000).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was £7,975,000 (2023: £9,378,000).

The total rebate of expenses paid by Liontrust Fund Partners LLP and its associates for the year was £29,000 (2023: £22,000).

The total rebate of expenses balance due from Liontrust Fund Partners LLP and its associates at the year end was £4,000 (2023: £2,000).

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Securities lending

The Sub-fund engages in security lending activities which expose the Sub-fund to counterparty credit risk. The maximum exposure to the Sub-fund is equal to the value of the securities loaned.

Securities lending transactions entered into by the Sub-fund are subject to a written legal agreement between the Sub-fund and the Stock Lending Agent, The Bank of New York Mellon (London Branch), 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 Depositary on behalf of the Sub-fund. Collateral received is segregated from the assets belonging to the Sub-fund's Depositary or the Stock Lending Agent. All operational costs are borne out of the Stock Lending Agent's share of income earned.

The total income earned from securities lending transactions is split between the relevant Sub-fund and the Stock Lending Agent. The Sub-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 Sub-funds from securities lending activity during the year to 31 January 2024.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Cautious Managed Fund				
Securities lending				
Gross return	–	–	–	–
% of total	70%	0%	30%	100%
Cost	–	–	–	–

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2023.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	62	–	27	89
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Securities lending (continued)

Securities on loan and collateral received

At 31 January 2024, there were no securities on loan or related collateral outstanding (31 January 2023: Nil).

Collateral accepted is non-cash in the form of sovereign debt rated AA or better from approved governments only, supranational debt obligations rated AAA or better listed on a recognised exchange.

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. At the year end all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange.

The Sub-fund also benefits from a borrower default indemnity provided by The Bank of New York Mellon (London Branch). The indemnity allows for full replacement of securities lent. The Bank of New York Mellon (London Branch) bears the cost of indemnification against borrower default.

15 Risk management policies

In accordance with the investment objectives and policies the Sub-fund can hold certain financial instruments as detailed in the Sub-fund's prospectus. These can comprise of:

- equity, equity related and non-equity shares;
- Investment grade corporate bonds and government bonds (both sterling and non-sterling);
- Sub-investment grade bonds, covered bonds and preference shares;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- short-term borrowings used to finance operational cash flows;
- units and shares in collective investment schemes;
- shareholders' funds, which represent investors' monies which are invested on their behalf from overseas investments held;
- derivative transactions for investment purposes as well as efficient portfolio management in accordance with the Sub-fund's investment policies.

In accordance with the requirements of the rules in the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Sub-fund is not permitted to trade in other financial instruments. The Sub-fund's use of financial instruments during the year satisfies these regulatory requirements.

The main risks arising from the Sub-fund's financial instruments are market price (including "emerging markets price risk"), currency, interest rate, liquidity and counterparty credit risk. The ACD's policies for managing these risks are summarised below. The Sub-fund, alongside an independent risk function, has used a combination of risk measurements and limits to measure and monitor portfolio risk. This is in line with the Liontrust Group's Risk Management Process.

These policies have remained unchanged since the beginning of the year to which these financial statements relate and during the prior year.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet an acceptable risk reward profile. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes and for investment purposes.

The Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the prospectus.

As at 31 January 2024 and 31 January 2023 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2024, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 13.1%.

As at 31 January 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.0%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

The Sub-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR).

The calculation of conversion methods for the commitment approach for standard derivatives is taken from the conversion methodologies listed in the ESMA Guidelines on calculation of Global Exposure and Counterparty Risk. The commitment conversion methodology for standard derivatives is either the notional value or the market value of the equivalent position in the underlying asset. Please refer to the portfolio statement for the notional values of any forwards and futures contracts.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Market price risk (continued)

VaR is a method of estimating potential loss due to market risk, rather than a statement of leverage, using a given confidence level, or probability, over a specific time period and assuming normal market conditions. VaR is calculated using a Historical Simulation model carried out in accordance with regulatory guidelines.

The Sub-fund uses a combination of other risk measurements and limits. This is in line with the Liontrust Group's Risk Management Process.

The Sub-fund did not materially use derivatives in the current or prior year and the level of leverage employed by the Sub-fund during the current or prior year is not considered to be significant.

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments may be significantly affected by currency risk movements as some of the assets and income are denominated in currencies other than Sterling, which is the Company's functional and reporting currency.

The ACD has identified three principal areas where foreign currency risk could impact the Sub-fund:

- Movements in exchange rates affecting the value of investments;
- Movements in exchange rates affecting short-term timing differences; and
- Movements in exchange rates affecting the income received.

Currency exposure is monitored closely and is considered to be part of the overall investment process. Currency hedges via forward exchange contracts will only be used in the event of a specific unwanted currency risk being identified.

The Sub-fund may be subject to short-term exposure to exchange rate movements, for instance, where there is a difference between the date an investment purchase or sale is entered into and the date when settlement of the proceeds occurs. The ACD believes that the impact of such movements is not significant enough to warrant the cost incurred of eliminating them via hedging.

The Sub-fund may receive income in currencies other than Sterling, and the Sterling values of this income can be affected by movements in exchange rates. The Sub-fund converts all receipts of income into Sterling on or near the date of receipt; it does not, however, hedge or otherwise seek to avoid exchange rate risk on income accrued but not received.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Currency risk (continued)
At 31 January 2024 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	1	–	1
Danish Krone	21	15,029	15,050
Euro	354	52,417	52,771
Japanese Yen	123	15,502	15,625
Swedish Krona	56	5,132	5,188
Swiss Franc	–	12,336	12,336
United States Dollar	100	226,618	226,718
	655	**327,034**	**327,689**

At 31 January 2023 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	3	–	3
Danish Krone	19	17,771	17,790
Euro	416	64,692	65,108
Japanese Yen	257	29,680	29,937
Swedish Krona	–	7,446	7,446
Swiss Franc	–	16,305	16,305
United States Dollar	358	296,559	296,917
	1,053	**432,453**	**433,506**

If the exchange rate at 31 January 2024 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.38%/(0.38)% respectively.

If the exchange rate at 31 January 2023 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.39%/(0.39)% respectively.

Interest rate risk
Interest rate risk is the risk that the revenue cash flow or the fair value of investments may be adversely affected by movements in market interest rates.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Interest rate risk (continued)

Between 10% and 60% (typically 25%) of the Sub-fund's financial assets will be in interest bearing financial assets and liabilities. As a result the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates. The ACD may from time to time enter into derivative contracts on behalf of the Sub-fund that seeks to mitigate the effects of these movements.

Interest receivable on bank deposits and short-term deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The interest rates earned on sterling deposits are earned at a rate in line with overnight bank rates.

The interest rate risk profile of investment assets and liabilities at 31 January 2024 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non-Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	–	348,735	525,491	874,226
Investment liabilities	–	–	–	–

The interest rate risk profile of investment assets and liabilities at 31 January 2023 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non-Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	7,371	407,732	690,360	1,105,463
Investment liabilities	–	–	–	–

At 31 January 2024, if interest rates had strengthened/weakened by 1.00% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 8.58%.

At 31 January 2023, if interest rates had strengthened/weakened by 1.00% with all other variables held constant this would have increased/decreased the net fixed income assets attributable to investors in the Sub-fund by approximately 8.38%.

Liquidity risk

Liquidity risk is the risk that the Sub-fund will not be able to meet its obligations as they fall due. The Sub-fund's assets comprise mainly of readily realisable securities which can be sold to meet liquidity requirements.

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-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 Sub-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. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Liquidity risk (continued)
The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria and can make it difficult to establish accurate estimates of fundamental value. The lack of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD’s ability to execute substantial deals.

The main liquidity risk of the Sub-fund is the redemption of any shares that investors wish to sell, which are redeemable on demand under the Prospectus. Where investments cannot be realised in time to meet any potential liability, the Sub-fund may borrow up to 10% of its value to ensure settlement.

In accordance with the ACD’s policy, the ACD monitors the Sub-fund's liquidity on a daily basis.

Counterparty credit risk
Counterparty credit risk is the risk of suffering loss due to another party not meeting its financial obligation. Investments may be adversely affected if any of the institutions with which money is deposited or invested suffers insolvency or other financial difficulties or the credit rating of the bearers of the bonds held by the Sub-fund are downgraded.

The table below summarises the credit quality of the Sub-fund's debt portfolio as at 31 January 2024 and 31 January 2023.

Summary of Credit ratings	31.1.2024 (£’000)	31.1.2023 (£’000)
Investment grade	330,196	363,786
Below Investment grade	15,242	45,109
Not Rated	3,297	6,208
Total	**348,735**	**415,103**

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty. This list is reviewed at least annually.

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan.

At the balance sheet date, there were no counterparties to open derivative contracts (2023: none). At the year end collateral of £Nil (2023: £Nil) was received; collateral pledged was £Nil (2023: £Nil) and none (2023: none) of the Sub-fund’s financial assets were past due or impaired.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Counterparty credit risk (continued)

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2024 and at 31 January 2023 was A (Standard & Poor's rating).

BNYMSA, in the discharge of its delegated Depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the Sub-fund's rights with respect to its assets to be delayed or may result in the Sub-fund not receiving the full value of its assets.

Maturity profile of financial liabilities

All financial liabilities of the Sub-fund at the current and prior year-end are due to settle in one year or less, or on demand.

Fair value of financial assets and liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation of financial investments

31.1.2024	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	658,633	–
Level 2: Observable market data	212,768	–
Level 3: Unobservable data	2,825	–
	874,226	**–**

31.1.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	760,439	–
Level 2: Observable market data	340,075	–
Level 3: Unobservable data	4,949	–
	1,105,463	**–**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Valuation of financial investments (continued)
Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.*

*The Level 3 assets held in the Sub-fund have been identified in the portfolio statement and have been valued based on the last traded price with a discount applied.

16 Share movement
For the year ending 31 January 2024

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Income	700,034,128	4,239,551	(158,309,038)	–	545,964,641
Class 3 Net Income	60,036,129	3,394,981	(10,249,464)	–	53,181,646

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

17 Portfolio transaction costs
for the year ending 31 January 2024

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	100,939	55	0.05	259	0.26
Debt instruments (direct)	115,926	–	–	–	–
Collective investment schemes	6,600	–	–	–	–
Total purchases	**223,465**	**55**		**259**	
Total purchases including transaction costs	**223,779**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	210,167	91	0.04	1	–
Debt instruments (direct)	179,398	–	–	–	–
Collective investment schemes	12,226	8	0.07	–	–
Total sales	**401,791**	**99**		**1**	
Total sales net of transaction costs	**401,691**				
Total transaction costs		**154**		**260**	
Total transaction costs as a % of average net assets		**0.01%**		**0.03%**	

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

17 Portfolio transaction costs (continued)
for the year ending 31 January 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	182,644	85	0.05	361	0.20
Debt instruments (direct)	321,818	–	–	–	–
Collective investment schemes	1,858	–	–	–	–
Total purchases	**506,320**	**85**		**361**	
Total purchases including transaction costs	**506,766**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	151,119	78	0.05	2	–
Debt instruments (direct)	194,816	–	–	–	–
Collective investment schemes	9,189	5	0.05	–	–
Total sales	**355,124**	**83**		**2**	
Total sales net of transaction costs	**355,039**				
Total transaction costs		**168**		**363**	
Total transaction costs as a % of average net assets		**0.02%**		**0.03%**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally, for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

For the Sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.27% (2023: 0.32%).

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

18 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Net Income share has increased by 1.35% to 02 May 2024. The other share classes in the Sub-fund have moved by a similar magnitude.

Sustainable Future Cautious Managed Fund (continued)

Distribution Tables
for the year ended 31 January 2024

Final distribution

Group 1 - Shares purchased prior to 1 August 2023

Group 2 - Shares purchased 1 August 2023 to 31 January 2024

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2024 Pence per share	Distribution paid 31.3.2023 Pence per share
Class 2 Net Income - Group 1	1.5266	–	1.5266	1.3801
Class 2 Net Income - Group 2	0.7895	0.7371	1.5266	1.3801
Class 3 Net Income - Group 1	1.5693	–	1.5693	1.4147
Class 3 Net Income - Group 2	0.6574	0.9119	1.5693	1.4147

Interim distribution

Group 1 - Shares purchased prior to 1 February 2023

Group 2 - Shares purchased 1 February 2023 to 31 July 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2023 Pence per share	Distribution paid 30.9.2022 Pence per share
Class 2 Net Income - Group 1	1.6906	–	1.6906	1.3663
Class 2 Net Income - Group 2	0.8579	0.8327	1.6906	1.3663
Class 3 Net Income - Group 1	1.7354	–	1.7354	1.3986
Class 3 Net Income - Group 2	0.6552	1.0802	1.7354	1.3986

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Sustainable Future Corporate Bond Fund

Report for the year from 1 February 2023 to 31 January 2024

Investment Objective

The Sub-fund aims to deliver income with capital growth over the long term (5 years or more) through investment in sustainable securities.

Investment Policy

The Sub-fund will invest a minimum of 80% in investment grade corporate bonds that are sterling denominated or hedged back to sterling and will seek to achieve the investment objective through investment in securities that provide or produce sustainable products and services as well as having a progressive approach to the management of environmental, social and governance ("ESG") issues. Further information on the investment process can be found in the Prospectus.

All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

The Sub-fund may also invest in government bonds, collective investment schemes (up to 10% of Sub-fund assets), sub-investment grade bonds, other fixed income securities, money market instruments, warrants, cash and deposits.

The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Sustainable Future Corporate Bond Fund (continued)

Investment review

Sub-fund review

The Sub-fund (Class 2 income) returned 6.1% over the period under review, compared with the 4.6% return from the iBoxx Sterling Corporate All Maturities Index comparator benchmark and the average return from IA Sterling Corporate Bond sector, also a comparator benchmark, of 4.5%*.

Market backdrop

Financial markets generally had a strong start to the year, as stronger than anticipated economic data and falling headline inflation heightened optimism of a soft landing and that central banks were approaching the end of the monetary policy tightening.

This optimism was further supported by the reopening of the Chinese economy, with the potential easing of supply chain pressures supporting lower inflation and stronger growth more broadly.

However, as the year progressed, core inflation continued to surprise to the upside, which, alongside more resilient economic data, raised the prospect of a prolonged period of higher interest rates.

In March, significant market volatility followed the collapse of Silicon Valley Bank (SVB) in the US, which was swiftly followed by Credit Suisse's government-supported rescue by UBS. The rescue deal resulted in the full write-down of the bank's AT1 securities, despite ranking senior to equity investors who received some compensation, undermining the conventional bank loss absorption capital structure. This understandably undermined confidence in the AT1 asset class, and subordinated bank debt more broadly. However, investor sentiment recovered swiftly, as all major central banks came out to reiterate their confidence in the financial system and the risks were largely seen as contained.

Focus then returned to central banks' efforts to tackle persistent levels of inflation, with core inflation in particular proving more stubborn than expected. Central banks reacted by raising interest rates in order to rein in inflation towards target levels. This, coupled with accompanying hawkish statements, resulted in markets pricing in higher terminal interest rates.

The final weeks of the year then saw a shift in market direction after the US Federal Reserve (Fed) signalled that it was moving to a less hawkish stance, ushering in a sharp rally across financial markets as they lurched to pricing multiple rate cuts in 2024 and beyond.

The Bank of England (BoE), Fed and European Central Bank (ECB) all paused their rate-hike programmes in the second half of the year as they awaited economic evidence of the lagged impact of their tightening efforts. Somewhat surprisingly though, it was the Bank of England and the ECB which maintained a consistent message through to year end: that rates would have to stay higher for longer in order to tame inflation and stamp out the threat of persistence, despite the economic outlook looking more challenged than in the US. The Fed, by contrast, dropped its prior commitment to maintaining restrictive policy. Its dot-plot forecasts included more interest rate cuts than expected, with the median moving from one cut to three in 2024. This move, focusing more on the declines in inflation and ignoring the impacts of rate moves on financial conditions, something Fed chair Jay Powell had been pointing to repeatedly just a couple of weeks prior, solidified the market's belief that the time had come to price in a significant easing in US monetary policy.

Sub-fund performance

The Sub-fund's outperformance was partly driven its long duration position, which benefitted from a shift in expectations in the fourth quarter of 2023, as the 'higher for longer' interest rate narrative was challenged by inflation falling faster than expected and resulting in a sharp decline in government bond yields. The Federal Reserve then seemed to validate this by pivoting to a less hawkish stance.

We started February 1.25 year overweight duration relative to the benchmark, as yields stood at 3.33%. We increased our duration positioning to 1.75 years as yields increased further, as we believed that too many hikes were priced in the markets.

The long position – primarily expressed via the UK market – benefited as 10-year gilt yields peaking at above 4.74% in August and ending at 3.79% in January. This yield fall came as consumer price index releases indicated inflation was falling, signalling a potential end to restrictive monetary policy and raising expectations for a soft landing. Expectations of an early cut were somewhat pushed back in January 2024 due to strong growth data and a pushback towards the dovish outlook from central banks.

After this significant rally in government yields, we reduced our duration to end the year at 0.50 years overweight.

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Sub-fund review (continued)

The strong performance from duration management over the course of the year was complemented by the Sub-fund's overweight credit position as corporate bonds rallied alongside broader risk assets during the period, especially towards the end of 2023.

Sterling corporate credit spreads tightened by 37 basis points, as the combination of falling inflation, strong corporate balance sheets and expectations of earlier rate cuts led to the increasing belief that central banks would achieve a 'soft landing'.

Stock selection was also positive over the course of the year. Our overweight positioning to higher beta, subordinated financials, in both the Banks and Insurance sector, outperformed relative to our more defensive allocation to gilts, which lagged the rally.

Within banks, the biggest contribution to the Sub-fund's credit performance was the early call announcement of the HSBC and BNP legacy discounted 'disco' bonds. The regulator has been pushing for action from banks in this space, with the bonds due to lose capital treatment in 2025 as well as the cessation of Libor in June 2023.

The strength in stock selection was accompanied by strong sector allocation, as our underweight exposure to the more defensive parts of the market like utilities performed well, as riskier assets benefitted more from the broad-based rally.

Outlook

We firmly believe that our Sustainable Future fixed income strategies continue to offer a very attractive opportunity for investors. The asset class offers all-in yield levels of more than 5.5%, so we believe that 2024 is set to be another strong year for total returns.

We remain confident that both the economic slowdown and strong disinflationary momentum from late 2023 are set to continue throughout 2024. While we don't expect that the path to reach the 2% inflation target will be a smooth one, as evidenced by December's stronger-than-expected inflation release, we continue to believe that we will reach 2% far quicker than central banks and the broader market expect.

As inflation comes back to target, we believe that central banks will become more cognisant of the weakening growth outlook and will have to acknowledge that maintaining rates for a prolonged period will cause more harm than good. Therefore, we expect central banks to pivot to monetary policy easing through interest rate cuts. This provides a supportive backdrop for fixed income valuations, while also increasing the likelihood of a soft economic landing.

Broadly, UK 'tier 1' data has started to weaken materially – with growth, inflation and wages all coming in below market expectations. While it might be too early to declare outright victory, things are trending in the right direction for our positioning.

Having reduced our overweight interest rate risk position into the year-end following the significant moves in Q4 2023, we view the back up in yields seen since the turn of the year as an attractive entry point, and we added back to the overweight duration position recently with UK 10-year yields approaching 4%.

We continue to believe that corporate bonds remain an attractive investment opportunity, despite the more challenging economic growth outlook.

Firstly, credit typically performs well through periods of low economic growth, while the high level of yield carry on offer helps protect investors against any potential spread widening during the year. Alongside this, corporate fundamentals remain robust, with low levels of leverage, high interest coverage and ample liquidity. Though corporate fundamentals will inevitably weaken through a period of economic deterioration, the incredibly strong starting point means investment grade companies are more than capable of withstanding a prolonged period of low growth.

The underlying strength of corporate balance sheets, coupled with our high quality, sustainable portfolio, leaves us looking forwards to what should be another strong year ahead for our Sustainable Future fixed income strategies, as we continue to transition to a cleaner, healthier, and safer economy.

**Source: Financial Express, bid-to-bid, net of fees, 31.01.24. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested.

Past performance is not a guide to future performance. The value of an investment and the income generated from it can fall as well as rise and is not guaranteed. You may get back less than you originally invested.

Material portfolio changes by value

Purchases	Sales
United Kingdom Gilt 0.875% 31/7/2033	United Kingdom Gilt 0.875% 31/7/2033
Lloyds Banking 6.625% 2/6/2033	HSBC 5.40114% Perpetual
Deutsche Telekom International Finance 7.625% 15/6/2030	Vodafone 6.15% 27/2/2037
Rothesay Life 7.734% 16/5/2033	AXA 6.379% Perpetual
National Grid Electricity Transmission 5.272% 18/1/2043	Zurich Finance Ireland Designated Activity 3% 19/4/2051
Legal & General 5.125% 14/11/2048	Lloyds Banking 2.707% 3/12/2035
ING Groep 6.25% 20/5/2033	Phoenix 5.625% 28/4/2031
Vodafone 5.9% 26/11/2032	Legal & General 5.125% 14/11/2048
BPCE 6.125% 24/05/29	HSBC 6% 29/3/2040
HSBC 8.201% 16/11/2034	BNP Paribas 5.75% 13/06/2032

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk — Typically higher rewards, higher risk

1	2	3	**4**	5	6	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-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 Sub-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 Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund invests in investment grade corporate bonds that are sterling denominated or hedged back to sterling. The Sub-fund may also invest in other eligible asset classes as detailed within the prospectus.
- All investments will be expected to conform to our social and environmental criteria.
- The Sub-fund is categorised 4 primarily for its exposure to a diversified portfolio of bonds along with a number of derivative positions.
- The SRRI may not fully take into account the following risks:
  - 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 Sub-fund.
  - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result.
  - The creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- The Sub-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 Sub-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 Sub-fund volatility in both up and down markets by hedging against the general market.

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

- The Sub-fund uses derivative instruments that may result in higher cash levels. Cash may be deposited with several credit counterparties (e.g. international banks) or in short-dated bonds. A credit risk arises should one or more of these counterparties be unable to return the deposited cash.
- There is no guarantee that a total return will be generated over a three year time period or within another time period.
- The Sub-fund may encounter liquidity constraints from time to time. Participation rates on advertised volumes could fall reflecting the less liquid nature of the current market conditions.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- 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 Sub-fund's risks, please see the Prospectus which may be obtained from Liontrust (address page 1) or online at www.liontrust.co.uk.

Sustainable Future Corporate Bond Fund (continued)

Comparative Tables
for the year ended 31 January 2024

Class 2 Gross Income Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	69.45	82.08	87.92
Return before operating charges	4.83	(9.61)	(2.95)
Operating charges	(0.38)	(0.41)	(0.50)
Return after operating charges	4.45	(10.02)	(3.45)
Distributions	(2.93)	(2.61)	(2.39)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**70.97**	**69.45**	**82.08**
After direct transaction costs of*	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	6.41%	(12.21%)	(3.92%)
Other information			
Closing net asset value (£'000)	275,847	247,411	328,686
Closing number of shares	388,659,852	356,240,970	400,436,008
Operating charges**	0.56%	0.57%	0.58%
Direct transaction costs*	0.01%	0.01%	0.01%
Prices			
Highest share price	72.54	82.86	88.40
Lowest share price	64.18	59.29	82.75

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Corporate Bond Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2024

Class 3 Gross Income Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	92.57	109.41	117.20
Return before operating charges	6.44	(12.82)	(3.93)
Operating charges	(0.32)	(0.34)	(0.40)
Return after operating charges	6.12	(13.16)	(4.33)
Distributions	(4.09)	(3.68)	(3.46)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**94.60**	**92.57**	**109.41**
After direct transaction costs of*	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	6.61%	(12.03%)	(3.69%)
Other information			
Closing net asset value (£'000)	269,431	334,446	390,077
Closing number of shares	284,817,273	361,300,773	356,537,582
Operating charges**	0.35%	0.35%	0.35%
Direct transaction costs*	0.01%	0.01%	0.01%
Prices			
Highest share price	96.72	110.44	117.84
Lowest share price	85.57	79.06	110.37

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Corporate Bond Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2024

Class 6 Gross Accumulation Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	129.59	147.64	153.79
Return before operating charges	9.40	(17.30)	(5.26)
Operating charges	(0.72)	(0.75)	(0.89)
Return after operating charges	8.68	(18.05)	(6.15)
Distributions	(5.55)	(4.75)	(4.23)
Retained distributions on accumulation shares	5.55	4.75	4.23
Closing net asset value per share	**138.27**	**129.59**	**147.64**
After direct transaction costs of*	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	6.70%	(12.23%)	(4.00%)
Other information			
Closing net asset value (£'000)	102,604	87,077	91,041
Closing number of shares	74,207,054	67,194,130	61,665,666
Operating charges**	0.56%	0.57%	0.58%
Direct transaction costs*	0.01%	0.01%	0.01%
Prices			
Highest share price	139.89	148.81	155.88
Lowest share price	121.00	108.41	147.64

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement
as at 31 January 2024

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UNITED KINGDOM GOVERNMENT BONDS (2.95%)	**26,797**	**4.13**
£35,000,000	United Kingdom Gilt 0.875% 31/7/2033	26,797	4.13
	UK STERLING DENOMINATED DEBT SECURITIES (76.24%)	**550,593**	**84.97**
£9,600,000	3i 5.75% 3/12/2032	10,073	1.55
£7,900,000	Anglian Water Osprey Financing 2% 31/7/2028	6,409	0.99
£8,000,000	Annington Funding 4.75% 9/8/2033	7,470	1.15
£13,000,000	AT&T 7% 30/4/2040	14,790	2.28
£8,000,000	Aviva 5.125% 4/6/2050	7,612	1.17
£7,666,000	Aviva 6.875% Perpetual	7,110	1.10
£15,000,000	Barclays 8.407% 14/11/2032	15,970	2.46
£5,806,000	Barclays 7.09% 6/11/2029	6,166	0.95
£11,000,000	Blackstone Property Partners Europe 4.875% 29/4/2032	9,763	1.51
£7,000,000	Blend Funding 2.922% 5/4/2056	4,529	0.70
£7,800,000	BNP Paribas 6% 18/8/2029	8,158	1.26
£8,700,000	BPCE 6.125% 24/5/2029	8,916	1.38
£12,376,000	Bunzl Finance 1.5% 30/10/2030	10,053	1.55
£5,000,000	Cadent Finance 2.125% 22/9/2028	4,435	0.68
£9,500,000	Clarion Funding 1.25% 13/11/2032	7,033	1.09
£8,000,000	Compass 4.375% 8/9/2032	7,928	1.22
£11,450,000	Cooperatieve Rabobank UA 4.625% 23/5/2029	11,008	1.70
£7,000,000	CPUK Finance 3.69% 28/2/2047	6,476	1.00
£9,300,000	Deutsche Telekom International Finance 7.625% 15/6/2030	10,859	1.68
£6,000,000	Direct Line Insurance 4% 5/6/2032	4,864	0.75
£7,450,000	DWR Cymru Financing UK 2.5% 31/3/2036	5,736	0.89
£7,128,000	DWR Cymru Financing UK 2.375% 31/3/2034	5,241	0.81
£5,302,567	Greater Gabbard OFTO 4.137% 29/11/2032	5,106	0.79
£9,500,000	HSBC 7% 7/4/2038	10,261	1.58
£8,100,000	HSBC 8.201% 16/11/2034	8,899	1.37
£10,000,000	ING Groep 6.25% 20/5/2033	10,025	1.55
£8,000,000	Investec 1.875% 16/7/2028	6,850	1.06
£15,400,000	Legal & General 4.5% 1/11/2050	14,118	2.18
£9,749,000	Liberty Living Finance 3.375% 28/11/2029	8,838	1.36
£11,482,000	Lloyds Banking 2.707% 3/12/2035	9,221	1.42
£14,273,000	Lloyds Banking 6.625% 2/6/2033	14,519	2.24
£4,400,000	London & Quadrant Housing Trust 2% 20/10/2038	2,913	0.45
£2,896,000	M&G 6.34% 19/12/2063	2,724	0.42
£9,800,000	M&G 5.625% 20/10/2051	9,295	1.43
£8,800,000	Motability Operations 2.375% 14/3/2032	7,431	1.15
£8,083,000	National Express 2.375% 20/11/2028	7,022	1.08
£9,000,000	National Grid Electricity Transmission 5.272% 18/1/2043	8,708	1.34

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UK STERLING DENOMINATED DEBT SECURITIES (continued)		
£9,174,000	National Grid Gas 1.125% 14/1/2033	6,537	1.01
£5,000,000	Natwest 5.125% Perpetual	4,506	0.70
£17,000,000	Natwest 7.416% 6/6/2033	17,687	2.73
£5,000,000	Natwest Markets 6.375% 8/11/2027	5,236	0.81
£5,750,000	Next 3.625% 18/5/2028	5,463	0.84
£9,300,000	Optivo Finance 2.857% 7/10/2035	7,327	1.13
£10,135,000	Orsted 2.5% 18/2/3021	7,151	1.10
£6,750,000	Peabody Capital No 2 2.75% 2/3/2034	5,484	0.85
£5,300,000	Pension Insurance 5.625% 20/9/2030	5,038	0.78
£6,000,000	Pension Insurance 8% 13/11/2033	6,416	0.99
£3,400,000	Phoenix 5.625% 28/4/2031	3,205	0.49
£8,500,000	Phoenix 7.75% 6/12/2053	8,825	1.36
£7,318,000	Places for People Homes 5.875% 23/5/2031	7,547	1.16
£2,807,000	Places For People Treasury 6.25% 6/12/2041	2,956	0.46
£8,950,000	Rentokil Initial 5% 27/6/2032	8,881	1.37
£10,500,000	Rothesay Life 7.734% 16/5/2033	11,173	1.72
£6,133,000	Scottish Hydro Electric Transmission 5.5% 15/1/2044	6,174	0.95
£10,011,000	Severn Trent Utilities Finance 2% 2/6/2040	6,394	0.99
£6,800,000	Societe Generale 5.75% 22/1/2032	6,870	1.06
£6,243,000	South Eastern Power Networks 6.375% 12/11/2031	6,868	1.06
£6,000,000	Southern Gas Networks 3.1% 15/9/2036	4,703	0.73
£4,756,000	SP Transmission 2% 13/11/2031	3,961	0.61
£7,200,000	Standard Chartered 5.125% 6/6/2034	6,774	1.05
£3,500,000	Suez SACA 6.625% 5/10/2043	3,893	0.60
£6,500,000	Thames Water Utilities Finance 6.75% 16/11/2028	6,455	1.00
£754,000	UNITE 3.5% 15/10/2028	709	0.11
£9,500,000	United Utilities Water Finance 2.625% 12/2/2031	8,257	1.27
£15,250,000	Verizon Communications 3.375% 27/10/2036	12,685	1.96
£9,215,000	Vodafone 5.9% 26/11/2032	9,856	1.52
£6,521,000	Whitbread 3% 31/5/2031	5,562	0.86
£9,500,000	Yorkshire Building Society 3.375% 13/9/2028	8,622	1.33
£8,500,000	Yorkshire Building Society 3.511% 11/10/2030	7,576	1.17
£6,000,000	Yorkshire Building Society 7.375% 12/9/2027	6,199	0.96
£3,652,000	Yorkshire Water Finance 6.454% 28/5/2027	3,728	0.58
£16,025,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	15,346	2.37

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UK STERLING DENOMINATED FORWARD EXCHANGE CONTRACTS ((0.12%))	**525**	**0.08**
£19,349,906	UK sterling 19,349,906 Vs US dollar 24,600,000 - 20/3/2024	39	0.00
£43,974,987	UK sterling 43,974,987 Vs Euro 50,900,000 - 20/3/2024	486	0.08
	UK STERLING DENOMINATED OPEN FUTURES CONTRACTS (0.15%)	**1,765**	**0.27**
930	Long Gilt Future March 2024	1,765	0.27
	UK STERLING DENOMINATED INTEREST RATE SWAPS (0.00%)	**2,114**	**0.33**
58,000,000	Pay IRS vs Receive IRS 5.6% until 29/6/2026 Interest Rate Swap (Counterparty: UBS)	2,114	0.33
	EURO DENOMINATED DEBT SECURITIES (5.02%)	**45,809**	**7.08**
€12,900,000	BNP Paribas 2.815% Perpetual	10,297	1.59
€9,000,000	Cellnex Finance 2% 15/2/2033	6,605	1.02
€13,000,000	Cooperatieve Rabobank UA 3.1% Perpetual	9,301	1.44
€1,500,000	Hellas Telecommunications Luxembourg II 0.00000% 15/1/2015 ~	0	0.00
€6,500,000	Infrastrutture Wireless Italiane 1.625% 21/10/2028	5,122	0.79
€9,000,000	Prologis International Funding II 4.625% 21/2/2035	7,903	1.22
€7,500,000	Veralto 4.15% 19/9/2031	6,581	1.02
	EURO DENOMINATED OPEN FUTURES CONTRACTS (0.04%)	**(250)**	**(0.04)**
(80)	Euro-Bobl Future March 2024	(130)	(0.02)
(105)	Euro-Bund Future March 2024	(120)	(0.02)
	EURO DENOMINATED FORWARD EXCHANGE CONTRACTS (0.00%)	**0**	**0.00**
	US DOLLAR DENOMINATED DEBT SECURITIES (13.91%)	**16,299**	**2.52**
$16,000,000	Standard Chartered 7.014% Perpetual	12,875	1.99
$4,039,000	Vodafone 6.15% 27/2/2037	3,424	0.53
	US DOLLAR DENOMINATED FORWARD EXCHANGE CONTRACTS (0.00%)	**(15)**	**0.00**
$3,000,000	US dollar 3,000,000 Vs UK sterling 2,369,424 - 20/3/2024	(15)	0.00

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	US DOLLAR DENOMINATED OPEN FUTURES CONTRACTS ((0.07%))	**(454)**	**(0.07)**
(50)	US 10 Year Ultra Future March 2024	39	0.01
(100)	US Long Bond (CBT) Future March 2024	(493)	(0.08)
	Portfolio of investments	**643,183**	**99.27**
	Net other assets	**4,699**	**0.73**
	Total net assets	**647,882**	**100.00**

All investments are approved securities being either officially listed in a member state or under the rules of an eligible market, unless otherwise stated.

Comparative figures show percentages for each category of holding at 31 January 2023.

~Defaulted bond.

Sustainable Future Corporate Bond Fund (continued)

Statement of Total Return
for the year ended 31 January 2024

	Notes	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Income					
Net capital gains/(losses)	2		11,421		(121,084)
Revenue	3	29,890		25,385	
Expenses	4	(2,998)		(3,211)	
Interest payable and similar charges	6	(126)		(82)	
Net revenue before taxation		26,766		22,092	
Taxation	5	–		–	
Net revenue after taxation			26,766		22,092
Total return before distributions			**38,187**		**(98,992)**
Distributions	7		(28,239)		(26,108)
Change in net assets attributable to shareholders from investment activities			**9,948**		**(125,100)**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2024

	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Opening net assets attributable to shareholders		**668,934**		**809,804**
Amounts received on issue of shares	140,150		102,518	
Amounts paid on cancellation of shares	(175,619)		(121,523)	
		(35,469)		(19,005)
Dilution adjustment		593		78
Change in net assets attributable to shareholders from investment activities		9,948		(125,100)
Retained distributions on accumulation shares		3,875		3,157
Unclaimed distributions		1		–
Closing net assets attributable to shareholders		**647,882**		**668,934**

Sustainable Future Corporate Bond Fund (continued)

Balance Sheet
as at 31 January 2024

	Notes	31.1.2024 (£'000)	31.1.2023 (£'000)
Assets			
Fixed assets			
Investments		643,941	657,734
Current assets:			
Debtors	8	13,468	12,550
Cash and bank balances	9	4,930	11,367
Total assets		**662,339**	**681,651**
Liabilities			
Investment liabilities		(758)	(1,402)
Creditors:			
Amounts due to futures clearing houses and brokers		(2,703)	(1,366)
Distribution payable		(5,728)	(5,981)
Other creditors	10	(5,268)	(3,968)
Total liabilities		**(14,457)**	**(12,717)**
Net assets attributable to shareholders		**647,882**	**668,934**

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements
for the year ended 31 January 2024

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 12 to 14.

2 Net capital gains/(losses)

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
The net capital gains/(losses) comprise:		
Non-derivative securities	6,306	(131,058)
Derivative contracts	2,341	23,568
Forward currency contracts	1,551	(16,388)
Foreign currency gains	1,223	2,794
Net capital gains/(losses)	**11,421**	**(121,084)**

3 Revenue

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Bank interest	120	17
Interest from overseas fixed income securities	8,486	8,331
Interest from UK fixed income securities	21,284	17,020
Stock lending income	–	17
Total revenue	**29,890**	**25,385**

4 Expenses

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	2,642	2,799
General administration charges*	356	412
Total expenses	**2,998**	**3,211**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,850 (2023: £10,850). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

5 Taxation

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)

a) Analysis of the tax charge for the year
There is no corporation tax charge for the current year or prior year [see note (b)].

b) Factors affecting the tax charge for the year
The taxation assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Net revenue before taxation	26,766	22,092
Corporation tax at 20% (2023 - 20%)	5,353	4,418
Effects of:		
Tax deductible interest distributions	(5,353)	(4,418)
Total tax charge [see note(a)]	**–**	**–**

Authorised investment companies with variable capital are exempt from UK tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

6 Interest payable and similar charges

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Overdraft interest	69	61
Interest paid on margin deposits	36	21
Interest on collateral	21	–
Total interest payable and similar charges	**126**	**82**

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

7 Distributions

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
First Interim	6,885	6,117
Second Interim	7,040	6,509
Third Interim	6,851	6,712
Final	6,769	6,842
	27,545	**26,180**
Amounts deducted on cancellation of shares	1,208	529
Amounts received on issue of shares	(514)	(601)
Distributions	**28,239**	**26,108**
The distributable amount has been calculated as follows:		
Net revenue after taxation	26,766	22,092
Add: Transfer to capital re amortisation	1,473	4,016
Distributions	**28,239**	**26,108**

The distribution per share is set out in the tables on pages 81 to 82.

8 Debtors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued revenue	11,106	12,049
Amounts receivable for issue of shares	–	501
Sales awaiting settlement	2,362	–
Total debtors	**13,468**	**12,550**

9 Cash and bank balances

	31.1.2024 (£'000)	31.1.2023 (£'000)
Amount held at futures clearing houses and brokers	420	418
Cash and bank balances	4,510	10,949
Total cash and bank balances	**4,930**	**11,367**

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

10 Creditors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued expenses	30	31
Accrued ACD's charge	230	223
Amounts payable for cancellation of shares	2,597	1,517
Purchases awaiting settlement	2,411	2,197
Total other creditors	**5,268**	**3,968**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: £nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £260,000 (2023: £254,000).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was £2,998,000 (2023: £3,211,000).

At the year end, certain Members or close family of Members of the ACD held 22,049 shares in Class 6 Gross Accumulation (2023: 22,049 shares) with a value of £30,000 (2023: £29,000) and received distributions totalling £1,000 for the year (2023: £1,000).

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

13 Securities lending

The Sub-fund engages in security lending activities which expose the Sub-fund to counterparty credit risk. The maximum exposure to the Sub-fund is equal to the value of the securities loaned.

Securities lending transactions entered into by the Sub-fund are subject to a written legal agreement between the Sub-fund and the Stock Lending Agent, The Bank of New York Mellon (London Branch), 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 Depositary on behalf of the Sub-fund. Collateral received is segregated from the assets belonging to the Sub-fund's Depositary or the Stock Lending Agent. All operational costs are borne out of the Stock Lending Agent's share of income earned.

The total income earned from securities lending transactions is split between the relevant Sub-fund and the Stock Lending Agent. The Sub-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 tables below show the net income earned by the Sub-funds from securities lending activity during the year to 31 January 2024.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Corporate Bond Fund				
Securities lending				
Gross return	–	–	–	–
% of total	70%	0%	30%	100%
Cost	–	–	–	–

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2023.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	17	–	7	24
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

13 Securities lending (continued)

Securities on loan and collateral received
At 31 January 2024, there were no securities on loan or related collateral outstanding (31 January 2023: Nil).

Collateral accepted is non-cash in the form of sovereign debt rated AA or better from approved governments only, supranational debt obligations rated AAA or better listed on a recognised exchange.

Management of counterparty credit risk related to securities lending
To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. At the year end all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange.

The Sub-fund also benefits from a borrower default indemnity provided by The Bank of New York Mellon (London Branch). The indemnity allows for full replacement of securities lent. The Bank of New York Mellon (London Branch) bears the cost of indemnification against borrower default.

14 Risk management policies

In accordance with the investment objectives and policies the Sub-fund can hold certain financial instruments as detailed in the Sub-fund’s prospectus. These can comprise of:

- Investment grade corporate bonds and government bonds (both sterling and non-sterling);
- Sub-investment grade bonds, covered bonds and preference shares;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- short-term borrowings used to finance operational cash flows;
- units and shares in collective investment schemes;
- shareholders' funds, which represent investors’ monies which are invested on their behalf from overseas investments held;
- derivative transactions for investment purposes as well as efficient portfolio management in accordance with the Sub-fund’s investment policies.

In accordance with the requirements of the rules in the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Sub-fund is not permitted to trade in other financial instruments. The Sub-fund's use of financial instruments during the year satisfies these regulatory requirements.

The main risks arising from the Sub-fund's financial instruments are market price (including “emerging markets price risk”), currency, interest rate, liquidity and counterparty credit risk. The ACD's policies for managing these risks are summarised below. The Sub-fund, alongside an independent risk function, has used a combination of risk measurements and limits to measure and monitor portfolio risk. This is in line with the Liontrust Group’s Risk Management Process.

These policies have remained unchanged since the beginning of the year to which these financial statements relate and during the prior year.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet an acceptable risk reward profile. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes and for investment purposes.

The Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the prospectus.

As at 31 January 2024 and 31 January 2023 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2024, had the representative market index increased/decreased by 5.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 5.8%.

As at 31 January 2023, had the representative market index increased/decreased by 5.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 5.6%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

The Sub-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR).

The calculation of conversion methods for the commitment approach for standard derivatives is taken from the conversion methodologies listed in the ESMA Guidelines on calculation of Global Exposure and Counterparty Risk. The commitment conversion methodology for standard derivatives is either the notional value or the market value of the equivalent position in the underlying asset. Please refer to the portfolio statement for the notional values of any forwards and futures contracts.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Market price risk (continued)

VaR is a method of estimating potential loss due to market risk, rather than a statement of leverage, using a given confidence level, or probability, over a specific time period and assuming normal market conditions. VaR is calculated using a Historical Simulation model carried out in accordance with regulatory guidelines.

The Sub-fund uses a combination of other risk measurements and limits. This is in line with the Liontrust Group's Risk Management Process.

The Sub-fund did use derivatives in the year including a number of bond futures. The level of Market Exposure in the Sub-fund as at year end as measured by the Commitment Approach described above was 19.5% (2023: 28.8%).

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments may be significantly affected by currency risk movements as some of the assets and income are denominated in currencies other than Sterling, which is the Company’s functional and reporting currency.

The ACD has identified three principal areas where foreign currency risk could impact the Sub-fund:

- Movements in exchange rates affecting the value of investments;
- Movements in exchange rates affecting short-term timing differences; and
- Movements in exchange rates affecting the income received.

Currency exposure is monitored closely and is considered to be part of the overall investment process. Currency hedges via forward exchange contracts will only be used in the event of a specific unwanted currency risk being identified.

The Sub-fund may be subject to short-term exposure to exchange rate movements, for instance, where there is a difference between the date an investment purchase or sale is entered into and the date when settlement of the proceeds occurs. The ACD believes that the impact of such movements is not significant enough to warrant the cost incurred of eliminating them via hedging.

The Sub-fund may receive income in currencies other than Sterling, and the Sterling values of this income can be affected by movements in exchange rates. The Sub-fund converts all receipts of income into Sterling on or near the date of receipt; it does not, however, hedge or otherwise seek to avoid exchange rate risk on income accrued but not received.

The majority of the Sub-fund's financial assets and liabilities are denominated in the Sub-fund’s functional currency. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of currency exchange rates. Therefore, no exchange rate sensitivity analysis has been prepared for these.

Interest rate risk

Interest rate risk is the risk that the revenue cash flow or the fair value of investments may be adversely affected by movements in market interest rates.

The majority of the Sub-fund's financial assets will be in interest bearing financial assets and liabilities. As a result the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates. The ACD may from time to time enter into derivative contracts on behalf of the Sub-fund that seeks to mitigate the effects of these movements.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Interest rate risk (continued)

Interest receivable on bank deposits and short-term deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The interest rates earned on sterling deposits are earned at a rate in line with overnight bank rates.

The interest rate risk profile of investment assets and liabilities at 31 January 2024 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non-Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	10,297	629,201	4,443	643,941
Investment liabilities	–	–	(758)	(758)

The interest rate risk profile of investment assets and liabilities at 31 January 2023 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non-Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	21,551	634,820	1,363	657,734
Investment liabilities	–	–	(1,402)	(1,402)

At 31 January 2024, if interest rates had strengthened/weakened by 1.00% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 8.21%.

At 31 January 2023, if interest rates had strengthened/weakened by 1.00% with all other variables held constant this would have increased/decreased the net fixed income assets attributable to investors in the Sub-fund by approximately 9.63%.

Liquidity risk

Liquidity risk is the risk that the Sub-fund will not be able to meet its obligations as they fall due. The Sub-fund's assets comprise mainly of readily realisable securities which can be sold to meet liquidity requirements.

The main liquidity risk of the Sub-fund is the redemption of any shares that investors wish to sell, which are redeemable on demand under the Prospectus. Where investments cannot be realised in time to meet any potential liability, the Sub-fund may borrow up to 10% of its value to ensure settlement.

In accordance with the ACD's policy, the ACD monitors the Sub-fund's liquidity on a daily basis.

Counterparty credit risk

Counterparty credit risk is the risk of suffering loss due to another party not meeting its financial obligation. Investments may be adversely affected if any of the institutions with which money is deposited or invested suffers insolvency or other financial difficulties or the credit rating of the bearers of the bonds held by the Sub-fund are downgraded.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Counterparty credit risk (continued)
The table below summarises the credit quality of the Sub-fund's debt portfolio as at 31 January 2024 and 31 January 2023.

Summary of Credit ratings	31.1.2024 (£'000)	31.1.2023 (£'000)
Investment grade	592,942	556,804
Below Investment grade	46,556	93,287
Not Rated	–	6,280
Total	**639,498**	**656,371**

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty. This list is reviewed at least annually.

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan.

Counterparty exposures
The counterparty exposure of financial derivative transactions at 31 January 2024 is shown below:

Counterparty details Financial Derivative Transactions	Forward Foreign Exchange Contracts (£'000)	Interest Rate Swaps (£'000)	Futures (£'000)	Total Exposure (£'000)
Bank of New York Mellon International	525	–	–	**525**
State Street Global Advisors Limited	(15)	–	–	**(15)**
UBS AG	–	2,114	1,061	**3,175**
Total	**510**	**2,114**	**1,061**	**3,685**

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Counterparty exposures (continued)

The counterparty exposure of financial derivative transactions at 31 January 2023 is shown below:

Counterparty details Financial Derivative Transactions	Forward Foreign Exchange Contracts (£'000)	Futures (£'000)	Total Exposure (£'000)
Bank of New York Mellon International	(886)	–	**(886)**
State Street Global Advisors Limited	73	–	**73**
UBS AG	–	774	**774**
Total	**(813)**	**774**	**(39)**

At the year end collateral of £Nil (2023: £Nil) was received; bond collateral pledged was £13,056,000 (2023: £9,862,000) and none (2023: none) of the Sub-fund's financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2024 and at 31 January 2023 was A (Standard & Poor's rating).

BNYMSA, in the discharge of its delegated Depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the Sub-fund's rights with respect to its assets to be delayed or may result in the Sub-fund not receiving the full value of its assets.

Maturity profile of financial liabilities

All financial liabilities of the Sub-fund at the current and prior year-end are due to settle in one year or less, or on demand.

Fair value of financial assets and liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Valuation of financial investments

31.1.2024	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	28,601	(743)
Level 2: Observable market data	615,340	(15)
	643,941	**(758)**

31.1.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	20,968	(483)
Level 2: Observable market data	636,747	(919)
Level 3: Unobservable data	19	–
	657,734	**(1,402)**

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.*

*The Level 3 asset held in the Sub-fund has been identified in the portfolio statement and has been valued based on the last traded price with a discount applied.

15 Share movement
For the year ending 31 January 2024

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Gross Income	356,240,970	147,312,997	(115,048,830)	154,715	388,659,852
Class 3 Gross Income	361,300,773	15,003,463	(91,380,976)	(105,987)	284,817,273
Class 6 Gross Accumulation	67,194,130	19,985,031	(12,964,944)	(7,163)	74,207,054

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

16 Portfolio transaction costs
for the year ending 31 January 2024

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	335,786	–	–	–	–
Total purchases	**335,786**	**–**		**–**	
Total purchases including transaction costs	**335,786**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	357,508	–	–	–	–
Total sales	**357,508**	**–**		**–**	
Total sales net of transaction costs	**357,508**				
Derivative transaction costs		**49**		**–**	
Total transaction costs		**49**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**–**	

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

16 Portfolio transaction costs (continued)
for the year ending 31 January 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	296,151	–	–	–	–
Total purchases	**296,151**	**–**		**–**	
Total purchases including transaction costs	**296,151**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	303,793	–	–	–	–
Total sales	**303,793**	**–**		**–**	
Total sales net of transaction costs	**303,793**				
Derivative transaction costs		**57**		**–**	
Total transaction costs		**57**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**–**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

During the year the Sub-fund utilised derivative instruments including credit default swaps and futures covering different underlying asset classes. The settlement values for opening and closing derivative positions are not comparable to principal values for transactions in direct holding investments and therefore purchase and sale amounts for derivative transactions are not quantified in the analysis above. Transaction costs for derivatives positions will be either suffered as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.68% (2023: 0.78%).

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

17 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Gross Income share has decreased by 1.62% to 02 May 2024. The other share classes in the Sub-fund have moved by a similar magnitude.

Sustainable Future Corporate Bond Fund (continued)

Distribution Tables
for the year ended 31 January 2024

Final distribution

Group 1 - Shares purchased prior to 1 November 2023

Group 2 - Shares purchased 1 November 2023 to 31 January 2024

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2024 Pence per share	Distribution paid 31.3.2023 Pence per share
Class 2 Gross Income - Group 1	0.7274	–	0.7274	0.6932
Class 2 Gross Income - Group 2	0.5007	0.2267	0.7274	0.6932
Class 3 Gross Income - Group 1	1.0187	–	1.0187	0.9720
Class 3 Gross Income - Group 2	0.7052	0.3135	1.0187	0.9720
Class 6 Gross Accumulation - Group 1	1.4025	–	1.4025	1.2806
Class 6 Gross Accumulation - Group 2	0.5920	0.8105	1.4025	1.2806

Third interim distribution

Group 1 - Shares purchased prior to 1 August 2023

Group 2 - Shares purchased 1 August 2023 to 31 October 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.12.2023 Pence per share	Distribution paid 31.12.2022 Pence per share
Class 2 Gross Income - Group 1	0.7601	–	0.7601	0.6753
Class 2 Gross Income - Group 2	0.3636	0.3965	0.7601	0.6753
Class 3 Gross Income - Group 1	1.0599	–	1.0599	0.9503
Class 3 Gross Income - Group 2	0.6698	0.3901	1.0599	0.9503
Class 6 Gross Accumulation - Group 1	1.4488	–	1.4488	1.2354
Class 6 Gross Accumulation - Group 2	0.9224	0.5264	1.4488	1.2354

Sustainable Future Corporate Bond Fund (continued)

Distribution Tables (continued)
for the year ended 31 January 2024

Second interim distribution

Group 1 - Shares purchased prior to 1 May 2023

Group 2 - Shares purchased 1 May 2023 to 31 July 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2023 Pence per share	Distribution paid 30.9.2022 Pence per share
Class 2 Gross Income - Group 1	0.7284	–	0.7284	0.6470
Class 2 Gross Income - Group 2	0.3384	0.3900	0.7284	0.6470
Class 3 Gross Income - Group 1	1.0180	–	1.0180	0.9171
Class 3 Gross Income - Group 2	0.3449	0.6731	1.0180	0.9171
Class 6 Gross Accumulation - Group 1	1.3733	–	1.3733	1.1727
Class 6 Gross Accumulation - Group 2	0.6308	0.7425	1.3733	1.1727

First interim distribution

Group 1 - Shares purchased prior to 1 February 2023

Group 2 - Shares purchased 1 February 2023 to 30 April 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.6.2023 Pence per share	Distribution paid 30.6.2022 Pence per share
Class 2 Gross Income - Group 1	0.7130	–	0.7130	0.5903
Class 2 Gross Income - Group 2	0.4830	0.2300	0.7130	0.5903
Class 3 Gross Income - Group 1	0.9973	–	0.9973	0.8441
Class 3 Gross Income - Group 2	0.6525	0.3448	0.9973	0.8441
Class 6 Gross Accumulation - Group 1	1.3298	–	1.3298	1.0619
Class 6 Gross Accumulation - Group 2	0.6734	0.6564	1.3298	1.0619

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Sustainable Future Defensive Managed Fund

Report for the year from 1 February 2023 to 31 January 2024

Investment Objective

The Sub-fund aims to deliver income and capital growth over the long term (5 years or more) through investment in sustainable securities.

Investment Policy

The Sub-fund will invest globally and will seek to achieve the investment objective through investment in securities that provide or produce sustainable products and services as well as having a progressive approach to the management of environmental, social and governance ("ESG") issues. Further information on the investment process can be found in the Prospectus.

All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

Allocations to equities, fixed income, and cash will vary over time depending on market circumstances. Asset allocation limits will remain in line with the following asset allocation ranges:

Equity - 20-50%

Fixed Income - 10-60%

Cash - 0-20%

The Sub-fund may invest in collective investment schemes including other Liontrust Funds (up to 10% of Sub-fund assets), other transferable securities, money market instruments, warrants, and deposits.

The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Sustainable Future Defensive Managed Fund (continued)

Investment review

Sub-fund review

The Sub-fund (Class 2 income) returned 3.3% over the period under review, versus the 3.2% IA Mixed Investment 20-60% Shares sector average (the comparator benchmark)*.

The future of sustainable investment has been questioned by a number of different parties recently. Yet, in contrast, we are more excited about the prospects for the sustainable themes and stocks we invest in than we have been for many years.

We believe interest rates are at peak levels and should fall towards central banks' targets by mid to late 2024. The current higher interest rate environment will likely lead to lower economic growth, resulting in early cuts in interest rates.

Given this view and the fact that interest rate rises were the primary catalyst for the sell-off in the long duration growth equities in which we invest, we should expect that the valuation multiples applied to growth equities should stabilise in conjunction with the peak in interest rates/yields. This would remove a significant structural returns headwind.

We are confident about the outlook for our sustainable investment strategies and believe they will build on their long-term positive track record as we back those businesses which are growing profitability while delivering solutions to critical environmental and social problems.

Those businesses which are providing these solutions will potentially access vast growth opportunities. In many cases, the speed and scale of this growth is likely to be underestimated in the valuation of their shares.

This is where the opportunity lies – finding great companies and helping to solve challenges we face as a society and world, whose prospects are undervalued by the market.

Having struggled in 2022 with worries about growth and margins, **Spotify** ended 2023 as one of the Sub-fund's top performers. We felt the market somewhat misunderstood the company and its potential, namely around the key metrics that we believe are important for Spotify – specifically, user and subscriber growth. Recent quarterly results show that Spotify has been growing these metrics strongly, with both exceeding expectations and management clearly communicating a pivot to profitability.

Another one of our top performers was **Palo Alto Networks**, which is exposed to our theme of *Enabling digital security*. The company provides cyber security solutions for over 85,000 organisations. Almost every facet of our lives has some online exposure, whether personal information, finances, commercial interactions and simple communications. The same is true for businesses, governments and international institutions. Keeping this information secure and only accessible by the right people is essential for retaining trust in all these on-line interactions.

Palo Alto has traded strongly following a series of encouraging earnings releases throughout the year, coupled with a share price boost towards the end of the year as expectations of an interest rate pivot were revived in Q4. Palo Alto's strategy is to build on the leading firewall product and move to subscription-based firewall and security as a service. This is increasingly based on consumption of data, meaning the market for security solutions will grow as data increases and more of this data is shifted into the cloud.

While its third quarter earnings release disappointed investors, **Alphabet** was among the top performers over the year. The company's Q1 and Q2 earnings releases were well received by the market, and investor excitement towards the 'Magnificent Seven' stocks, driven by artificial intelligence, helped Alphabet's share price rise over the year.

Among the detractors over the year was **First Republic Bank**, with the company swept up in the turmoil following the collapse of Silicon Valley Bank (SVB) in March, given its deposit base was primarily in the San Francisco Bay area, as was SVB's. Panic ensued as reports of the collapse of SVB hit the news, which saw First Republic's deposit base fall from $155bn to around $70bn over a few days. While the solvency of First Republic was sound, the sharp fall in its deposit base led to higher funding costs, and hurt profitability. We exited the position over the first quarter of 2023.

Exposed to our *Saving for the future* theme, **Charles Schwab** was another one of our positions to be negatively impacted by concerns around the collapse of SVB. Shares in the US investment firm fell amid a crisis of confidence in the banking sector with these concerns being further amplified after UBS announced that it was to buy out struggling Swiss lender Credit Suisse.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Shares in UK wealth manager **St. James's Place** tumbled following the announcement that it was reviewing its fees and charges. The company is aligned with our theme of *Saving for the Future*, recognising value that companies such as St James Place offers in helping people prepare for their financial future in a backdrop of increasing financial complexity and diminishing state/employer support.

We have long recognised that the charging approach from the company is distinctive, however felt that over the lifetime of a client it was reasonable given the comprehensive advice and overall value of their service. This view is supported by consistently high customer satisfaction scores and the industry leading advisor training St James Place provides. Earlier this year we met with the Management team following the reduction of long-term client fees in light of the new Consumer Duty rules from the FCA. We felt they were taking proactive sensible actions to the benefit of customers and incentivise long-term investing.

The recent news indicates that they will now additionally be scrapping the exit fee element of their fee model and lower their overall. Our initial view is that this will lead to a hit on shorter term earnings and profitability but the longer term picture is less affected. Ultimately if clients are happy with the service and advice they receive then the company will retain and grow assets under management. This is the metric we focus on, and thus far seems to have held up well. It is under review, but we continue to hold our position in the portfolios.

Portfolio activity was limited over the first half. Having exited First Republic, we initiated a position in **Morningstar** under our *Saving for the future* theme. Morningstar provides both quantitative and qualitative research to the investment industry, with databases and analytical tools covering private markets, ESG, credit ratings, equity valuation, and more. On the client side, they provide software and investment management services to financial advisors and institutions.

We also added multinational plumbing and heating products distributor **Ferguson**, under our *Building better cities* theme. Sanitation is an area of sustainable development which offers a huge opportunity to improve over the coming decades. Clean water, decent toilets and good hygiene are basic human rights, and these also interact with other goals such as education, reducing inequalities and climate action.

In the third quarter, we initiated a new position in leading Human Capital Management (HCM) software provider **Paylocity** in the third quarter. Exposed to our *Increasing financial resilience* theme, Paylocity's products enable its customers, which are primarily small businesses, to manage the increasingly complex demands of managing its employees. We believe HCM is key to the strength and resilience of small and medium-sized enterprises (SME's) as incorrect payroll and incorrect taxes have high costs when they are not processed correctly. The importance of the ensuring your workforce is engaged in a hybrid work environment places further importance on HCM within the workplace.

In the final quarter, we initiated a position in **Edwards Lifesciences**, the developer and supplier of patient-focused medical innovations for heart disease and critical care monitoring under our *Enabling innovation in healthcare* theme. All of the company's products and services provide lifesaving results. As compared with open heart surgery, minimally invasive techniques (and percutaneous in the case of Edwards) are lower risk for the patient, as well as cheaper and timelier for both they and the healthcare system as a whole.

We also bought **Veralto** under our *Improving the management of water* theme. Veralto is a spin-out of Danaher's 'Environmental and Applied Solutions' segment, which focusses on providing tools and services to enable the testing and treatment of water, as well as the creation and key regulatory printing of consumer-packaged goods.

We re-added **Kingspan** under our *Improving the efficiency of energy use* theme for very strong sustainable investment reasons and because the company has now implemented the required controls around product certification and fire safety. Continued engagement with the company by the Sustainable Investment team has provided the reassurance that deficiencies highlighted by the Grenfell Tower inquiry will not occur again.

Kingspan's products dramatically improve the energy efficiency of buildings. The company estimates that through the use of its products sold in 2022, 173 million tonnes of CO2 will be saved, equivalent to the energy use of around 20 million homes. We believe Kingspan is well positioned to have a significant impact in reducing global energy use from buildings, which is essential if we are to prevent global warming exceeding the 1.5C threshold that the IPCC (Intergovernmental Panel on Climate Change) warns is critical.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

In terms of sales, we exited our position in **Puma**. The departure of the CEO to a competitor was disappointing, given we rated his strategy and leadership highly. We had also hoped the sales of products directly related to wellness and exercise would outgrow the fashion-focused sales, which would have increased the thematic exposure, and seen an upgrade from C to B in terms of the product rating. This mix shift did not eventuate, as sportswear sales had disappointed. We therefore decided to exit the position.

We also sold **Intertek.** We have become increasingly concerned that the "reshoring" phenomena is a headwind for growth and margins for Intertek. As production is incrementally brought back to home shores, particularly in the US, the level of complexity in terms of supply chain auditing also falls, which we feel may negatively affect the long-term earnings and returns profile of Intertek.

We sold our position in air conditioning and heating pump provider **Daikin**. We have previously flagged the military division of Daikin with our advisory committee, and have been satisfied it is both immaterial (at around 0.50% of sales) and a legacy business which continues to shrink. We discussed the production of white phosphorus, which is manufactured solely for artillery shells that produce smoke (i.e., not incendiary) and are used purely for training purpose. The advisory committee felt the risks in the current geo-political environment meant that there was a material chance that the production of white phosphorous may one day be used as a weapon. So while this did not constitute a breach of screen, they felt we needed to engage with Daikin to get them to divest its military division – something we have done on numerous occasions, without any success.

We also identified an emerging risk from the chemicals division in Daikin – the production of Polyfluorinated Substances (PFAS). These "forever chemicals" are an emerging risk to both food and water systems, and our process is tracking the issue through testing and detection companies.

We have come to the conclusion that these two risks are material to the Daikin investment case, and despite the positive environmental impact of the Daikin business, these risks weigh heavily on Daikin. We therefore decided to exit our position in the company.

Last, we sold e-signature software provider **DocuSign**, which was held under our *Delivering a circular materials economy* theme. While DocuSign continues to dominate the high-end of the e-signature market, the rest of the market is increasingly commoditised, and pricing well below what works for DocuSign. In our opinion, the company needs to accelerate core growth above 10% in the near-term and thus needs to carve out a new market and new products in the contract lifecycle management software (CLM) space. While this may work, we believe the chances they'll dominate as in e-signature are lower than we require for investments in our process – we therefore exited our position in the company.

**Source: Financial Express, bid-to-bid, net of fees, 31.01.24. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested.

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.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
United Kingdom Gilt 0.875% 31/7/2033	United Kingdom Gilt 0.875% 31/7/2033
United Kingdom Gilt 1.5% 31/7/2053	United Kingdom Gilt 1.5% 31/7/2053
Lloyds Banking 6.625% 2/6/2033	HSBC 5.40114% Perpetual
Veralto	Lloyds Banking 2.707% 3/12/2035
Liontrust GF Sustainable Future US Growth Fund ++	Palo Alto Networks
Paylocity	Telefonica Emisiones 5.375% 2/2/2026
Yorkshire Building Society 7.375% 12/9/2027	Spotify Technology
ConvaTec	Abcam
Experian	Aviva 4.375% 12/9/2049
BNP Paribas 6% 18/8/2029	Zurich Finance Ireland Designated Activity 3% 19/4/2051

++ Managed by Liontrust Investment Partners LLP.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk — Typically higher rewards, higher risk

1	2	3	**4**	5	6	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-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 Sub-fund's risk and reward category has been calculated using the methodology set by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- All investments will be expected to conform to our social and environmental criteria.
- The Sub-fund is categorised 4 primarily for its exposure to a diversified portfolio of Global equities and bonds.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-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 Sub-fund;
  - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result;
  - the creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- The Sub-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 Sub-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 Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-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.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

- Outside of normal conditions, the Sub-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.
- There is no guarantee that a total return will be generated over a three year time period or within another time period.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- 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 Sub-fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 1) or online at www.liontrust.co.uk.

Sustainable Future Defensive Managed Fund (continued)

Comparative Tables
for the year ended 31 January 2024

Class 2 Net Income Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	131.88	149.46	148.12
Return before operating charges	4.22	(13.70)	4.87
Operating charges	(1.10)	(1.16)	(1.37)
Return after operating charges	3.12	(14.86)	3.50
Distributions	(3.26)	(2.72)	(2.16)
Closing net asset value per share	**131.74**	**131.88**	**149.46**
After direct transaction costs of*	(0.05)	(0.06)	(0.09)
Performance			
Return after charges	2.37%	(9.94%)	2.36%
Other information			
Closing net asset value (£'000)	740,231	1,016,583	1,226,428
Closing number of shares	561,873,395	770,850,581	820,564,686
Operating charges**	0.86%	0.86%	0.88%
Direct transaction costs*	0.03%	0.04%	0.05%
Prices			
Highest share price	136.05	150.81	161.90
Lowest share price	119.91	120.05	146.95

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Defensive Managed Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2024

Class 3 Net Income Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	135.29	152.90	151.10
Return before operating charges	4.27	(14.11)	4.85
Operating charges	(0.67)	(0.71)	(0.84)
Return after operating charges	3.60	(14.82)	4.01
Distributions	(3.35)	(2.79)	(2.21)
Closing net asset value per share	**135.54**	**135.29**	**152.90**
After direct transaction costs of*	(0.05)	(0.06)	(0.09)
Performance			
Return after charges	2.66%	(9.69%)	2.65%
Other information			
Closing net asset value (£'000)	66,795	81,850	93,778
Closing number of shares	49,281,531	60,498,011	61,332,400
Operating charges**	0.51%	0.51%	0.53%
Direct transaction costs*	0.03%	0.04%	0.05%
Prices			
Highest share price	139.66	154.28	165.45
Lowest share price	123.27	123.05	149.95

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (40.79%)	**338,821**	**41.98**
	DENMARK (1.18%)	**9,827**	**1.22**
59,221	Ringkjoebing Landbobank	7,570	0.94
100,118	Vestas Wind Systems	2,257	0.28
	GERMANY (1.12%)	**4,264**	**0.53**
104,053	Evotec	1,274	0.16
103,977	Infineon Technologies	2,990	0.37
	IRELAND (1.11%)	**11,036**	**1.37**
78,999	Experian	2,604	0.32
23,518	Kerry	1,656	0.21
56,262	Kingspan	3,625	0.45
106,972	Smurfit Kappa	3,151	0.39
	JAPAN (2.20%)	**11,335**	**1.40**
4,612	Canadian Solar Infrastructure Fund	2,812	0.35
17,000	Keyence	6,074	0.75
132,900	TechnoPro	2,449	0.30
	NETHERLANDS (1.15%)	**11,673**	**1.45**
4,085	Adyen	4,080	0.51
11,151	ASML	7,593	0.94
	SWEDEN (1.42%)	**9,614**	**1.19**
292,593	Avanza Bank	4,672	0.58
29,221	Spotify Technology	4,942	0.61
	SWITZERLAND (0.97%)	**7,248**	**0.90**
72,156	Alcon	4,323	0.54
12,930	Roche	2,925	0.36
	UNITED KINGDOM (13.91%)	**123,166**	**15.27**
271,016	3i	6,719	0.83
185,394	Admiral	4,663	0.58
731,646	AJ Bell	2,313	0.29
83,415	Ashtead	4,339	0.54

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
47,612	AstraZeneca	4,999	0.62
185,126	Compass	4,032	0.50
1,675,668	ConvaTec	4,038	0.50
63,161	Croda International	3,035	0.38
916,959	DFS Furniture	1,060	0.13
19,233	Ferguson	2,856	0.35
346,001	GSK	5,425	0.67
712,157	Gym	755	0.09
1,442,266	Haleon	4,637	0.57
142,800	Halma	3,130	0.39
1,729,154	Helios Towers	1,368	0.17
12,000,004	Home REIT^	1,676	0.21
95,261	Intertek	4,280	0.53
3,538,994	IP	1,851	0.23
1,964,168	Legal & General	5,009	0.62
61,078	London Stock Exchange	5,462	0.68
1,584,268	Mobico	1,360	0.17
540,687	Molton Ventures	1,290	0.16
2,014,957	NatWest	4,536	0.56
566,826	Oxford Biomedica	1,031	0.13
824,536	Paragon Banking	5,801	0.72
269,562	Porvair	1,779	0.22
3,024,281	PRS REIT	2,546	0.32
267,184	Rentokil Initial	1,091	0.14
887,135	Rotork	2,780	0.34
2,859,614	SDCL Energy Efficiency Income Trust	1,559	0.19
239,444	Softcat	3,462	0.43
73,471	Spectris	2,718	0.34
34,079	Spirax-Sarco Engineering	3,410	0.42
507,344	St James's Place	3,318	0.41
1,287,829	Trainline	4,255	0.53
160,163	Unilever	6,161	0.76
546,225	Wise	4,422	0.55
	UNITED STATES OF AMERICA (17.73%)	**150,658**	**18.65**
9,230	Adobe	4,475	0.55
28,117	Advanced Drainage Systems	2,877	0.36
56,102	Agilent Technologies	5,731	0.71

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED STATES OF AMERICA (continued)		
75,832	Alphabet 'A'	8,337	1.03
31,788	American Tower REIT	4,884	0.61
23,119	Ansys	5,951	0.74
26,013	Autodesk	5,185	0.64
50,939	Bright Horizons Family Solutions	3,930	0.49
71,684	Brown & Brown	4,365	0.54
38,868	Cadence Design Systems	8,804	1.09
79,567	Charles Schwab	3,930	0.49
38,131	Ecolab	5,934	0.74
63,515	Edwards Lifesciences	3,912	0.48
4,807	Equinix REIT	3,132	0.39
23,349	Illumina	2,622	0.32
8,966	Intuit	4,444	0.55
14,781	Intuitive Surgical	4,388	0.54
33,540	IQVIA	5,483	0.68
37,156	Masimo	3,762	0.47
16,324	Morningstar	3,579	0.44
98,456	Nasdaq	4,466	0.55
597	NVR	3,306	0.41
15,612	Palo Alto Networks	4,149	0.51
22,391	Paylocity	2,786	0.35
48,477	PayPal	2,334	0.29
34,069	PTC	4,831	0.60
15,494	Thermo Fisher Scientific	6,555	0.81
17,114	TopBuild	4,961	0.61
49,382	Trex	3,159	0.39
88,882	Veralto	5,353	0.66
37,260	VeriSign	5,819	0.72
33,628	Visa 'A'	7,214	0.89
	BONDS (50.57%)	**432,244**	**53.56**
	UNITED KINGDOM GOVERNMENT BONDS (18.77%)	**186,096**	**23.06**
£ 203,150,000	United Kingdom Gilt 0.875% 31/7/2033	155,535	19.27
£ 58,695,000	United Kingdom Gilt 1.5% 31/7/2053	30,561	3.79

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (27.22%)	**222,691**	**27.60**
£ 2,900,000	3i 5.75% 3/12/2032	3,043	0.38
£ 4,000,000	Anglian Water Osprey Financing 2% 31/7/2028	3,245	0.40
£ 2,650,000	Annington Funding 3.184% 12/7/2029	2,369	0.29
£ 1,500,000	Annington Funding 3.935% 12/7/2047	1,133	0.14
£ 5,050,000	AT&T 7% 30/4/2040	5,745	0.71
£ 4,700,000	Aviva 5.125% 4/6/2050	4,472	0.55
£ 3,333,000	Aviva 6.875% Perpetual	3,091	0.38
£ 2,700,000	Banco Santander 2.25% 4/10/2032	2,351	0.29
£ 4,000,000	Barclays 7.09% 6/11/2029	4,248	0.53
£ 8,000,000	Barclays 8.407% 14/11/2032	8,517	1.06
£ 4,750,000	Blackstone Property Partners Europe Sarl 2.625% 20/10/2028	4,070	0.50
£ 4,400,000	BNP Paribas 6% 18/8/2029	4,602	0.57
£ 2,094,000	Bunzl Finance 1.5% 30/10/2030	1,701	0.21
£ 1,617,000	Bunzl Finance 2.25% 11/6/2025	1,554	0.19
£ 4,600,000	Cadent Finance 2.25% 10/10/2035	3,317	0.41
£ 3,200,000	Clarion Funding 1.25% 13/11/2032	2,369	0.29
£ 3,150,000	Compass 4.375% 8/9/2032	3,122	0.39
£ 3,500,000	CPUK Finance 3.69% 28/2/2047	3,238	0.40
£ 4,600,000	Deutsche Telekom International Finance 8.875% 27/11/2028	5,452	0.68
£ 6,050,000	Direct Line Insurance 4% 5/6/2032	4,904	0.61
£ 3,682,000	DWR Cymru Financing UK 2.375% 31/3/2034	2,707	0.34
£ 2,700,000	DWR Cymru Financing UK 2.5% 31/3/2036	2,079	0.26
£ 8,250,000	HSBC 7% 7/4/2038	8,911	1.10
£ 4,700,000	Legal & General 4.5% 1/11/2050	4,309	0.53
£ 1,969,000	Liberty Living Finance 3.375% 28/11/2029	1,785	0.22
£ 8,686,000	Lloyds Banking 2.707% 3/12/2035	6,975	0.86
£ 6,000,000	Lloyds Banking 6.625% 2/6/2033	6,104	0.76
£ 4,400,000	Logicor Financing Sarl 2.75% 15/1/2030	3,669	0.45
£ 3,250,000	London & Quadrant Housing Trust 2% 20/10/2038	2,152	0.27
£ 1,581,000	London Stock Exchange 1.625% 6/4/2030	1,346	0.17
£ 2,450,000	M&G 5.625% 20/10/2051	2,324	0.29
£ 1,000,000	M&G 6.34% 19/12/2063	941	0.12
£ 2,700,000	Motability Operations 3.625% 10/3/2036	2,378	0.29
£ 3,685,000	National Grid Gas 1.125% 14/1/2033	2,626	0.33
£ 12,000,000	Natwest 2.105% 28/11/2031	10,746	1.33
£ 1,400,000	Natwest 7.416% 6/6/2033	1,457	0.18
£ 3,350,000	Next 3.625% 18/5/2028	3,183	0.39
£ 1,500,000	NGG Finance 5.625% 18/6/2073	1,477	0.18

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (continued)		
£ 3,000,000	Optivo Finance 2.857% 7/10/2035	2,364	0.29
£ 3,300,000	Orange 8.125% 20/11/2028	3,804	0.47
£ 1,000,000	Orsted 2.125% 17/5/2027	916	0.11
£ 5,432,000	Orsted 2.5% 18/2/3021	3,833	0.48
£ 3,780,000	Pension Insurance 5.625% 20/9/2030	3,593	0.45
£ 3,200,000	Pension Insurance 8% 13/11/2033	3,422	0.42
£ 6,850,000	Phoenix 5.625% 28/4/2031	6,458	0.80
£ 2,100,000	Places for People Homes 3.625% 22/11/2028	1,961	0.24
£ 1,295,000	Places For People Treasury 6.25% 6/12/2041	1,364	0.17
£ 3,955,000	RL Finance Bonds No. 4 4.875% 7/10/2049	3,184	0.39
£ 3,000,000	Rothesay Life 7.734% 16/5/2033	3,192	0.40
£ 3,600,000	Scottish Hydro Electric Transmission 5.5% 15/1/2044	3,624	0.45
£ 4,272,000	Severn Trent Utilities Finance 2% 2/6/2040	2,729	0.34
£ 3,800,000	Severn Trent Utilities Finance 2.625% 22/2/2033	3,128	0.39
£ 3,000,000	Societe Generale 5.75% 22/1/2032	3,031	0.38
£ 3,450,000	Southern Gas Networks 1.25% 2/12/2031	2,614	0.32
£ 3,071,000	Southern Housing 2.375% 8/10/2036	2,230	0.28
£ 1,500,000	Standard Chartered 5.125% 6/6/2034	1,411	0.18
£ 3,286,000	United Utilities Water Finance 0.875% 28/10/2029	2,643	0.33
£ 7,050,000	Verizon Communications 3.375% 27/10/2036	5,864	0.73
£ 2,000,000	Vodafone 4.875% 3/10/2078	1,949	0.24
£ 4,850,000	Vodafone 5.9% 26/11/2032	5,187	0.64
£ 4,007,000	Whitbread 3% 31/5/2031	3,418	0.42
£ 2,300,000	Yorkshire Building Society 3.375% 13/9/2028	2,087	0.26
£ 3,333,000	Yorkshire Building Society 7.375% 12/9/2027	3,444	0.43
£ 5,410,000	Yorkshire Water Finance 1.75% 27/10/2032	4,005	0.50
£ 3,680,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	3,524	0.44
	EURO DEBT SECURITIES (1.80%)	**16,759**	**2.07**
€ 3,000,000	BNP Paribas 2.815% Perpetual	2,395	0.30
€ 5,700,000	Cellnex Finance 2% 15/2/2033	4,183	0.52
€ 4,000,000	Cooperatieve Rabobank UA 3.1% Perpetual	2,862	0.35
€ 5,250,000	Infrastrutture Wireless Italiane 1.75% 19/4/2031	3,985	0.49
€ 3,860,175	Stichting AK Rabobank Certificaten 6.5% Perpetual	3,334	0.41

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	US DOLLAR DEBT SECURITIES (2.78%)	**6,698**	**0.83**
$ 4,000,000	BNP Paribas 4.5% Perpetual	2,514	0.31
$ 5,200,000	Standard Chartered 7.014% Perpetual	4,184	0.52
	COLLECTIVE INVESTMENT SCHEMES (9.63%)	**39,424**	**4.89**
	GUERNSEY (0.41%)	**1,832**	**0.23**
1,686,681	Renewables Infrastructure	1,832	0.23
	IRELAND (5.05%)	**6,016**	**0.74**
521,369	Liontrust GF Sustainable Future US Growth Fund++	6,016	0.74
	UNITED KINGDOM (4.17%)	**31,576**	**3.92**
3,740,364	Aquila European Renewables Income Fund	2,584	0.32
4,376,000	Asian Energy Impact Trust~	1,077	0.13
5,956,035	Atrato Onsite Energy	4,467	0.56
6,370,716	Downing Renewables & Infrastructure Trust	5,734	0.71
1,816,923	Greencoat UK Wind	2,611	0.33
1,214,915	JLEN Environmental Assets	1,178	0.15
12,123,650	Liontrust Sustainable Future Corporate Bond Fund+	11,558	1.43
3,848,592	Triple Point Energy Transition	2,367	0.29
	Portfolio of investments	**810,489**	**100.43**
	Net other liabilities	**(3,463)**	**(0.43)**
	Total net assets	**807,026**	**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 January 2023.

Stocks shown as REITs represent Real Estate Investment Trust.

\+ Managed by Liontrust Fund Partners LLP.

++ Managed by Liontrust Investment Partners LLP.

^ Suspended Security.

~ Unquoted security.

Sustainable Future Defensive Managed Fund (continued)

Statement of Total Return
for the year ended 31 January 2024

	Notes	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Income					
Net capital losses	2		(6,646)		(152,226)
Revenue	3	28,522		28,043	
Expenses	4	(7,797)		(9,965)	
Interest payable and similar charges	6	(6)		(9)	
Net revenue before taxation		20,719		18,069	
Taxation	5	(2,874)		(1,998)	
Net revenue after taxation			17,845		16,071
Total return before distributions			**11,199**		**(136,155)**
Distributions	7		(24,082)		(24,042)
Change in net assets attributable to shareholders from investment activities			**(12,883)**		**(160,197)**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2024

	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Opening net assets attributable to shareholders		**1,098,433**		**1,320,206**
Amounts received on issue of shares	7,889		84,628	
Amounts paid on cancellation of shares	(286,414)		(146,204)	
		(278,525)		(61,576)
Dilution adjustment		1		–
Change in net assets attributable to shareholders from investment activities		(12,883)		(160,197)
Closing net assets attributable to shareholders		**807,026**		**1,098,433**

Sustainable Future Defensive Managed Fund (continued)

Balance Sheet

as at 31 January 2024

	Notes	31.1.2024 (£'000)	31.1.2023 (£'000)
Assets			
Fixed assets			
Investments		810,489	1,109,339
Current assets:			
Debtors	8	4,757	9,603
Cash and bank balances	9	4,840	823
Total assets		**820,086**	**1,119,765**
Liabilities			
Provision for liabilities	10	(2)	(22)
Creditors:			
Distribution payable		(9,782)	(11,718)
Other creditors	11	(3,276)	(9,592)
Total liabilities		**(13,060)**	**(21,332)**
Net assets attributable to shareholders		**807,026**	**1,098,433**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements
for the year ended 31 January 2024

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 12 to 14.

2 Net capital losses

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
The net capital losses comprise:		
Non-derivative securities	(6,365)	(152,094)
Foreign currency losses	(281)	(132)
Net capital losses	**(6,646)**	**(152,226)**

3 Revenue

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Bank interest	277	8
Equity distributions on CIS holdings	1,167	827
Interest distributions on CIS holdings	542	640
Interest from overseas fixed income securities	3,677	3,742
Interest from UK fixed income securities	15,799	12,168
Management fee rebates on CIS	47	50
Non-taxable overseas dividends	2,051	2,503
Overseas REIT dividends	–	417
Revenue from short-term money market funds	452	766
Stock lending income	–	114
UK dividends	4,139	5,755
UK REIT dividends	101	683
US REIT dividends	270	370
Total revenue	**28,522**	**28,043**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

4 Expenses

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	6,804	8,676
General administration charges*	993	1,289
Total expenses	**7,797**	**9,965**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,850 (2023: £10,850). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

5 Taxation

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
a) Analysis of the tax charge for the year		
Corporation tax	2,674	1,797
Less: Double taxation relief	(42)	(92)
Overseas tax	312	299
Deferred tax credit [see note(c)]	–	(6)
Corporation tax prior year adjustment	(50)	–
Deferred tax prior year adjustment	(20)	–
Total tax charge [see note(b)]	**2,874**	**1,998**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

5 Taxation (continued)

b) Factors affecting the tax charge for the year

The taxation assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Net revenue before taxation	20,719	18,069
Corporation tax at 20% (2023 - 20%)	4,144	3,614
Effects of:		
Double taxation relief	(41)	(98)
Overseas tax	312	299
Corporation tax prior year adjustment	(50)	–
Deferred tax prior year adjustment	(20)	–
Revenue not subject to tax	(1,471)	(1,817)
Total tax charge [see note(a)]	**2,874**	**1,998**

Authorised investment companies with variable capital are exempt from UK tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c) Deferred tax

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Opening deferred tax liability	22	28
Prior year adjustment	(20)	–
Deferred tax credit for the year (see note 5a)	–	(6)
Closing deferred tax liability	**2**	**22**

6 Interest payable and similar charges

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Overdraft interest	6	9
Total interest payable and similar charges	**6**	**9**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

7 Distributions

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Interim distribution	12,391	11,547
Final distribution	9,782	11,718
	22,173	**23,265**
Amounts deducted on cancellation of shares	1,955	991
Amounts received on issue of shares	(46)	(214)
Distributions	**24,082**	**24,042**
The distributable amount has been calculated as follows:		
Net revenue after taxation	17,845	16,071
Less: Tax relief on capitalised expenses	(1,560)	(1,994)
Add: ACD's charge reimbursed by capital	6,804	8,676
Add: Other expenses reimbursed by capital	993	1,289
Distributions	**24,082**	**24,042**

The distribution per share is set out in the tables on page 118.

8 Debtors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued management fee rebates on CIS	5	4
Accrued revenue	4,371	6,749
Amounts receivable for issue of shares	8	1,288
Corporation tax recoverable	34	–
Currency sales awaiting settlement	10	19
Overseas withholding tax	289	257
Sales awaiting settlement	40	1,286
Total debtors	**4,757**	**9,603**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

9 Cash and bank balances

	31.1.2024 (£'000)	31.1.2023 (£'000)
Cash and bank balances	4,840	823
Total cash and bank balances	**4,840**	**823**

10 Provision for liabilities

	Deferred tax provision (£'000)	Total (£'000)
At 31 January 2023	22	22
Deferred tax prior year adjustment	(20)	(20)
At 31 January 2024	**2**	**2**

	Deferred tax provision (£'000)	Total (£'000)
At 31 January 2022	28	28
Origination and reversal of timing differences	(6)	(6)
At 31 January 2023	**22**	**22**

11 Creditors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued expenses	77	93
Accrued ACD's charge	506	677
Amounts payable for cancellation of shares	2,684	3,796
Corporation tax	–	1,001
Currency purchases awaiting settlement	9	19
Purchases awaiting settlement	–	4,006
Total other creditors	**3,276**	**9,592**

12 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: £nil).

13 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

13 Related party transactions (continued)

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are included within Notes 8 and 11.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £583,000 (2023: £770,000).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was £7,797,000 (2023: £9,965,000).

The total rebate of expenses paid by Liontrust Fund Partners LLP and its associates for the year was £47,000 (2023: £50,000).

The total rebate of expenses balance due from Liontrust Fund Partners LLP and its associates at the year end was £5,000 (2023: £4,000).

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Securities lending

The Sub-fund engages in security lending activities which expose the Sub-fund to counterparty credit risk. The maximum exposure to the Sub-fund is equal to the value of the securities loaned.

Securities lending transactions entered into by the Sub-fund are subject to a written legal agreement between the Sub-fund and the Stock Lending Agent, The Bank of New York Mellon (London Branch), 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 Depositary on behalf of the Sub-fund. Collateral received is segregated from the assets belonging to the Sub-fund's Depositary or the Stock Lending Agent. All operational costs are borne out of the Stock Lending Agent's share of income earned.

The total income earned from securities lending transactions is split between the relevant Sub-fund and the Stock Lending Agent. The Sub-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 tables below show the net income earned by the Sub-funds from securities lending activity during the year to 31 January 2024.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Defensive Managed Fund				
Securities lending				
Gross return	–	–	–	–
% of total	70%	0%	30%	100%
Cost	–	–	–	–

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2023.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	114	–	49	163
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Securities lending (continued)

Securities on loan and collateral received
At 31 January 2024, there were no securities on loan or related collateral outstanding (31 January 2023: Nil).

Collateral accepted is non-cash in the form of sovereign debt rated AA or better from approved governments only, supranational debt obligations rated AAA or better listed on a recognised exchange.

Management of counterparty credit risk related to securities lending
To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. At the year end all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange.

The Sub-fund also benefits from a borrower default indemnity provided by The Bank of New York Mellon (London Branch). The indemnity allows for full replacement of securities lent. The Bank of New York Mellon (London Branch) bears the cost of indemnification against borrower default.

15 Risk management policies

In accordance with the investment objectives and policies the Sub-fund can hold certain financial instruments as detailed in the Sub-fund's prospectus. These can comprise of:

- equity, equity related and non-equity shares;
- Investment grade corporate bonds and government bonds (both sterling and non-sterling);
- Sub-investment grade bonds, covered bonds and preference shares;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- short-term borrowings used to finance operational cash flows;
- units and shares in collective investment schemes;
- shareholders' funds, which represent investors' monies which are invested on their behalf from overseas investments held;
- derivative transactions for investment purposes as well as efficient portfolio management in accordance with the Sub-fund's investment policies.

In accordance with the requirements of the rules in the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Sub-fund is not permitted to trade in other financial instruments. The Sub-fund's use of financial instruments during the year satisfies these regulatory requirements.

The main risks arising from the Sub-fund's financial instruments are market price (including "emerging markets price risk"), currency, interest rate, liquidity and counterparty credit risk. The ACD's policies for managing these risks are summarised below. The Sub-fund, alongside an independent risk function, has used a combination of risk measurements and limits to measure and monitor portfolio risk. This is in line with the Liontrust Group's Risk Management Process.

These policies have remained unchanged since the beginning of the year to which these financial statements relate and during the prior year.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Market price risk
Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet an acceptable risk reward profile. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes and for investment purposes.

The Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the prospectus.

As at 31 January 2024 and 31 January 2023 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2024, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 14.8%.

As at 31 January 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.7%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

The Sub-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR).

The calculation of conversion methods for the commitment approach for standard derivatives is taken from the conversion methodologies listed in the ESMA Guidelines on calculation of Global Exposure and Counterparty Risk. The commitment conversion methodology for standard derivatives is either the notional value or the market value of the equivalent position in the underlying asset. Please refer to the portfolio statement for the notional values of any forwards and futures contracts.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Market price risk (continued)

VaR is a method of estimating potential loss due to market risk, rather than a statement of leverage, using a given confidence level, or probability, over a specific time period and assuming normal market conditions. VaR is calculated using a Historical Simulation model carried out in accordance with regulatory guidelines.

The Sub-fund uses a combination of other risk measurements and limits. This is in line with the Liontrust Group's Risk Management Process.

The Sub-fund did not materially use derivatives in the current or prior year and the level of leverage employed by the Sub-fund during the current or prior year is not considered to be significant.

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments may be significantly affected by currency risk movements as some of the assets and income are denominated in currencies other than Sterling, which is the Company's functional and reporting currency.

The ACD has identified three principal areas where foreign currency risk could impact the Sub-fund:

- Movements in exchange rates affecting the value of investments;
- Movements in exchange rates affecting short-term timing differences; and
- Movements in exchange rates affecting the income received.

Currency exposure is monitored closely and is considered to be part of the overall investment process. Currency hedges via forward exchange contracts will only be used in the event of a specific unwanted currency risk being identified.

The Sub-fund may be subject to short-term exposure to exchange rate movements, for instance, where there is a difference between the date an investment purchase or sale is entered into and the date when settlement of the proceeds occurs. The ACD believes that the impact of such movements is not significant enough to warrant the cost incurred of eliminating them via hedging.

The Sub-fund may receive income in currencies other than Sterling, and the Sterling values of this income can be affected by movements in exchange rates. The Sub-fund converts all receipts of income into Sterling on or near the date of receipt; it does not, however, hedge or otherwise seek to avoid exchange rate risk on income accrued but not received.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Currency risk (continued)
At 31 January 2024 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	1	–	1
Danish Krone	17	9,827	9,844
Euro	321	40,562	40,883
Japanese Yen	153	11,335	11,488
Swedish Krona	134	4,672	4,806
Swiss Franc	–	7,247	7,247
United States Dollar	153	163,376	163,529
	779	**237,019**	**237,798**

At 31 January 2023 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	2	–	2
Danish Krone	16	12,993	13,009
Euro	464	54,102	54,566
Japanese Yen	336	24,214	24,550
Swedish Krona	96	7,573	7,669
Swiss Franc	–	10,642	10,642
United States Dollar	723	246,240	246,963
	1,637	**355,764**	**357,401**

If the exchange rate at 31 January 2024 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.29%/(0.29)% respectively.

If the exchange rate at 31 January 2023 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.33%/(0.33)% respectively.

Interest rate risk
Interest rate risk is the risk that the revenue cash flow or the fair value of investments may be adversely affected by movements in market interest rates.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Interest rate risk (continued)

Between 10% and 60% (typically 25%) of the Sub-fund's financial assets will be in interest bearing financial assets and liabilities. As a result the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates. The ACD may from time to time enter into derivative contracts on behalf of the Sub-fund that seeks to mitigate the effects of these movements.

Interest receivable on bank deposits and short-term deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The interest rates earned on sterling deposits are earned at a rate in line with overnight bank rates.

The interest rate risk profile of investment assets and liabilities at 31 January 2024 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non-Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	2,395	429,849	378,245	810,489
Investment liabilities	–	–	–	–

The interest rate risk profile of investment assets and liabilities at 31 January 2023 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non-Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	15,620	539,887	553,832	1,109,339
Investment liabilities	–	–	–	–

At 31 January 2024, if interest rates had strengthened/weakened by 1.00% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 8.83%.

At 31 January 2023, if interest rates had strengthened/weakened by 1.00% with all other variables held constant this would have increased/decreased the net fixed income assets attributable to investors in the Sub-fund by approximately 8.84%.

Liquidity risk

Liquidity risk is the risk that the Sub-fund will not be able to meet its obligations as they fall due. The Sub-fund's assets comprise mainly of readily realisable securities which can be sold to meet liquidity requirements.

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-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 Sub-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. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Liquidity risk (continued)
The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria and can make it difficult to establish accurate estimates of fundamental value. The lack of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD's ability to execute substantial deals.

The main liquidity risk of the Sub-fund is the redemption of any shares that investors wish to sell, which are redeemable on demand under the Prospectus. Where investments cannot be realised in time to meet any potential liability, the Sub-fund may borrow up to 10% of its value to ensure settlement.

In accordance with the ACD's policy, the ACD monitors the Sub-fund's liquidity on a daily basis.

Counterparty credit risk
Counterparty credit risk is the risk of suffering loss due to another party not meeting its financial obligation. Investments may be adversely affected if any of the institutions with which money is deposited or invested suffers insolvency or other financial difficulties or the credit rating of the bearers of the bonds held by the Sub-fund are downgraded.

The table below summarises the credit quality of the Sub-fund's debt portfolio as at 31 January 2024 and 31 January 2023.

Summary of Credit ratings	31.1.2024 (£'000)	31.1.2023 (£'000)
Investment grade	405,136	486,177
Below Investment grade	20,529	58,783
Not Rated	6,579	10,547
Total	**432,244**	**555,507**

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty. This list is reviewed at least annually.

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan.

At the balance sheet date, there were no counterparties to open derivative contracts (2023: none). At the year end collateral of £Nil (2023: £Nil) was received; collateral pledged was £Nil (2023: £Nil) and none (2023: none) of the Sub-fund's financial assets were past due or impaired.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Counterparty credit risk (continued)
The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2024 and at 31 January 2023 was A (Standard & Poor's rating).

BNYMSA, in the discharge of its delegated Depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the Sub-fund's rights with respect to its assets to be delayed or may result in the Sub-fund not receiving the full value of its assets.

Maturity profile of financial liabilities
All financial liabilities of the Sub-fund at the current and prior year-end are due to settle in one year or less, or on demand.

Fair value of financial assets and liabilities
There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation of financial investments

31.1.2024	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	542,836	–
Level 2: Observable market data	264,900	–
Level 3: Unobservable data	2,753	–
	810,489	**–**

31.1.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	681,462	–
Level 2: Observable market data	423,311	–
Level 3: Unobservable data	4,566	–
	1,109,339	**–**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Valuation of financial investments (continued)

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.*

*The Level 3 assets held in the Sub-fund have been identified in the portfolio statement and have been valued based on the last traded price with a discount applied.

16 Share movement

For the year ending 31 January 2024

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Income	770,850,581	4,119,007	(213,096,193)	–	561,873,395
Class 3 Net Income	60,498,011	2,016,618	(13,233,098)	–	49,281,531

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

17 Portfolio transaction costs
for the year ending 31 January 2024

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	79,337	43	0.05	206	0.26
Debt instruments (direct)	124,361	–	–	–	–
Collective investment schemes	5,300	–	–	–	–
Total purchases	**208,998**	**43**		**206**	
Total purchases including transaction costs	**209,247**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	187,780	78	0.04	1	–
Debt instruments (direct)	242,872	–	–	–	–
Collective investment schemes	17,254	9	0.05	–	–
Total sales	**447,906**	**87**		**1**	
Total sales net of transaction costs	**447,818**				
Total transaction costs		**130**		**207**	
Total transaction costs as a % of average net assets		**0.01%**		**0.02%**	

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

17 Portfolio transaction costs (continued)
for the year ending 31 January 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	164,881	77	0.05	321	0.19
Debt instruments (direct)	412,170	–	–	–	–
Collective investment schemes	1,931	–	–	–	–
Total purchases	**578,982**	**77**		**321**	
Total purchases including transaction costs	**579,380**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	217,865	103	0.05	2	–
Debt instruments (direct)	282,690	–	–	–	–
Collective investment schemes	12,951	8	0.06	–	–
Total sales	**513,506**	**111**		**2**	
Total sales net of transaction costs	**513,393**				
Total transaction costs		**188**		**323**	
Total transaction costs as a % of average net assets		**0.01%**		**0.03%**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally, for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

For the Sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.33% (2023: 0.38%).

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

18 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Net Income share has increased by 0.66% to 02 May 2024. The other share classes in the Sub-fund have moved by a similar magnitude.

Sustainable Future Defensive Managed Fund (continued)

Distribution Tables
for the year ended 31 January 2024

Final distribution

Group 1 - Shares purchased prior to 1 August 2023

Group 2 - Shares purchased 1 August 2023 to 31 January 2024

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2024 Pence per share	Distribution paid 31.3.2023 Pence per share
Class 2 Net Income - Group 1	1.5969	–	1.5969	1.4069
Class 2 Net Income - Group 2	0.8280	0.7689	1.5969	1.4069
Class 3 Net Income - Group 1	1.6418	–	1.6418	1.4423
Class 3 Net Income - Group 2	0.7045	0.9373	1.6418	1.4423

Interim distribution

Group 1 - Shares purchased prior to 1 February 2023

Group 2 - Shares purchased 1 February 2023 to 31 July 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2023 Pence per share	Distribution paid 30.9.2022 Pence per share
Class 2 Net Income - Group 1	1.6593	–	1.6593	1.3125
Class 2 Net Income - Group 2	0.9174	0.7419	1.6593	1.3125
Class 3 Net Income - Group 1	1.7034	–	1.7034	1.3436
Class 3 Net Income - Group 2	0.7327	0.9707	1.7034	1.3436

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Sustainable Future European Growth Fund

Report for the year from 1 February 2023 to 31 January 2024

Investment Objective

The Sub-fund aims to deliver capital growth over the long-term (5 years or more) through investment in sustainable securities.

Investment Policy

The Sub-fund will invest in companies which are incorporated, domiciled, listed or conduct significant business in the EEA or Switzerland and will seek to achieve the investment objective through investment in securities that provide or produce sustainable products and services as well as having a progressive approach to the management of environmental, social and governance (ESG) issues. Further information on the investment process can be found in the Prospectus.

All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

The Sub-fund may also invest a maximum of 5% in UK listed securities.

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

The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Sustainable Future European Growth Fund (continued)

Investment review

Sub-fund review

The Sub-fund (Class 2 accumulation) returned 1.8% over the period under review, versus the 7.9% return from the MSCI Europe ex-UK Index and the 7.5% IA Europe ex-UK sector average (both of which are comparator benchmarks)*.

The Sub-fund's performance versus the index and sector was negatively affected by the market reaction to the 'higher for longer' interest rates message from the US Federal Reserve, which impacts the cost of capital across the world. The resulting rise in rate expectations, and therefore discount rates, has impacted all asset classes, but particularly the growth and quality companies that we believe are tackling the world's most challenging problems.

The other main headwind caused by a higher cost of capital and macroeconomic worries was the long-term overweight position the fund has in small and mid-sized companies. The market views these companies as higher risk compared to large-caps more stable, but slower growing companies, which have continued a historic run of outperformance.

Interest rates are likely close to peak levels and are predicted to start falling in 2024, with the current higher interest rates quelling inflationary pressures and cooling the economy.

Given this market view and the fact that interest rate rises were the primary catalyst for the sell-off in the long duration 'growth' equities, and this Sub-fund which has a bias to faster growing companies, we could see the valuation multiples applied to growth equities stabilise as interest rate hikes come to an end. This would remove a significant valuation headwind faced by the Sub-fund over the past two years.

Another key theme this year negatively impacting some of our healthcare and consumer companies is destocking. Covid-19 supply chain disruptions induced many companies to over order and build up very large inventories to ensure they wouldn't run out of inputs. As Covid has diminished and supply chains have normalised, companies are now running down these inventories back to normal levels, while also facing a lower demand from an impending recession.

This is painful normalisation process but it's not going to last forever and is providing the chance to add to some fantastic companies at very attractive valuations including **Qiagen** and **Lonza.**

Longer term, we believe the small-mid cap underperformance and historically low valuations will mean revert and destocking with healthcare and consumer companies will normalise. Our themes focusing on a cleaner, healthier and safer economy remain undiminished and our companies are trading historically cheaply for their growth and quality.

Having struggled in 2022 with worries about growth and margins, **Spotify** ended 2023 as the Sub-fund's top performer. We felt the market somewhat misunderstood the company and its potential, namely around the key metrics that we believe are important for Spotify – specifically, user and subscriber growth. Recent quarterly results show that Spotify has been growing these metrics strongly, with both exceeding expectations and management clearly communicating a pivot to profitability.

Long term holding **3i Group**, exposed to our *Increasing financial resilience* theme, maintained its strong performance following a series of encouraging earnings release over the year. Most notably a resilient half year results in November noted a 10%, or £1.67 billion, return on opening shareholders' funds during a challenging economic and geopolitical environment. The company noted continued strong performance from discount retailer Action, as well as a number of holdings within the value for money, private label and healthcare space.

ASML, the Dutch semiconductor company held under our *Improving the efficiency of energy use* theme, performed strongly over the year, first benefitting from a sector-wide boost in stocks linked to artificial intelligence. The company also performed strongly in the final few months of the year as investors began to anticipate an interest rate pivot. ASML remains at the forefront of improving semiconductor fabrication through EUV development and holistic lithography.

Shares in bioprocessing equipment and consumables manufacturer **Sartorius Stedim** fell after lowering its full-year sales guidance, citing longer-than-expected inventory reduction among biopharma customers following the Covid-19 pandemic. Held under our *Enabling innovation in healthcare* theme, Sartorius Stedim provides all the equipment and consumables used in biologic drug

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

development and manufacturing. Currently around one third of drugs are considered "biologic" including gene and cell therapies, but these therapies are set to dominate the market over the next decade with more effective and targeted treatments.

Sartorius Stedim helps us ride this wave of change in pharmaceuticals without having to pick individual winners (what's known as a picks and shovels approach to this goldrush). While we are disappointed in the short-term performance, we remain confident in the long-term prospects.

A number of positions were added over the year, including **AutoStore** under our *Improving the resource efficiency of industrial and agricultural processes* theme. AutoStore is the market leader in "cubic" automated storage and retrieval systems (AS/RS) for warehouses. Over the past 25 years AutoStore has developed compact design to store and retrieve products in warehouses in a simple Rubik's cube design. The system uses autonomous robots moving on top of an aluminium grid to store and retrieve bins and deliver products to port stations for packing and transport.

We also re-added **Kingspan** under our *Improving the efficiency of energy use* theme for very strong sustainable investment reasons and because the company has now implemented the required controls around product certification and fire safety. Continued engagement with the company by the Sustainable Investment team has provided the reassurance that deficiencies highlighted by the Grenfell Tower inquiry will not occur again.

Kingspan's products dramatically improve the energy efficiency of buildings. The company estimates that through the use of its products sold in 2022, 173 million tonnes of CO2 will be saved, equivalent to the energy use of around 20 million homes. We believe Kingspan is well positioned to have a significant impact in reducing global energy use from buildings, which is essential if we are to prevent global warming exceeding the 1.5C threshold that the IPCC (Intergovernmental Panel on Climate Change) warns is critical.

Live event ticketing company **CTS Eventim** was added under our *Encouraging sustainable leisure* theme. The company operates an online booking system that allows event promoters to sell their tickets to millions of fans. As part of our theme, we believe this is socially positive form of consumption.

Swiss multinational specialty chemical company **Sika** was added under our *Building better cities* theme. Sika produces specialist chemicals for the building industry – these are adhesives, sealants, acoustic, protective and reinforcing systems and products. These range from admixtures to cement/concrete to improve its characteristics, for instance waterproofing or structural qualities. It helps to improve the performance of materials and so reducing the amount of material used, or prolongs its life. They also have innovative additives for cement to reduce CO2 emissions and for recycling of old concrete for re-use.

Private equity company **3i Group** was added under our *Increasing financial resilience* theme. 3i predominantly invests in retail, infrastructure, healthcare, technology and industrial. They have strong responsible investment policies and firm exclusion on no-go areas.

We added industrial manufacturing company **Siemens** under our *Improving the resource efficiency of industrial and agricultural processes* theme. Siemens has restructured itself into just four main divisions: Digital Industries; Smart Infrastructure; Healthineers and Mobility. These help to drive improvements in resource efficiency; electricity use; diagnostics and health; and mass transport (trains). Each of these divisions will grow as our economies become more sustainable.

We also added Swiss sports brand **On Holdings** under our *Enabling healthier lifestyles* theme. Founded in 2008, On focuses on performance training shoes for running and other sports. The company has developed its brand to focus on performance and sustainability and is constantly innovating to improve the quality and reduce the impact of its products. Some of its innovations include a resale platform for used goods called Onward, a subscription product service called Cyclon designed to close the loop in footwear and apparel, as well as aiming for 100% recycled or organic cotton and 100% recycled polyester and polyamide. We believe the company is well placed to benefit from our *Enabling healthier lifestyles* theme as people focus more sports and activity.

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

In terms of sells, we exited our position in **CANCOM**, the German IT solutions company, due to a deterioration in our assessment of the management quality, specifically their asset allocation choices and ability to capitalise on the thematic growth towards a more digitised economy and increased spend on digital security.

Long-term holding **Kone** was sold for portfolio construction reasons. We still admire Kone, its business model and its long-term prospects – despite the nearer term slowdown in their China business.

We sold the Sub-fund's position in card box manufacturer **Smurfit Kappa** on asset allocation grounds, recognising the potential integration risk from a proposed large acquisition in the United States. We have recycled the capital to other areas of the portfolio with a higher risk reward ratio.

**Source: Financial Express, bid-to-bid, net of fees, 31.01.24. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested.

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.

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
CTS Eventim	Cancom
Siemens	Smurfit Kappa
Kingspan	SAP
Sika	Puma
On	Lifco
AutoStore	Haleon
3i	Befesa
Puma	Alcon
Qiagen	Qiagen
Adyen	Topicus.com

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.

Typically lower rewards,
lower risk

Typically higher rewards,
higher risk

1	2	3	4	5	6	7

- 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 Sub-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 Sub-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 Sub-fund or a representative fund or Index's value has moved up and down in the past.
- The Sub-fund invests in Developed European (ex UK) equities. The Sub-fund may also invest in other eligible asset classes as detailed within the prospectus.
- All investments will be expected to conform to our social and environmental criteria.
- The Sub-fund is categorised 6 primarily for its exposure to European (ex UK) equities.
- The SRRI may not fully take into account the following risks:
  - That a company may fail thus reducing its value within the Sub-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 Sub-fund.
- The Sub-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 Sub-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 Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-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.
- Outside of normal conditions, the Sub-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.

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

- The Sub-fund's investment objective is to target capital growth for investors. Growth stocks tend to pay out lower levels of dividend resulting in lower income yields and may produce more volatile returns than the market as a whole.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- 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 Sub-fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 1) or online at www.liontrust.co.uk.

Sustainable Future European Growth Fund (continued)

Comparative Tables
for the year ended 31 January 2024

Class 2 Net Accumulation Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	267.33	312.05	297.50
Return before operating charges	2.50	(42.40)	17.51
Operating charges	(2.23)	(2.32)	(2.96)
Return after operating charges	0.27	(44.72)	14.55
Distributions	(1.69)	(2.26)	(1.95)
Retained distributions on accumulation shares	1.69	2.26	1.95
Closing net asset value per share	**267.60**	**267.33**	**312.05**
After direct transaction costs of*	(0.15)	(0.14)	(0.23)
Performance			
Return after charges	0.10%	(14.33%)	4.89%
Other information			
Closing net asset value (£'000)	146,213	223,070	379,171
Closing number of shares	54,637,580	83,443,622	121,507,785
Operating charges**	0.87%	0.88%	0.89%
Direct transaction costs*	0.06%	0.05%	0.07%
Prices			
Highest share price	281.97	320.04	367.93
Lowest share price	224.17	222.20	297.13

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future European Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2024

Class 3 Net Accumulation Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	385.76	448.38	425.63
Return before operating charges	3.70	(60.91)	24.89
Operating charges	(1.67)	(1.71)	(2.14)
Return after operating charges	2.03	(62.62)	22.75
Distributions	(3.98)	(4.10)	(4.18)
Retained distributions on accumulation shares	3.98	4.10	4.18
Closing net asset value per share	**387.79**	**385.76**	**448.38**
After direct transaction costs of*	(0.21)	(0.20)	(0.33)
Performance			
Return after charges	0.53%	(13.97%)	5.35%
Other information			
Closing net asset value (£'000)	119,493	135,503	167,939
Closing number of shares	30,813,915	35,125,956	37,454,337
Operating charges**	0.45%	0.45%	0.45%
Direct transaction costs*	0.06%	0.05%	0.07%
Prices			
Highest share price	406.96	459.87	528.15
Lowest share price	324.48	320.24	425.27

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future European Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2024

Class 6 Income Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022+ per share (p)
Change in net assets per share			
Opening net asset value per share	76.64	90.23	100.00
Return before operating charges	0.71	(12.26)	(9.35)
Operating charges	(0.64)	(0.67)	(0.42)
Return after operating charges	0.07	(12.93)	(9.77)
Distributions	(0.48)	(0.66)	—
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	**76.23**	**76.64**	**90.23**
After direct transaction costs of*	(0.04)	(0.04)	(0.03)
Performance			
Return after charges	0.09%	(14.33%)	(9.77%)
Other information			
Closing net asset value (£'000)	417	403	143
Closing number of shares	546,534	526,339	157,987
Operating charges**	0.87%	0.88%	0.88%
Direct transaction costs*	0.06%	0.05%	0.07%
Prices			
Highest share price	80.83	92.54	106.38
Lowest share price	63.86	63.70	87.45

\+ Launched on 9 August 2021.

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future European Growth Fund (continued)

Portfolio Statement
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (98.23%)	**258,272**	**97.05**
	BELGIUM (0.93%)	**1,650**	**0.62**
680,915	Unifiedpost	1,650	0.62
	DENMARK (12.33%)	**35,757**	**13.44**
180,686	Ambu	2,379	0.89
280,507	GN Store Nord	5,260	1.98
203,076	Netcompany	6,428	2.42
49,910	Ringkjoebing Landbobank	6,380	2.40
548,925	Tryg	9,263	3.48
268,224	Vestas Wind Systems	6,047	2.27
	FINLAND (1.14%)	**0**	**0.00**
	FRANCE (6.00%)	**15,307**	**5.75**
135,366	Edenred	6,399	2.40
41,603	Sartorius Stedim Biotech	8,908	3.35
	GERMANY (17.68%)	**44,543**	**16.74**
142,322	CTS Eventim	7,648	2.87
169,579	Evotec	2,077	0.78
37,348	HelloFresh	394	0.15
242,474	Infineon Technologies	6,973	2.62
115,066	Nagarro	8,991	3.38
177,778	Puma	5,702	2.14
45,185	SAP	6,197	2.33
46,214	Siemens	6,561	2.47
	IRELAND (2.82%)	**6,804**	**2.56**
105,596	Kingspan	6,804	2.56
	ITALY (2.16%)	**6,805**	**2.56**
869,015	Technogym	6,805	2.56
	LUXEMBOURG (3.13%)	**168**	**0.06**
5,989	Befesa	168	0.06

Sustainable Future European Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	NETHERLANDS (15.44%)	**45,163**	**16.97**
7,007	Adyen	6,998	2.63
22,940	ASML	15,619	5.87
126,770	Basic-Fit	2,913	1.09
249,733	Qiagen	8,597	3.23
182,739	Topicus.com	11,036	4.15
	NORWAY (3.32%)	**11,538**	**4.34**
3,041,780	AutoStore	4,419	1.66
462,403	DNB Bank	7,119	2.68
	SPAIN (1.50%)	**3,512**	**1.32**
405,835	Grifols	3,512	1.32
	SWEDEN (13.91%)	**33,128**	**12.44**
398,395	Avanza Bank	6,361	2.39
299,401	Kinnevik	2,568	0.96
350,835	Lifco	6,717	2.52
47,936	Spotify Technology	8,106	3.05
1,096,107	Svenska Handelsbanken	9,376	3.52
	SWITZERLAND (10.39%)	**35,048**	**13.16**
165,265	Alcon	9,900	3.72
19,310	Lonza	7,509	2.82
196,982	On	4,107	1.54
36,017	Roche	8,147	3.06
24,500	Sika	5,385	2.02
	UNITED KINGDOM (7.48%)	**18,849**	**7.09**
187,887	3i	4,658	1.75
1,003,515	Haleon	3,226	1.21

Sustainable Future European Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
3,000,761	Trustpilot	5,389	2.03
144,744	Unilever	5,576	2.10
	Portfolio of investments	**258,272**	**97.05**
	Net other assets	**7,851**	**2.95**
	Total net assets	**266,123**	**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 January 2023.

Sustainable Future European Growth Fund (continued)

Statement of Total Return

for the year ended 31 January 2024

	Notes	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Income					
Net capital losses	2		(5,309)		(86,467)
Revenue	3	5,440		7,602	
Expenses	4	(2,080)		(3,067)	
Interest payable and similar charges	6	(1)		(5)	
Net revenue before taxation		3,359		4,530	
Taxation	5	(651)		(774)	
Net revenue after taxation			2,708		3,756
Total return before distributions			**(2,601)**		**(82,711)**
Distributions	7		(2,719)		(4,240)
Change in net assets attributable to shareholders from investment activities			**(5,320)**		**(86,951)**

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 January 2024

	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Opening net assets attributable to shareholders		**358,976**		**547,253**
Amounts received on issue of shares	3,451		31,829	
Amounts paid on cancellation of shares	(93,418)		(137,082)	
		(89,967)		(105,253)
Change in net assets attributable to shareholders from investment activities		(5,320)		(86,951)
Retained distributions on accumulation shares		2,434		3,927
Closing net assets attributable to shareholders		**266,123**		**358,976**

Sustainable Future European Growth Fund (continued)

Balance Sheet
as at 31 January 2024

	Notes	31.1.2024 (£'000)	31.1.2023 (£'000)
Assets			
Fixed assets			
Investments		258,272	352,625
Current assets:			
Debtors	8	3,581	3,602
Cash and bank balances	9	6,752	6,761
Total assets		**268,605**	**362,988**
Liabilities			
Creditors:			
Other creditors	10	(2,482)	(4,012)
Total liabilities		**(2,482)**	**(4,012)**
Net assets attributable to shareholders		**266,123**	**358,976**

Sustainable Future European Growth Fund (continued)

Notes to the financial statements
for the year ended 31 January 2024

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 12 to 14.

2 Net capital losses

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
The net capital losses comprise:		
Non-derivative securities	(5,285)	(86,484)
Foreign currency (losses)/gains	(24)	17
Net capital losses	**(5,309)**	**(86,467)**

3 Revenue

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Bank interest	61	16
Non-taxable overseas dividends	4,917	6,931
Stock lending income	–	43
UK dividends	462	612
Total revenue	**5,440**	**7,602**

4 Expenses

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	1,805	2,649
General administration charges*	275	418
Total expenses	**2,080**	**3,067**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £9,200 (2023: £9,200). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

5 Taxation

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
a) Analysis of the tax charge for the year		
Overseas tax	651	774
Total tax charge [see note(b)]	**651**	**774**

b) Factors affecting the tax charge for the year
The taxation assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Net revenue before taxation	3,359	4,530
Corporation tax at 20% (2023 - 20%)	672	906
Effects of:		
Movement in unrecognised tax losses	404	602
Overseas tax	651	774
Revenue not subject to tax	(1,076)	(1,508)
Total tax charge [see note(a)]	**651**	**774**

Authorised investment companies with variable capital are exempt from UK tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c) Deferred tax
At the year end there is a potential deferred tax asset of £4,135,000 (2023: £3,731,000) due to tax losses of £20,676,000 (2023: £18,656,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Overdraft interest	1	5
Total interest payable and similar charges	**1**	**5**

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

7 Distributions

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Interim distribution	2,206	3,928
Final distribution	231	3
	2,437	**3,931**
Amounts deducted on cancellation of shares	296	377
Amounts received on issue of shares	(14)	(68)
Distributions	**2,719**	**4,240**
The distributable amount has been calculated as follows:		
Net revenue after taxation	2,708	3,756
Shortfall of income taken to capital	11	484
Distributions	**2,719**	**4,240**

The distribution per share is set out in the tables on page 149.

8 Debtors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Amounts receivable for issue of shares	–	16
Currency sales awaiting settlement	1,194	1,107
Overseas withholding tax	1,193	1,511
Sales awaiting settlement	1,194	968
Total debtors	**3,581**	**3,602**

9 Cash and bank balances

	31.1.2024 (£'000)	31.1.2023 (£'000)
Cash and bank balances	6,752	6,761
Total cash and bank balances	**6,752**	**6,761**

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

10 Creditors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued expenses	20	25
Accrued ACD's charge	133	186
Amounts payable for cancellation of shares	1,100	1,050
Corporation tax	35	35
Currency purchases awaiting settlement	1,194	1,102
Purchases awaiting settlement	–	1,614
Total other creditors	**2,482**	**4,012**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: £nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £153,000 (2023: £212,000).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was £2,080,000 (2023: £3,067,000).

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

13 Securities lending

The Sub-fund engages in security lending activities which expose the Sub-fund to counterparty credit risk. The maximum exposure to the Sub-fund is equal to the value of the securities loaned.

Securities lending transactions entered into by the Sub-fund are subject to a written legal agreement between the Sub-fund and the Stock Lending Agent, The Bank of New York Mellon (London Branch), 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 Depositary on behalf of the Sub-fund. Collateral received is segregated from the assets belonging to the Sub-fund's Depositary or the Stock Lending Agent. All operational costs are borne out of the Stock Lending Agent's share of income earned.

The total income earned from securities lending transactions is split between the relevant Sub-fund and the Stock Lending Agent. The Sub-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 tables below show the net income earned by the Sub-funds from securities lending activity during the year to 31 January 2024.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future European Growth Fund				
Securities lending				
Gross return	–	–	–	–
% of total	70%	0%	30%	100%
Cost	–	–	–	–

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2023.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	43	–	18	61
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

13 Securities lending (continued)

Securities on loan and collateral received

At 31 January 2024, there were no securities on loan or related collateral outstanding (31 January 2023: Nil).

Collateral accepted is non-cash in the form of sovereign debt rated AA or better from approved governments only, supranational debt obligations rated AAA or better listed on a recognised exchange.

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. At the year end all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange.

The Sub-fund also benefits from a borrower default indemnity provided by The Bank of New York Mellon (London Branch). The indemnity allows for full replacement of securities lent. The Bank of New York Mellon (London Branch) bears the cost of indemnification against borrower default.

14 Risk management policies

In accordance with the investment objectives and policies the Sub-fund can hold certain financial instruments as detailed in the Sub-fund's prospectus. These can comprise of:

- equity, equity related and non-equity shares;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- short-term borrowings used to finance operational cash flows;
- units and shares in collective investment schemes;
- shareholders' funds, which represent investors' monies which are invested on their behalf from overseas investments held;
- derivative transactions for investment purposes as well as efficient portfolio management in accordance with the Sub-fund's investment policies.

In accordance with the requirements of the rules in the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Sub-fund is not permitted to trade in other financial instruments. The Sub-fund's use of financial instruments during the year satisfies these regulatory requirements.

The main risks arising from the Sub-fund's financial instruments are market price (including "emerging markets price risk"), currency, interest rate, liquidity and counterparty credit risk. The ACD's policies for managing these risks are summarised below. The Sub-fund, alongside an independent risk function, has used a combination of risk measurements and limits to measure and monitor portfolio risk. This is in line with the Liontrust Group's Risk Management Process.

These policies have remained unchanged since the beginning of the year to which these financial statements relate and during the prior year.

Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Market price risk (continued)

order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet an acceptable risk reward profile. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes and for investment purposes.

The Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the prospectus.

As at 31 January 2024 and 31 January 2023 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2024, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 13.3%.

As at 31 January 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.6%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

The Sub-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR).

The calculation of conversion methods for the commitment approach for standard derivatives is taken from the conversion methodologies listed in the ESMA Guidelines on calculation of Global Exposure and Counterparty Risk. The commitment conversion methodology for standard derivatives is either the notional value or the market value of the equivalent position in the underlying asset. Please refer to the portfolio statement for the notional values of any forwards and futures contracts.

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Market price risk (continued)
VaR is a method of estimating potential loss due to market risk, rather than a statement of leverage, using a given confidence level, or probability, over a specific time period and assuming normal market conditions. VaR is calculated using a Historical Simulation model carried out in accordance with regulatory guidelines.

The Sub-fund uses a combination of other risk measurements and limits. This is in line with the Liontrust Group's Risk Management Process.

The Sub-fund did not materially use derivatives in the current or prior year and the level of leverage employed by the Sub-fund during the current or prior year is not considered to be significant.

Currency risk
Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments may be significantly affected by currency risk movements as some of the assets and income are denominated in currencies other than Sterling, which is the Company's functional and reporting currency.

The ACD has identified three principal areas where foreign currency risk could impact the Sub-fund:

- Movements in exchange rates affecting the value of investments;
- Movements in exchange rates affecting short-term timing differences; and
- Movements in exchange rates affecting the income received.

Currency exposure is monitored closely and is considered to be part of the overall investment process. Currency hedges via forward exchange contracts will only be used in the event of a specific unwanted currency risk being identified.

The Sub-fund may be subject to short-term exposure to exchange rate movements, for instance, where there is a difference between the date an investment purchase or sale is entered into and the date when settlement of the proceeds occurs. The ACD believes that the impact of such movements is not significant enough to warrant the cost incurred of eliminating them via hedging.

The Sub-fund may receive income in currencies other than Sterling, and the Sterling values of this income can be affected by movements in exchange rates. The Sub-fund converts all receipts of income into Sterling on or near the date of receipt; it does not, however, hedge or otherwise seek to avoid exchange rate risk on income accrued but not received.

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Currency risk (continued)
At 31 January 2024 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	67	11,036	11,103
Danish Krone	126	35,757	35,883
Euro	588	118,492	119,080
Norwegian Krone	–	11,538	11,538
Swedish Krona	769	25,022	25,791
Swiss Franc	59	30,941	31,000
United States Dollar	59	12,213	12,272
	1,668	**244,999**	**246,667**

At 31 January 2023 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	–	10,142	10,142
Danish Krone	165	44,232	44,397
Euro	1,231	182,976	184,207
Norwegian Krone	61	11,917	11,978
Swedish Krona	694	41,584	42,278
Swiss Franc	29	37,307	37,336
United States Dollar	43	8,348	8,391
	2,223	**336,506**	**338,729**

If the exchange rate at 31 January 2024 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.93%/(0.93)% respectively.

If the exchange rate at 31 January 2023 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.94%/(0.94)% respectively.

Interest rate risk
Interest rate risk is the risk that the revenue cash flow or the fair value of investments may be adversely affected by movements in market interest rates.

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Interest rate risk (continued)

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

Interest receivable on bank deposits and short-term deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The interest rates earned on sterling deposits are earned at a rate in line with overnight bank rates.

Liquidity risk

Liquidity risk is the risk that the Sub-fund will not be able to meet its obligations as they fall due. The Sub-fund's assets comprise mainly of readily realisable securities which can be sold to meet liquidity requirements.

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-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 Sub-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. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria and can make it difficult to establish accurate estimates of fundamental value. The lack of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD's ability to execute substantial deals.

The main liquidity risk of the Sub-fund is the redemption of any shares that investors wish to sell, which are redeemable on demand under the Prospectus. Where investments cannot be realised in time to meet any potential liability, the Sub-fund may borrow up to 10% of its value to ensure settlement.

In accordance with the ACD's policy, the ACD monitors the Sub-fund's liquidity on a daily basis.

Counterparty credit risk

Counterparty credit risk is the risk of suffering loss due to another party not meeting its financial obligation. Investments may be adversely affected if any of the institutions with which money is deposited or invested suffers insolvency or other financial difficulties or the credit rating of the bearers of the bonds held by the Sub-fund are downgraded.

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty. This list is reviewed at least annually.

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Counterparty credit risk (continued)

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan.

At the balance sheet date, there were no counterparties to open derivative contracts (2023: none). At the year end collateral of £Nil (2023: £Nil) was received; collateral pledged was £Nil (2023: £Nil) and none (2023: none) of the Sub-fund’s financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2024 and at 31 January 2023 was A (Standard & Poor's rating).

BNYMSA, in the discharge of its delegated Depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the Sub-fund's rights with respect to its assets to be delayed or may result in the Sub-fund not receiving the full value of its assets.

Maturity profile of financial liabilities

All financial liabilities of the Sub-fund at the current and prior year-end are due to settle in one year or less, or on demand.

Fair value of financial assets and liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation of financial investments

31.1.2024	Assets (£’000)	Liabilities (£’000)
Level 1: Quoted prices	258,272	–
	258,272	**–**

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Valuation of financial investments (continued)

31.1.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	352,625	–
	352,625	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.

15 Share movement

For the year ending 31 January 2024

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	83,443,622	526,261	(29,332,303)	–	54,637,580
Class 3 Net Accumulation	35,125,956	487,810	(4,799,851)	–	30,813,915
Class 6 Income	526,339	364,148	(343,953)	–	546,534

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

16 Portfolio transaction costs
for the year ending 31 January 2024

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	60,346	26	0.04	87	0.14
Total purchases	**60,346**	**26**		**87**	
Total purchases including transaction costs	**60,459**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	149,563	59	0.04	–	–
Total sales	**149,563**	**59**		**–**	
Total sales net of transaction costs	**149,504**				

Total transaction costs		**85**		**87**	
Total transaction costs as a % of average net assets		**0.03%**		**0.03%**	

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

16 Portfolio transaction costs (continued)
for the year ending 31 January 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	80,609	37	0.05	107	0.13
Total purchases	**80,609**	**37**		**107**	
Total purchases including transaction costs	**80,753**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	175,011	73	0.04	–	–
Total sales	**175,011**	**73**		**–**	
Total sales net of transaction costs	**174,938**				
Total transaction costs		**110**		**107**	
Total transaction costs as a % of average net assets		**0.03%**		**0.02%**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally, for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.37% (2023: 0.19%).

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

17 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Net Accumulation share has increased by 1.67% to 02 May 2024. The other share classes in the Sub-fund have moved by a similar magnitude.

Sustainable Future European Growth Fund (continued)

Distribution Tables

for the year ended 31 January 2024

Final distribution

Group 1 - Shares purchased prior to 1 August 2023

Group 2 - Shares purchased 1 August 2023 to 31 January 2024

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2024 Pence per share	Distribution paid 31.3.2023 Pence per share
Class 2 Net Accumulation - Group 1	–	–	–	–
Class 2 Net Accumulation - Group 2	–	–	–	–
Class 3 Net Accumulation - Group 1	0.7488	–	0.7488	0.0094
Class 3 Net Accumulation - Group 2	0.1720	0.5768	0.7488	0.0094
Class 6 Income - Group 1	–	–	–	–
Class 6 Income - Group 2	–	–	–	–

Interim distribution

Group 1 - Shares purchased prior to 1 February 2023

Group 2 - Shares purchased 1 February 2023 to 31 July 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2023 Pence per share	Distribution paid 30.9.2022 Pence per share
Class 2 Net Accumulation - Group 1	1.6901	–	1.6901	2.2594
Class 2 Net Accumulation - Group 2	0.5945	1.0956	1.6901	2.2594
Class 3 Net Accumulation - Group 1	3.2355	–	3.2355	4.0936
Class 3 Net Accumulation - Group 2	0.4517	2.7838	3.2355	4.0936
Class 6 Income - Group 1	0.4846	–	0.4846	0.6612
Class 6 Income - Group 2	0.2387	0.2459	0.4846	0.6612

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Sustainable Future Global Growth Fund

Report for the year from 1 February 2023 to 31 January 2024

Investment Objective

The Sub-fund aims to deliver capital growth over the long term (5 years or more) through investment in sustainable securities.

Investment Policy

The Sub-fund will invest in companies globally and will seek to achieve the investment objective through investment in securities that provide or produce sustainable products and services as well as having a progressive approach to the management of environmental, social and governance ("ESG") issues. Further information on the investment process can be found in the Prospectus.

All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

The Sub-fund will typically invest 95% (minimum 90%) in equities or equity related derivatives, but may also invest in collective investment schemes (up to 10% of Sub-fund's assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.

Investments in emerging market securities will be limited to 20%.

The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Sustainable Future Global Growth Fund (continued)

Investment review

Sub-fund review

The Sub-fund (Class 2 accumulation) returned 11.1% over the 12 months to 31 January 2024, versus the 13.1% return from the MSCI World Index and the 8.3% IA Global sector average (both of which are comparator benchmarks)*.

The future of sustainable investment has been questioned by a number of different parties recently. Yet, in contrast, we are more excited about the prospects for the sustainable themes and stocks we invest in than we have been for many years.

We believe interest rates are at peak levels and should fall towards central banks' targets by mid to late 2024. The current higher interest rate environment will likely lead to lower economic growth, resulting in early cuts in interest rates.

Given this view and the fact that interest rate rises were the primary catalyst for the sell-off in the long duration growth equities in which we invest, we expect that the valuation multiples applied to growth equities should stabilise in conjunction with the peak in interest rates/yields. This would remove a significant structural returns headwind.

We are confident about the outlook for our sustainable investment strategies and believe they will build on their long-term positive track record as we back those businesses which are growing profitability while delivering solutions to critical environmental and social problems.

Those businesses which are providing these solutions will potentially access vast growth opportunities. In many cases, the speed and scale of this growth is likely to be underestimated in the valuation of their shares.

This is where the opportunity lies – finding great companies and helping to solve challenges we face as a society and world, whose prospects are undervalued by the market.

Having struggled in 2022 with worries about growth and margins, **Spotify** ended 2023 as one of the Sub-fund's top performers. We felt the market somewhat misunderstood the company and its potential, namely around the key metrics that we believe are important for Spotify: user and subscriber growth. Recent quarterly results show that Spotify has been growing these metrics strongly, exceeding expectations and with management clearly communicating a pivot to profitability.

Another one of our top performers was **Palo Alto Networks**, which is exposed to our theme of *Enabling digital security*. The company provides cyber security solutions for over 85,000 organisations. Almost every facet of our lives has some online exposure, whether personal information, finances, commercial interactions and simple communications. The same is true for businesses, governments and international institutions. Keeping this information secure and only accessible by the right people is essential for retaining trust in all these on-line interactions.

Palo Alto has traded strongly, with a series of encouraging earnings releases throughout the year, coupled with a share price boost towards the end of the year as expectations of an interest rate pivot were revived in Q4. Palo Alto's strategy is to build on the leading firewall product and move to subscription-based firewall and security as a service. This is increasingly based on consumption of data, meaning the market for security solutions will grow as data increases and more of this data is shifted into the cloud.

While its third quarter earnings release disappointed investors, **Alphabet** was among the top performers over the year. The company's quarterly earnings releases were well received by the market, and investor excitement towards the 'Magnificent Seven' stocks, driven by artificial intelligence, helped Alphabet's share price rise over the year.

Among the detractors over the year was **First Republic Bank**, with the company swept up in the turmoil following the collapse of Silicon Valley Bank (SVB) in March, given its deposit base was primarily in the San Francisco Bay area, as was SVB's. Panic ensued as reports of the collapse of SVB hit the news, which saw First Republic's deposit base fall from $155 billion to around $70 billion over a few days. While the solvency of First Republic was sound, the sharp fall in its deposit base led to higher funding costs, and hurt profitability. We exited the position over the first quarter of 2023.

Exposed to our *Saving for the future* theme, **Charles Schwab** was another one of the Sub-fund's positions to be negatively impacted by concerns around the collapse of SVB. Shares in the US investment firm fell amid a crisis of confidence in the banking sector with these concerns being further amplified after UBS announced that it was to buy out struggling Swiss lender Credit Suisse.

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Having exited First Republic, we initiated a position in **Morningstar** under our *Saving for the future* theme. Morningstar provides both quantitative and qualitative research to the investment industry, with databases and analytical tools covering private markets, ESG, credit ratings, equity valuation, and more. On the client side, it provides software and investment management services to financial advisors and institutions.

We also added multinational plumbing and heating products distributor **Ferguson**, under our *Building better cities* theme. Sanitation is an area of sustainable development which offers a huge opportunity to improve over the coming decades. Clean water, decent toilets and good hygiene are basic human rights, and these also interact with other goals such as education, reducing inequalities and climate action.

We initiated a new position in leading Human Capital Management (HCM) software provider **Paylocity** in the third quarter. Exposed to our *Increasing financial resilience* theme, Paylocity's products enable its customers, which are primarily small businesses, to manage the increasingly complex demands of managing its employees. We believe HCM is key to the strength and resilience of small and medium-sized enterprises (SME's) as incorrect payroll and incorrect taxes have high costs when they are not processed correctly. The importance of the ensuring your workforce is engaged in a hybrid work environment places further importance on HCM within the workplace.

Edwards Lifesciences, the developer and supplier of patient-focused medical innovations for heart disease and critical care monitoring was added under our *Enabling innovation in healthcare* theme. All of the company's products and services provide lifesaving results. As compared with open heart surgery, minimally invasive techniques (and percutaneous in the case of Edwards) are lower risk for the patient, as well as cheaper and timelier for both they and the healthcare system as a whole.

We also bought **Veralto** under the *Improving the management of water* theme. Veralto is a spin-out of Danaher's 'Environmental and Applied Solutions' segment, which focusses on providing tools and services to enable the testing and treatment of water, as well as the creation and key regulatory printing of consumer-packaged goods.

Lastly, **TopBuild** was purchased under our *Improving the efficiency of energy use* theme. TopBuild is the largest installer and distributor of insulation products and related building materials in the US. It provides all the products and installation services for single family and multi-homes and also distributes products for other installers of home insulation.

In terms of disposals, we exited the position in **Puma**. The departure of the CEO to a competitor was disappointing, given we rated his strategy and leadership highly. We had also hoped the sales of products directly related to wellness and exercise would outgrow the fashion-focused sales, which would have increased the thematic exposure, and seen an upgrade from C to B in terms of the product rating. This mix shift did not eventuate, as sportswear sales had disappointed. We therefore decided to exit the position.

We also sold **Intertek**. We have become increasingly concerned that the "reshoring" phenomena is a headwind for growth and margins for Intertek. As production is incrementally brought back to home shores, particularly in the US, the level of complexity in terms of supply chain auditing also falls, which we feel may negatively affect the long-term earnings and returns profile of Intertek.

We sold the position in air conditioning and heating pump provider **Daikin**. We have previously flagged the military division of Daikin with our advisory committee, and have been satisfied it is both immaterial (at around 0.50% of sales) and a legacy business which continues to shrink. We discussed the production of white phosphorus, which is manufactured solely for artillery shells that produce smoke (i.e., not incendiary) and are used purely for training purpose. The advisory committee felt the risks in the current geo-political environment meant that there was a material chance that the production of white phosphorous may one day be used as a weapon. So while this did not constitute a breach of screen, they felt we needed to engage with Daikin to get it to divest its military division – something we have done on numerous occasions, without any success.

We also identified an emerging risk from the chemicals division in Daikin – the production of Polyfluorinated Substances (PFAS). These "forever chemicals" are an emerging risk to both food and water systems, and our process is tracking the issue through testing and detection companies.

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

We came to the conclusion that these two risks are material to the Daikin investment case, and despite the positive environmental impact of the Daikin business, these risks weigh heavily on Daikin.

Last, we sold e-signature software provider **DocuSign**, which was held under our *Delivering a circular materials economy* theme. While DocuSign continues to dominate the high-end of the e-signature market, the rest of the market is increasingly commoditised, and pricing well below what works for DocuSign. In our opinion, the company needs to accelerate core growth above 10% in the near-term and thus needs to carve out a new market and new products in the contract lifecycle management software (CLM) space. While this may work, we believe the chances they'll dominate as in e-signature are lower than we require for investments in our process.

**Source: Financial Express, bid-to-bid, net of fees, 31.01.24. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested.

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.

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
Veralto	Palo Alto Networks
Paylocity	NVR
Morningstar	Adobe
Ferguson	Intertek
Edwards Lifesciences	Puma
TopBuild	Daikin Industries
Agilent Technologies	Charles Schwab
Thermo Fisher Scientific	Spotify Technology
Advanced Drainage Systems	Alphabet 'A'
Trex	Intuit

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund’s ranking on the risk and reward indicator.

Typically lower rewards, lower risk — Typically higher rewards, higher risk

1	2	3	4	5	**6**	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-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 Sub-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 Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund invests in global equities. The Sub-fund may also invest in other eligible asset classes as detailed within the prospectus.
- All investments will be expected to conform to our social and environmental criteria.
- The Sub-fund is categorised 6 primarily for its exposure to global equities.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-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 Sub-fund.
- The Sub-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 Sub-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 Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-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 Sub-fund may invest in emerging markets which carries a higher risk than investment in more developed countries. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

- The Sub-fund's investment objective is to target capital growth for investors. Growth stocks tend to pay out lower levels of dividend resulting in lower income yields and may produce more volatile returns than the market as a whole.
- Outside of normal conditions, the Sub-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.
- 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 Sub-fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 1) or online at www.liontrust.co.uk.

Sustainable Future Global Growth Fund (continued)

Comparative Tables
for the year ended 31 January 2024

Class 2 Net Accumulation Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	258.35	277.32	255.13
Return before operating charges	21.17	(16.82)	24.68
Operating charges	(2.18)	(2.15)	(2.49)
Return after operating charges	18.99	(18.97)	22.19
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**277.34**	**258.35**	**277.32**
After direct transaction costs of*	(0.06)	(0.07)	(0.22)
Performance			
Return after charges	7.35%	(6.84%)	8.70%
Other information			
Closing net asset value (£'000)	1,137,225	1,297,953	1,535,420
Closing number of shares	410,049,504	502,391,668	553,654,539
Operating charges**	0.85%	0.86%	0.87%
Direct transaction costs*	0.02%	0.03%	0.08%
Prices			
Highest share price	282.29	280.17	318.98
Lowest share price	235.19	219.93	249.22

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Global Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2024

Class 3 Net Accumulation Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	372.92	398.67	365.23
Return before operating charges	30.68	(24.13)	35.28
Operating charges	(1.67)	(1.62)	(1.84)
Return after operating charges	29.01	(25.75)	33.44
Distributions	(0.62)	(0.71)	(0.15)
Retained distributions on accumulation shares	0.62	0.71	0.15
Closing net asset value per share	**401.93**	**372.92**	**398.67**
After direct transaction costs of*	(0.08)	(0.10)	(0.32)
Performance			
Return after charges	7.78%	(6.46%)	9.16%
Other information			
Closing net asset value (£'000)	402,030	412,404	457,490
Closing number of shares	100,025,728	110,588,243	114,753,297
Operating charges**	0.45%	0.45%	0.45%
Direct transaction costs*	0.02%	0.03%	0.08%
Prices			
Highest share price	409.10	402.77	458.12
Lowest share price	340.50	316.65	356.92

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Global Growth Fund (continued)

Portfolio Statement
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (98.73%)	**1,527,913**	**99.26**
	DENMARK (3.51%)	**54,936**	**3.57**
290,960	Ringkjoebing Landbobank	37,193	2.42
787,014	Vestas Wind Systems	17,743	1.15
	GERMANY (4.82%)	**38,265**	**2.48**
949,026	Evotec	11,621	0.75
926,446	Infineon Technologies	26,644	1.73
	JAPAN (6.13%)	**57,043**	**3.71**
99,533	Keyence	35,563	2.31
1,165,728	TechnoPro	21,480	1.40
	NETHERLANDS (4.02%)	**71,067**	**4.62**
27,453	Adyen	27,418	1.78
64,106	ASML	43,649	2.84
	SWEDEN (4.40%)	**66,317**	**4.31**
1,928,809	Avanza Bank	30,799	2.00
210,034	Spotify Technology	35,518	2.31
	SWITZERLAND (3.88%)	**55,334**	**3.60**
533,803	Alcon	31,977	2.08
103,259	Roche	23,357	1.52
	UNITED KINGDOM (6.18%)	**83,491**	**5.42**
1,183,740	Compass	25,782	1.67
183,031	Ferguson	27,180	1.77
341,417	London Stock Exchange	30,529	1.98
	UNITED STATES OF AMERICA (65.79%)	**1,101,460**	**71.55**
55,327	Adobe	26,823	1.74
260,049	Advanced Drainage Systems	26,610	1.73
397,646	Agilent Technologies	40,622	2.64
471,937	Alphabet 'A'	51,884	3.37
222,622	American Tower REIT	34,201	2.22
162,742	Ansys	41,889	2.72

Sustainable Future Global Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED STATES OF AMERICA (continued)		
196,679	Autodesk	39,200	2.55
302,314	Bright Horizons Family Solutions	23,324	1.52
435,288	Brown & Brown	26,505	1.72
211,340	Cadence Design Systems	47,871	3.11
581,609	Charles Schwab	28,728	1.87
180,640	Ecolab	28,112	1.83
387,036	Edwards Lifesciences	23,840	1.55
58,268	Equinix REIT	37,967	2.47
186,848	Illumina	20,980	1.36
74,175	Intuit	36,762	2.39
155,782	Intuitive Surgical	46,250	3.00
238,732	IQVIA	39,029	2.54
265,501	Masimo	26,883	1.75
138,541	Morningstar	30,378	1.97
727,266	Nasdaq	32,992	2.14
5,914	NVR	32,754	2.13
91,861	Palo Alto Networks	24,411	1.59
140,075	Paylocity	17,426	1.13
384,641	PayPal	18,521	1.20
326,192	PTC	46,258	3.00
128,222	Thermo Fisher Scientific	54,250	3.52
105,142	TopBuild	30,477	1.98
457,164	Trex	29,247	1.90
542,819	Veralto	32,690	2.12
273,025	VeriSign	42,639	2.77
288,723	Visa 'A'	61,937	4.02
	COLLECTIVE INVESTMENT SCHEMES (1.52%)	**0**	**0.00**
	Portfolio of investments	**1,527,913**	**99.26**
	Net other assets	**11,342**	**0.74**
	Total net assets	**1,539,255**	**100.00**

Sustainable Future Global Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

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 January 2023.

Stocks shown as REITs represent Real Estate Investment Trust.

Sustainable Future Global Growth Fund (continued)

Statement of Total Return
for the year ended 31 January 2024

	Notes	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Income					
Net capital gains/(losses)	2		106,007		(144,718)
Revenue	3	11,337		12,909	
Expenses	4	(11,824)		(13,331)	
Interest payable and similar charges	6	(5)		(14)	
Net expense before taxation		(492)		(436)	
Taxation	5	(1,478)		(1,448)	
Net expense after taxation			(1,970)		(1,884)
Total return before distributions			**104,037**		**(146,602)**
Distributions	7		(695)		(840)
Change in net assets attributable to shareholders from investment activities			**103,342**		**(147,442)**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2024

	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Opening net assets attributable to shareholders		**1,710,357**		**1,992,910**
Amounts received on issue of shares	15,253		143,658	
Amounts paid on cancellation of shares	(290,357)		(279,587)	
		(275,104)		(135,929)
Change in net assets attributable to shareholders from investment activities		103,342		(147,442)
Retained distributions on accumulation shares		660		818
Closing net assets attributable to shareholders		**1,539,255**		**1,710,357**

Sustainable Future Global Growth Fund (continued)

Balance Sheet
as at 31 January 2024

	Notes	31.1.2024 (£'000)	31.1.2023 (£'000)
Assets			
Fixed assets			
Investments		1,527,913	1,714,583
Current assets:			
Debtors	8	1,308	1,294
Cash and bank balances	9	15,663	231
Total assets		**1,544,884**	**1,716,108**
Liabilities			
Creditors:			
Other creditors	10	(5,629)	(5,751)
Total liabilities		**(5,629)**	**(5,751)**
Net assets attributable to shareholders		**1,539,255**	**1,710,357**

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements
for the year ended 31 January 2024

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 12 to 14.

2 Net capital gains/(losses)

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
The net capital gains/(losses) comprise:		
Non-derivative securities	106,440	(144,438)
Foreign currency losses	(433)	(280)
Net capital gains/(losses)	**106,007**	**(144,718)**

3 Revenue

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Bank interest	257	–
Non-taxable overseas dividends	7,821	8,160
Revenue from short-term money market funds	208	308
Stock lending income	–	28
UK dividends	1,079	2,272
US REIT dividends	1,972	2,141
Total revenue	**11,337**	**12,909**

4 Expenses

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	10,445	11,684
General administration charges*	1,379	1,647
Total expenses	**11,824**	**13,331**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £9,200 (2023: £9,200). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

5 Taxation

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
a) Analysis of the tax charge for the year		
Overseas tax	1,478	1,448
Total tax charge [see note(b)]	**1,478**	**1,448**

b) Factors affecting the tax charge for the year
The taxation assessed for the year is higher (2023: higher) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Net expense before taxation	(492)	(436)
Corporation tax at 20% (2023 - 20%)	(98)	(87)
Effects of:		
Movement in unrecognised tax losses	1,983	2,214
Overseas tax	1,478	1,448
Prior year adjustment to unrecognised tax losses	(46)	24
Relief on overseas tax expensed	(59)	(65)
Revenue not subject to tax	(1,780)	(2,086)
Total tax charge [see note(a)]	**1,478**	**1,448**

Authorised investment companies with variable capital are exempt from UK tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c) Deferred tax
At the year end there is a potential deferred tax asset of £9,315,000 (2023: £7,332,000) due to tax losses of £46,577,000 (2023: £36,661,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Overdraft interest	5	14
Total interest payable and similar charges	**5**	**14**

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

7 Distributions

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Interim distribution	578	773
Final distribution	82	45
	660	**818**
Amounts deducted on cancellation of shares	42	40
Amounts received on issue of shares	(7)	(18)
Distributions	**695**	**840**
The distributable amount has been calculated as follows:		
Net expense after taxation	(1,970)	(1,884)
Shortfall of income taken to capital	2,665	2,724
Distributions	**695**	**840**

The distribution per share is set out in the tables on page 179.

8 Debtors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued revenue	841	911
Amounts receivable for issue of shares	72	40
Currency sales awaiting settlement	86	–
Overseas withholding tax	223	343
Sales awaiting settlement	86	–
Total debtors	**1,308**	**1,294**

9 Cash and bank balances

	31.1.2024 (£'000)	31.1.2023 (£'000)
Cash and bank balances	15,663	231
Total cash and bank balances	**15,663**	**231**

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

10 Creditors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued expenses	114	124
Accrued ACD's charge	860	939
Amounts payable for cancellation of shares	4,569	4,688
Currency purchases awaiting settlement	86	–
Total other creditors	**5,629**	**5,751**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: £nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £974,000 (2023: £1,063,000).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was £11,824,000 (2023: £13,331,000).

At the year end, certain Members or close family of Members of the ACD held 1,311 shares in Class 2 Net Accumulation (2023: 1,311 shares) with a value of £4,000 (2023: £3,000) and received distributions totalling £nil for the year (2023: £nil).

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

13 Securities lending

The Sub-fund engages in security lending activities which expose the Sub-fund to counterparty credit risk. The maximum exposure to the Sub-fund is equal to the value of the securities loaned.

Securities lending transactions entered into by the Sub-fund are subject to a written legal agreement between the Sub-fund and the Stock Lending Agent, The Bank of New York Mellon (London Branch), 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 Depositary on behalf of the Sub-fund. Collateral received is segregated from the assets belonging to the Sub-fund's Depositary or the Stock Lending Agent. All operational costs are borne out of the Stock Lending Agent's share of income earned.

The total income earned from securities lending transactions is split between the relevant Sub-fund and the Stock Lending Agent. The Sub-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 tables below show the net income earned by the Sub-funds from securities lending activity during the year to 31 January 2024.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Global Growth Fund				
Securities lending				
Gross return	–	–	–	–
% of total	70%	0%	30%	100%
Cost	–	–	–	–

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2023.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	28	–	12	40
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

13 Securities lending (continued)

Securities on loan and collateral received

At 31 January 2024, there were no securities on loan or related collateral outstanding (31 January 2023: Nil).

Collateral accepted is non-cash in the form of sovereign debt rated AA or better from approved governments only, supranational debt obligations rated AAA or better listed on a recognised exchange.

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. At the year end all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange.

The Sub-fund also benefits from a borrower default indemnity provided by The Bank of New York Mellon (London Branch). The indemnity allows for full replacement of securities lent. The Bank of New York Mellon (London Branch) bears the cost of indemnification against borrower default.

14 Risk management policies

In accordance with the investment objectives and policies the Sub-fund can hold certain financial instruments as detailed in the Sub-fund's prospectus. These can comprise of:

- equity, equity related and non-equity shares;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- short-term borrowings used to finance operational cash flows;
- units and shares in collective investment schemes;
- shareholders' funds, which represent investors' monies which are invested on their behalf from overseas investments held;
- derivative transactions for investment purposes as well as efficient portfolio management in accordance with the Sub-fund's investment policies.

In accordance with the requirements of the rules in the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Sub-fund is not permitted to trade in other financial instruments. The Sub-fund's use of financial instruments during the year satisfies these regulatory requirements.

The main risks arising from the Sub-fund's financial instruments are market price (including "emerging markets price risk"), currency, interest rate, liquidity and counterparty credit risk. The ACD's policies for managing these risks are summarised below. The Sub-fund, alongside an independent risk function, has used a combination of risk measurements and limits to measure and monitor portfolio risk. This is in line with the Liontrust Group's Risk Management Process.

These policies have remained unchanged since the beginning of the year to which these financial statements relate and during the prior year.

Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Market price risk (continued)

order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet an acceptable risk reward profile. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes and for investment purposes.

The Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the prospectus.

As at 31 January 2024 and 31 January 2023 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2024, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 12.2%.

As at 31 January 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.3%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

The Sub-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR).

The calculation of conversion methods for the commitment approach for standard derivatives is taken from the conversion methodologies listed in the ESMA Guidelines on calculation of Global Exposure and Counterparty Risk. The commitment conversion methodology for standard derivatives is either the notional value or the market value of the equivalent position in the underlying asset. Please refer to the portfolio statement for the notional values of any forwards and futures contracts.

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Market price risk (continued)

VaR is a method of estimating potential loss due to market risk, rather than a statement of leverage, using a given confidence level, or probability, over a specific time period and assuming normal market conditions. VaR is calculated using a Historical Simulation model carried out in accordance with regulatory guidelines.

The Sub-fund uses a combination of other risk measurements and limits. This is in line with the Liontrust Group's Risk Management Process.

The Sub-fund did not materially use derivatives in the current or prior year and the level of leverage employed by the Sub-fund during the current or prior year is not considered to be significant.

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments may be significantly affected by currency risk movements as some of the assets and income are denominated in currencies other than Sterling, which is the Company's functional and reporting currency.

The ACD has identified three principal areas where foreign currency risk could impact the Sub-fund:

- Movements in exchange rates affecting the value of investments;
- Movements in exchange rates affecting short-term timing differences; and
- Movements in exchange rates affecting the income received.

Currency exposure is monitored closely and is considered to be part of the overall investment process. Currency hedges via forward exchange contracts will only be used in the event of a specific unwanted currency risk being identified.

The Sub-fund may be subject to short-term exposure to exchange rate movements, for instance, where there is a difference between the date an investment purchase or sale is entered into and the date when settlement of the proceeds occurs. The ACD believes that the impact of such movements is not significant enough to warrant the cost incurred of eliminating them via hedging.

The Sub-fund may receive income in currencies other than Sterling, and the Sterling values of this income can be affected by movements in exchange rates. The Sub-fund converts all receipts of income into Sterling on or near the date of receipt; it does not, however, hedge or otherwise seek to avoid exchange rate risk on income accrued but not received.

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Currency risk (continued)
At 31 January 2024 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	29	–	29
Danish Krone	74	54,936	55,010
Euro	207	109,332	109,539
Japanese Yen	141	57,043	57,184
Swedish Krona	309	30,799	31,108
Swiss Franc	–	55,334	55,334
United States Dollar	368	1,136,977	1,137,345
	1,128	**1,444,421**	**1,445,549**

At 31 January 2023 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	41	–	41
Danish Krone	77	60,007	60,084
Euro	260	151,160	151,420
Japanese Yen	185	104,765	104,950
Swedish Krona	–	40,727	40,727
Swiss Franc	–	66,401	66,401
United States Dollar	359	1,159,734	1,160,093
	922	**1,582,794**	**1,583,716**

If the exchange rate at 31 January 2024 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.94%/(0.94)% respectively.

If the exchange rate at 31 January 2023 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.93%/(0.93)% respectively.

Interest rate risk
Interest rate risk is the risk that the revenue cash flow or the fair value of investments may be adversely affected by movements in market interest rates.

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Interest rate risk (continued)
The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

Interest receivable on bank deposits and short-term deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The interest rates earned on sterling deposits are earned at a rate in line with overnight bank rates.

Liquidity risk
Liquidity risk is the risk that the Sub-fund will not be able to meet its obligations as they fall due. The Sub-fund’s assets comprise mainly of readily realisable securities which can be sold to meet liquidity requirements.

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-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 Sub-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. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria and can make it difficult to establish accurate estimates of fundamental value. The lack of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD’s ability to execute substantial deals.

The main liquidity risk of the Sub-fund is the redemption of any shares that investors wish to sell, which are redeemable on demand under the Prospectus. Where investments cannot be realised in time to meet any potential liability, the Sub-fund may borrow up to 10% of its value to ensure settlement.

In accordance with the ACD’s policy, the ACD monitors the Sub-fund's liquidity on a daily basis.

Counterparty credit risk
Counterparty credit risk is the risk of suffering loss due to another party not meeting its financial obligation. Investments may be adversely affected if any of the institutions with which money is deposited or invested suffers insolvency or other financial difficulties or the credit rating of the bearers of the bonds held by the Sub-fund are downgraded.

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty. This list is reviewed at least annually.

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Counterparty credit risk (continued)

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan.

At the balance sheet date, there were no counterparties to open derivative contracts (2023: none). At the year end collateral of £Nil (2023: £Nil) was received; collateral pledged was £Nil (2023: £Nil) and none (2023: none) of the Sub-fund's financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2024 and at 31 January 2023 was A (Standard & Poor's rating).

BNYMSA, in the discharge of its delegated Depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the Sub-fund's rights with respect to its assets to be delayed or may result in the Sub-fund not receiving the full value of its assets.

Maturity profile of financial liabilities

All financial liabilities of the Sub-fund at the current and prior year-end are due to settle in one year or less, or on demand.

Fair value of financial assets and liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation of financial investments

31.1.2024	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	1,527,913	–
	1,527,913	**–**

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Valuation of financial investments (continued)

31.1.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	1,688,604	–
Level 2: Observable market data	25,979	–
	1,714,583	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.

15 Share movement

For the year ending 31 January 2024

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	502,391,668	1,877,530	(94,266,906)	47,212	410,049,504
Class 3 Net Accumulation	110,588,243	2,814,991	(13,344,858)	(32,648)	100,025,728

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

16 Portfolio transaction costs
for the year ending 31 January 2024

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	242,581	131	0.05	–	–
Total purchases	**242,581**	**131**		**–**	
Total purchases including transaction costs	**242,712**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	510,041	226	0.04	3	–
Total sales	**510,041**	**226**		**3**	
Total sales net of transaction costs	**509,812**				
Total transaction costs		**357**		**3**	
Total transaction costs as a % of average net assets		**0.02%**		**–**	

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

16 Portfolio transaction costs (continued)
for the year ending 31 January 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	418,911	216	0.05	28	0.01
Total purchases	**418,911**	**216**		**28**	
Total purchases including transaction costs	**419,155**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	544,945	258	0.05	8	–
Total sales	**544,945**	**258**		**8**	
Total sales net of transaction costs	**544,679**				
Total transaction costs		**474**		**36**	
Total transaction costs as a % of average net assets		**0.03%**		**–**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally, for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.04% (2023: 0.05%).

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

17 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Net Accumulation share has increased by 2.75% to 02 May 2024. The other share classes in the Sub-fund have moved by a similar magnitude.

Sustainable Future Global Growth Fund (continued)

Distribution Tables
for the year ended 31 January 2024

Final distribution

Group 1 - Shares purchased prior to 1 August 2023

Group 2 - Shares purchased 1 August 2023 to 31 January 2024

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2024 Pence per share	Distribution paid 31.3.2023 Pence per share
Class 2 Net Accumulation - Group 1	–	–	–	–
Class 2 Net Accumulation - Group 2	–	–	–	–
Class 3 Net Accumulation - Group 1	0.0821	–	0.0821	0.0402
Class 3 Net Accumulation - Group 2	0.0148	0.0673	0.0821	0.0402

Interim distribution

Group 1 - Shares purchased prior to 1 February 2023

Group 2 - Shares purchased 1 February 2023 to 31 July 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2023 Pence per share	Distribution paid 30.9.2022 Pence per share
Class 2 Net Accumulation - Group 1	–	–	–	–
Class 2 Net Accumulation - Group 2	–	–	–	–
Class 3 Net Accumulation - Group 1	0.5371	–	0.5371	0.6684
Class 3 Net Accumulation - Group 2	0.2192	0.3179	0.5371	0.6684

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Sustainable Future Managed Fund

Report for the year from 1 February 2023 to 31 January 2024

Investment Objective

The Sub-fund aims to deliver income and capital growth over the long term (5 years or more) through investment in sustainable securities.

Investment Policy

The Sub-fund will invest globally and will seek to achieve the investment objective through investment in securities that provide or produce sustainable products and services as well as having a progressive approach to the management of environmental, social and governance ("ESG") issues. Further information on the investment process can be found in the Prospectus.

All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

Allocations to equities, fixed income, and cash will vary over time depending on market circumstances. Asset allocation limits will remain in line with the following asset allocation ranges:

Equity – 60-85%

Fixed income – 10-40%

Cash – 0-10%

The Sub-fund may invest in collective investment schemes including other Liontrust Funds (up to 10% of Sub-fund assets), other transferable securities, money market instruments, warrants and deposits.

The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Sustainable Future Managed Fund (continued)

Investment review

Sub-fund review

The Sub-fund (Class 2 income) returned 7.4% over the period under review, versus the 4.4% average return of the IA Mixed Investment 40-85% Shares sector (the comparator benchmark)*.

The future of sustainable investment has been questioned by a number of different parties recently. Yet, in contrast, we are more excited about the prospects for the sustainable themes and stocks we invest in than we have been for many years.

We believe interest rates are at peak levels and should fall towards central banks' targets by mid to late 2024. The current higher interest rate environment will likely lead to lower economic growth, resulting in early cuts in interest rates.

Given this view and the fact that interest rate rises were the primary catalyst for the sell-off in the long duration growth equities in which we invest, we should expect that the valuation multiples applied to growth equities should stabilise in conjunction with the peak in interest rates/yields. This would remove a significant structural returns headwind.

We are confident about the outlook for our sustainable investment strategies and believe they will build on their long-term positive track record as we back those businesses which are growing profitability while delivering solutions to critical environmental and social problems.

Those businesses which are providing these solutions will potentially access vast growth opportunities. In many cases, the speed and scale of this growth is likely to be underestimated in the valuation of their shares.

This is where the opportunity lies – finding great companies and helping to solve challenges we face as a society and world, whose prospects are undervalued by the market.

Having struggled in 2022 with worries about growth and margins, **Spotify** ended 2023 as one of the Sub-fund's top performers. We felt the market somewhat misunderstood the company and its potential, namely around the key metrics that we believe are important for Spotify: user and subscriber growth. Recent quarterly results show that Spotify has been growing these metrics strongly, exceeding expectations and with management clearly communicating a pivot to profitability.

Another one of our top performers was **Palo Alto Networks**, which is exposed to our theme of *Enabling digital security*. The company provides cyber security solutions for over 85,000 organisations. Almost every facet of our lives has some online exposure, whether personal information, finances, commercial interactions and simple communications. The same is true for businesses, governments and international institutions. Keeping this information secure and only accessible by the right people is essential for retaining trust in all these on-line interactions

Palo Alto has traded strongly, with a series of encouraging earnings releases throughout the year, coupled with a share price boost towards the end of the year as expectations of an interest rate pivot were revived in Q4. Palo Alto's strategy is to build on the leading firewall product and move to subscription-based firewall and security as a service. This is increasingly based on consumption of data, meaning the market for security solutions will grow as data increases and more of this data is shifted into the cloud.

While its third quarter earnings release disappointed investors, **Alphabet** was among the top performers over the year. The company's quarterly earnings releases were well received by the market, and investor excitement towards the 'Magnificent Seven' stocks, driven by artificial intelligence, helped Alphabet's share price rise over the year.

Among the detractors over the year was **First Republic Bank**, with the company swept up in the turmoil following the collapse of Silicon Valley Bank (SVB) in March, given its deposit base was primarily in the San Francisco Bay area, as was SVB's. Panic ensued as reports of the collapse of SVB hit the news, which saw First Republic's deposit base fall from $155 billion to around $70 billion over a few days. While the solvency of First Republic was sound, the sharp fall in its deposit base led to higher funding costs, and hurt profitability. We exited the position over the first quarter of 2023.

Exposed to our *Saving for the future* theme, **Charles Schwab** was another one of the Sub-fund's positions to be negatively impacted by concerns around the collapse of SVB. Shares in the US investment firm fell amid a crisis of confidence in the banking sector with these concerns being further amplified after UBS announced that it was to buy out struggling Swiss lender Credit Suisse.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Shares in UK wealth manager **St. James's Place** tumbled following the announcement that it was reviewing its fees and charges. The company is aligned with our theme of *Saving for the future*, recognising value that companies such as St James Place offers in helping people prepare for their financial future in a backdrop of increasing financial complexity and diminishing state/employer support.

We have long recognised that the charging approach from the company is distinctive, however felt that over the lifetime of a client it was reasonable given the comprehensive advice and overall value of their service. This view is supported by consistently high customer satisfaction scores and the industry leading advisor training St James Place provides. Earlier this year we met with the Management team following the reduction of long-term client fees in light of the new Consumer Duty rules from the FCA. We felt they were taking proactive sensible actions to the benefit of customers and incentivise long-term investing.

The recent news indicates that they will now additionally be scrapping the exit fee element of their fee model and lower their overall. Our initial view is that this will lead to a hit on shorter term earnings and profitability but the longer term picture is less affected. Ultimately if clients are happy with the service and advice they receive then the company will retain and grow assets under management. This is the metric we focus on, and thus far seems to have held up well. It is under review, but we continue to hold our position in the portfolios.

Portfolio activity was limited over the first half. Having exited First Republic, we initiated a position in **Morningstar** under our *Saving for the future* theme. Morningstar provides both quantitative and qualitative research to the investment industry, with databases and analytical tools covering private markets, ESG, credit ratings, equity valuation, and more. On the client side, they provide software and investment management services to financial advisors and institutions.

We also added multinational plumbing and heating products distributor **Ferguson**, under our *Building better cities* theme. Sanitation is an area of sustainable development which offers a huge opportunity to improve over the coming decades. Clean water, decent toilets and good hygiene are basic human rights, and these also interact with other goals such as education, reducing inequalities and climate action.

We initiated a new position in leading Human Capital Management (HCM) software provider **Paylocity** in the third quarter. Exposed to our *Increasing financial resilience* theme, Paylocity's products enable its customers, which are primarily small businesses, to manage the increasingly complex demands of managing its employees. We believe HCM is key to the strength and resilience of small and medium-sized enterprises (SME's) as incorrect payroll and incorrect taxes have high costs when they are not processed correctly. The importance of the ensuring your workforce is engaged in a hybrid work environment places further importance on HCM within the workplace.

Edwards Lifesciences, the developer and supplier of patient-focused medical innovations for heart disease and critical care monitoring was added under our *Enabling innovation in healthcare* theme. All of the company's products and services provide lifesaving results. As compared with open heart surgery, minimally invasive techniques (and percutaneous in the case of Edwards) are lower risk for the patient, as well as cheaper and timelier for both they and the healthcare system as a whole. We also bought **Veralto** under the *Improving the management of water* theme. Veralto is a spin-out of Danaher's 'Environmental and Applied Solutions' segment, which focusses on providing tools and services to enable the testing and treatment of water, as well as the creation and key regulatory printing of consumer-packaged goods.

We re-added **Kingspan** under our *Improving the efficiency of energy use* theme for very strong sustainable investment reasons and because the company has now implemented the required controls around product certification and fire safety. Continued engagement with the company by the Sustainable Investment team has provided the reassurance that deficiencies highlighted by the Grenfell Tower inquiry will not occur again.

Kingspan's products dramatically improve the energy efficiency of buildings. The company estimates that through the use of its products sold in 2022, 173 million tonnes of CO2 will be saved, equivalent to the energy use of around 20 million homes. We believe Kingspan is well positioned to have a significant impact in reducing global energy use from buildings, which is essential if we are to prevent global warming exceeding the 1.5C threshold that the IPCC (Intergovernmental Panel on Climate Change) warns is critical.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

In terms of disposals, we exited the position in **Puma**. The departure of the CEO to a competitor was disappointing, given we rated his strategy and leadership highly. We had also hoped the sales of products directly related to wellness and exercise would outgrow the fashion-focused sales, which would have increased the thematic exposure, and seen an upgrade from C to B in terms of the product rating. This mix shift did not eventuate, as sportswear sales had disappointed. We therefore decided to exit the position.

We also sold **Intertek**. We have become increasingly concerned that the "reshoring" phenomena is a headwind for growth and margins for Intertek. As production is incrementally brought back to home shores, particularly in the US, the level of complexity in terms of supply chain auditing also falls, which we feel may negatively affect the long-term earnings and returns profile of Intertek.

We sold the position in air conditioning and heating pump provider Daikin. We have previously flagged the military division of **Daikin** with our advisory committee, and have been satisfied it is both immaterial (at around 0.50% of sales) and a legacy business which continues to shrink. We discussed the production of white phosphorus, which is manufactured solely for artillery shells that produce smoke (i.e., not incendiary) and are used purely for training purpose. The advisory committee felt the risks in the current geo-political environment meant that there was a material chance that the production of white phosphorous may one day be used as a weapon. So while this did not constitute a breach of screen, they felt we needed to engage with Daikin to get it to divest its military division – something we have done on numerous occasions, without any success.

We also identified an emerging risk from the chemicals division in Daikin – the production of Polyfluorinated Substances (PFAS). These "forever chemicals" are an emerging risk to both food and water systems, and our process is tracking the issue through testing and detection companies.

We came to the conclusion that these two risks are material to the Daikin investment case, and despite the positive environmental impact of the Daikin business, these risks weigh heavily on Daikin.

Last, we sold e-signature software provider **DocuSign**, which was held under our *Delivering a circular materials economy* theme. While DocuSign continues to dominate the high-end of the e-signature market, the rest of the market is increasingly commoditised, and pricing well below what works for DocuSign. In our opinion, the company needs to accelerate core growth above 10% in the near-term and thus needs to carve out a new market and new products in the contract lifecycle management software (CLM) space. While this may work, we believe the chances they'll dominate as in e-signature are lower than we require for investments in our process.

**Source: Financial Express, bid-to-bid, net of fees, 31.01.24. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested.

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.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
United Kingdom Gilt 0.875% 31/7/2033	United Kingdom Gilt 1.5% 31/7/2053
Veralto	NVR
United Kingdom Gilt 1.5% 31/7/2053	Palo Alto Networks
Paylocity	Abcam
Edwards Lifesciences	Daikin Industries
Morningstar	Puma
Ferguson	Adobe
TopBuild	Liontrust GF Sustainable Future Global Growth Fund ++
ConvaTec	Spotify Technology
Experian	3i

++ Managed by Liontrust Investment Partners LLP.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk — Typically higher rewards, higher risk

1	2	3	4	**5**	6	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-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 Sub-fund's risk and reward category has been calculated using the methodology set by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- All investments will be expected to conform to our social and environmental criteria.
- The Sub-fund is categorised 5 primarily for its exposure to a diversified portfolio of global equities and bonds.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-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 Sub-fund;
  - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result;
  - the creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- The Sub-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 Sub-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 Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-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.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

- Outside of normal conditions, the Sub-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.
- There is no guarantee that a total return will be generated over a three year time period or within another time period.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- 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 Sub-fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 1) or online at www.liontrust.co.uk.

Sustainable Future Managed Fund (continued)

Comparative Tables
for the year ended 31 January 2024

Class 2 Net Income Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	183.14	201.09	191.18
Return before operating charges	11.02	(14.93)	12.43
Operating charges	(1.52)	(1.54)	(1.80)
Return after operating charges	9.50	(16.47)	10.63
Distributions	(1.88)	(1.48)	(0.72)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	**190.76**	**183.14**	**201.09**
After direct transaction costs of*	(0.09)	(0.09)	(0.16)
Performance			
Return after charges	5.19%	(8.19%)	5.56%
Other information			
Closing net asset value (£'000)	517,885	608,271	727,146
Closing number of shares	271,489,648	332,135,495	361,596,819
Operating charges**	0.84%	0.85%	0.86%
Direct transaction costs*	0.05%	0.05%	0.08%
Prices			
Highest share price	193.54	203.62	225.97
Lowest share price	166.71	163.46	189.06

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Managed Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2024

Class 3 Net Income Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	244.90	268.89	255.65
Return before operating charges	14.57	(20.23)	16.56
Operating charges	(1.09)	(1.09)	(1.26)
Return after operating charges	13.48	(21.32)	15.30
Distributions	(3.26)	(2.67)	(2.06)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**255.12**	**244.90**	**268.89**
After direct transaction costs of*	(0.12)	(0.11)	(0.21)
Performance			
Return after charges	5.50%	(7.93%)	5.98%
Other information			
Closing net asset value (£'000)	1,077,110	1,083,576	1,224,796
Closing number of shares	422,203,848	442,457,094	455,496,759
Operating charges**	0.45%	0.45%	0.45%
Direct transaction costs*	0.05%	0.05%	0.08%
Prices			
Highest share price	259.15	272.28	302.53
Lowest share price	223.11	218.71	252.92

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Managed Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2024

Class 6 Net Accumulation **Accounting year ended**	**31 January 2024** **per share (p)**	**31 January 2023** **per share (p)**	**31 January 2022** **per share (p)**
Change in net assets per share			
Opening net asset value per share	238.45	259.77	246.11
Return before operating charges	14.41	(19.33)	15.98
Operating charges	(1.98)	(1.99)	(2.32)
Return after operating charges	12.43	(21.32)	13.66
Distributions	(2.46)	(1.89)	(0.93)
Retained distributions on accumulation shares	2.46	1.89	0.93
Closing net asset value per share	**250.88**	**238.45**	**259.77**
After direct transaction costs of*	(0.11)	(0.11)	(0.21)
Performance			
Return after charges	5.21%	(8.21%)	5.55%
Other information			
Closing net asset value (£'000)	1,021,274	1,080,273	1,103,582
Closing number of shares	407,072,458	453,040,653	424,834,370
Operating charges**	0.84%	0.85%	0.86%
Direct transaction costs*	0.05%	0.05%	0.08%
Prices			
Highest share price	253.52	263.03	291.53
Lowest share price	218.38	212.08	243.38

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Managed Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2024

Class 7 Net Accumulation Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	246.95	268.27	253.19
Return before operating charges	14.78	(20.21)	16.33
Operating charges	(1.10)	(1.11)	(1.25)
Return after operating charges	13.68	(21.32)	15.08
Distributions	(3.30)	(2.64)	(2.04)
Retained distributions on accumulation shares	3.30	2.64	2.04
Closing net asset value per share	**260.63**	**246.95**	**268.27**
After direct transaction costs of*	(0.12)	(0.11)	(0.21)
Performance			
Return after charges	5.54%	(7.95%)	5.96%
Other information			
Closing net asset value (£'000)	4,381	4,975	2,642
Closing number of shares	1,680,907	2,014,512	984,858
Operating charges**	0.45%	0.46%	0.45%
Direct transaction costs*	0.05%	0.05%	0.08%
Prices			
Highest share price	263.30	271.65	300.81
Lowest share price	226.69	219.50	250.48

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Managed Fund (continued)

Portfolio Statement
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (71.87%)	**1,955,389**	**74.61**
	UNITED STATES OF AMERICA (36.40%)	**1,015,065**	**38.73**
	Banks (1.08%)		
	Biotechnology (1.13%)	**18,504**	**0.71**
164,798	Illumina	18,504	0.71
	Building Materials (0.47%)	**23,105**	**0.88**
361,148	Trex	23,105	0.88
	Chemicals (1.20%)	**37,470**	**1.43**
240,770	Ecolab	37,470	1.43
	Commercial Services (1.57%)	**78,048**	**2.97**
274,990	Bright Horizons Family Solutions	21,216	0.81
113,643	Morningstar	24,919	0.95
123,261	Paylocity	15,334	0.58
344,291	PayPal	16,579	0.63
	Diversified Financial Services (4.68%)	**109,853**	**4.19**
479,480	Charles Schwab	23,683	0.90
780,824	Nasdaq	35,422	1.35
236,564	Visa 'A'	50,748	1.94
	Electronics (1.12%)	**33,697**	**1.29**
329,863	Agilent Technologies	33,697	1.29
	Engineering & Construction (0.00%)	**27,566**	**1.05**
95,100	TopBuild	27,566	1.05
	Environmental Control (0.00%)	**29,702**	**1.13**
493,210	Veralto	29,702	1.13
	Healthcare Products (3.96%)	**134,410**	**5.13**
352,143	Edwards Lifesciences	21,691	0.83
135,779	Intuitive Surgical	40,311	1.54

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED STATES OF AMERICA (continued)		
	Healthcare Products (continued)		
242,817	Masimo	24,586	0.94
113,030	Thermo Fisher Scientific	47,822	1.82
	Healthcare Services (2.35%)	**51,921**	**1.98**
317,586	IQVIA	51,921	1.98
	Home Builders (1.79%)	**27,531**	**1.05**
4,971	NVR	27,531	1.05
	Insurance (0.67%)	**21,913**	**0.84**
359,879	Brown & Brown	21,913	0.84
	Internet (4.12%)	**110,628**	**4.22**
442,402	Alphabet 'A'	48,637	1.86
88,905	Palo Alto Networks	23,625	0.90
245,663	VeriSign	38,366	1.46
	Metal & Hardware (0.44%)	**21,016**	**0.80**
205,381	Advanced Drainage Systems	21,016	0.80
	Real Estate Investment Trusts (3.26%)	**67,010**	**2.56**
214,307	American Tower REIT	32,924	1.26
52,312	Equinix REIT	34,086	1.30
	Software (8.56%)	**222,691**	**8.50**
51,255	Adobe	24,848	0.95
176,393	Ansys	45,403	1.73
181,055	Autodesk	36,086	1.38
209,455	Cadence Design Systems	47,444	1.81
60,074	Intuit	29,774	1.14
275,970	PTC	39,136	1.49

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (19.83%)	**580,802**	**22.16**
	Banks (1.47%)	**50,653**	**1.93**
9,813,459	NatWest	22,090	0.84
4,060,070	Paragon Banking	28,563	1.09
	Biotechnology (0.94%)	**2,901**	**0.11**
1,595,752	Oxford Biomedica	2,901	0.11
	Chemicals (0.87%)	**14,509**	**0.55**
301,964	Croda International	14,509	0.55
	Commercial Services (1.53%)	**48,058**	**1.84**
401,154	Ashtead	20,868	0.80
490,646	Intertek	22,045	0.84
1,260,506	Rentokil Initial	5,145	0.20
	Computers (0.96%)	**17,260**	**0.66**
1,193,609	Softcat	17,260	0.66
	Cosmetics & Personal Care (2.16%)	**53,360**	**2.04**
6,982,847	Haleon	22,450	0.86
803,470	Unilever	30,910	1.18
	Distribution & Wholesale (0.00%)	**22,967**	**0.88**
154,663	Ferguson	22,967	0.88
	Diversified Financial Services (2.31%)	**55,799**	**2.13**
3,490,324	AJ Bell	11,036	0.42
319,427	London Stock Exchange	28,563	1.09
2,477,068	St James's Place	16,200	0.62
	Electronics (0.95%)	**40,095**	**1.53**
645,944	Halma	14,159	0.54
4,266,927	Rotork	13,373	0.51
339,552	Spectris	12,563	0.48

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Engineering & Construction (0.32%)	**6,591**	**0.25**
8,332,414	Helios Towers	6,591	0.25
	Food Services (0.84%)	**21,114**	**0.81**
969,433	Compass	21,114	0.81
	Healthcare Products (0.00%)	**19,464**	**0.74**
8,076,491	ConvaTec	19,464	0.74
	Home Builders (0.28%)		
	Insurance (1.49%)	**46,505**	**1.77**
891,376	Admiral	22,418	0.85
9,445,811	Legal & General	24,087	0.92
	Internet (0.62%)	**20,795**	**0.79**
6,293,961	Trainline	20,795	0.79
	Investment Companies (0.26%)	**4,033**	**0.15**
7,399,717	SDCL Energy Efficiency Income Trust	4,033	0.15
	Machinery Diversified (0.00%)	**16,397**	**0.63**
163,885	Spirax-Sarco Engineering	16,397	0.63
	Miscellaneous Manufacturing (0.28%)	**8,236**	**0.31**
1,247,906	Porvair	8,236	0.31
	Pharmaceuticals (1.73%)	**52,693**	**2.00**
233,470	AstraZeneca	24,514	0.93
1,797,154	GSK	28,179	1.07
	Private Equity (1.94%)	**48,156**	**1.84**
1,308,101	3i	32,428	1.24

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Private Equity (continued)		
18,360,070	IP	9,602	0.37
2,567,663	Molton Ventures	6,126	0.23
	Real Estate Investment & Services (0.01%)	**157**	**0.01**
427,000	Ethical Property~	157	0.01
	Retail (0.17%)	**3,555**	**0.14**
3,075,321	DFS Furniture	3,555	0.14
	Software (0.36%)	**21,406**	**0.82**
2,644,055	Wise	21,406	0.82
	Transportation (0.34%)	**6,098**	**0.23**
7,103,638	Mobico	6,098	0.23
	DENMARK (2.33%)	**62,391**	**2.38**
	Alternative Energy Sources (0.61%)	**14,890**	**0.57**
660,444	Vestas Wind Systems	14,890	0.57
	Banks (1.72%)	**47,501**	**1.81**
371,594	Ringkjoebing Landbobank	47,501	1.81
	NETHERLANDS (1.61%)	**58,856**	**2.25**
	Commercial Services (0.48%)	**17,476**	**0.67**
17,498	Adyen	17,476	0.67
	Semiconductors (1.13%)	**41,380**	**1.58**
60,774	ASML	41,380	1.58
	SWEDEN (2.36%)	**57,817**	**2.21**
	Diversified Financial Services (1.21%)	**26,697**	**1.02**
1,671,931	Avanza Bank	26,697	1.02

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	SWEDEN (continued)		
	Internet (1.15%)	**31,120**	**1.19**
184,025	Spotify Technology	31,120	1.19
	JAPAN (3.28%)	**52,430**	**2.00**
	Building Materials (0.98%)		
	Commercial Services (0.81%)	**15,512**	**0.59**
841,856	TechnoPro	15,512	0.59
	Machinery Diversified (1.49%)	**36,918**	**1.41**
103,325	Keyence	36,918	1.41
	IRELAND (1.86%)	**51,803**	**1.98**
	Building Materials (0.00%)	**16,967**	**0.65**
263,302	Kingspan	16,967	0.65
	Commercial Services (0.00%)	**11,167**	**0.43**
338,789	Experian	11,167	0.43
	Food Producers (0.56%)	**8,590**	**0.33**
121,972	Kerry	8,590	0.33
	Forest Products & Paper (1.30%)	**15,079**	**0.57**
511,849	Smurfit Kappa	15,079	0.57
	SWITZERLAND (1.99%)	**48,247**	**1.84**
	Healthcare Products (1.08%)	**27,400**	**1.05**
457,396	Alcon	27,400	1.05
	Pharmaceuticals (0.91%)	**20,847**	**0.79**
92,163	Roche	20,847	0.79

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	GERMANY (2.21%)	**27,978**	**1.06**
	Apparel (0.95%)		
	Healthcare Services (0.49%)	**8,267**	**0.31**
675,136	Evotec	8,267	0.31
	Semiconductors (0.77%)	**19,711**	**0.75**
685,351	Infineon Technologies	19,711	0.75
	BONDS (22.06%)	**530,096**	**20.23**
	UNITED KINGDOM GOVERNMENT BONDS (5.82%)	**167,413**	**6.39**
£ 155,350,000	United Kingdom Gilt 0.875% 31/7/2033	118,938	4.54
£ 93,100,000	United Kingdom Gilt 1.5% 31/7/2053	48,475	1.85
	UK STERLING DEBT SECURITIES (13.72%)	**337,376**	**12.87**
£ 5,000,000	Anglian Water Osprey Financing 2% 31/7/2028	4,056	0.16
£ 2,200,000	Annington Funding 3.935% 12/7/2047	1,662	0.06
£ 4,000,000	Annington Funding 3.184% 12/7/2029	3,576	0.14
£ 6,950,000	AT&T 7% 30/4/2040	7,907	0.30
£ 10,950,000	Aviva 5.125% 4/6/2050	10,419	0.40
£ 4,667,000	Aviva 6.875% Perpetual	4,329	0.17
£ 5,700,000	Banco Santander 2.25% 4/10/2032	4,964	0.19
£ 4,000,000	Barclays 8.407% 14/11/2032	4,259	0.16
£ 4,500,000	Barclays 7.09% 6/11/2029	4,779	0.18
£ 8,200,000	Blackstone Property Partners Europe Sarl 2.625% 20/10/2028	7,026	0.27
£ 6,800,000	Blend Funding 2.922% 5/4/2056	4,399	0.17
£ 7,700,000	BNP Paribas 6% 18/8/2029	8,053	0.31
£ 2,600,000	BPCE 6.125% 24/5/2029	2,664	0.10
£ 5,235,000	Bunzl Finance 1.5% 30/10/2030	4,252	0.16
£ 6,600,000	Cadent Finance 2.25% 10/10/2035	4,759	0.18
£ 4,500,000	Clarion Funding 1.25% 13/11/2032	3,332	0.13
£ 5,350,000	Compass 4.375% 8/9/2032	5,302	0.20
£ 8,500,000	Direct Line Insurance 4% 5/6/2032	6,890	0.26
£ 9,436,000	DWR Cymru Financing UK 2.5% 31/3/2036	7,265	0.28
£ 6,058,000	DWR Cymru Financing UK 2.375% 31/3/2034	4,454	0.17
£ 1,988,000	GlaxoSmithKline Capital 5.25% 19/12/2033	2,109	0.08
£ 10,500,000	HSBC 7% 7/4/2038	11,342	0.43

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (continued)		
£ 4,000,000	HSBC 6% 29/3/2040	3,932	0.15
£ 7,850,000	Legal & General 4.5% 1/11/2050	7,197	0.27
£ 8,250,000	Liberty Living Finance 3.375% 28/11/2029	7,479	0.29
£ 4,059,000	Lloyds Banking 2.707% 3/12/2035	3,260	0.12
£ 6,000,000	Lloyds Banking 6.625% 2/6/2033	6,104	0.23
£ 8,200,000	Logicor Financing Sarl 2.75% 15/1/2030	6,838	0.26
£ 4,500,000	London & Quadrant Housing Trust 2% 20/10/2038	2,979	0.11
£ 3,615,000	London Stock Exchange 1.625% 6/4/2030	3,078	0.12
£ 2,500,000	M&G 6.34% 19/12/2063	2,352	0.09
£ 4,500,000	M&G 5.625% 20/10/2051	4,268	0.16
£ 3,200,000	Motability Operations 3.625% 10/3/2036	2,819	0.11
£ 6,000,000	Motability Operations 1.75% 3/7/2029	5,194	0.20
£ 6,055,000	National Grid Gas 1.125% 14/1/2033	4,315	0.16
£ 6,837,000	Natwest 2.105% 28/11/2031	6,122	0.23
£ 6,500,000	Natwest 7.416% 6/6/2033	6,763	0.26
£ 4,335,000	Next 3.625% 18/5/2028	4,118	0.16
£ 4,600,000	NGG Finance 5.625% 18/6/2073	4,531	0.17
£ 3,542,000	Optivo Finance 2.857% 7/10/2035	2,791	0.11
£ 6,000,000	Orange 8.125% 20/11/2028	6,916	0.26
£ 7,200,000	Orsted 2.5% 18/2/3021	5,080	0.19
£ 6,710,000	Pension Insurance 5.625% 20/9/2030	6,378	0.24
£ 7,000,000	Pension Insurance 8% 13/11/2033	7,486	0.29
£ 9,100,000	Phoenix 5.625% 28/4/2031	8,579	0.33
£ 1,443,000	Places For People Treasury 6.25% 6/12/2041	1,520	0.06
£ 5,000,000	RL Finance Bonds No. 4 4.875% 7/10/2049	4,025	0.15
£ 9,000,000	Rothesay Life 7.734% 16/5/2033	9,577	0.37
£ 8,355,000	Scottish Hydro Electric Transmission 5.5% 15/1/2044	8,411	0.32
£ 2,750,000	Severn Trent Utilities Finance 6.25% 7/6/2029	2,899	0.11
£ 4,788,000	Severn Trent Utilities Finance 2% 2/6/2040	3,058	0.12
£ 4,500,000	Societe Generale 5.75% 22/1/2032	4,546	0.17
£ 5,500,000	Southern Gas Networks 1.25% 2/12/2031	4,167	0.16
£ 4,571,000	Southern Housing 2.375% 8/10/2036	3,320	0.13
£ 4,000,000	SP Transmission 2% 13/11/2031	3,331	0.13
£ 10,500,000	Standard Chartered 5.125% 6/6/2034	9,879	0.38
£ 4,500,000	United Utilities Water Finance 2.625% 12/2/2031	3,911	0.15
£ 2,071,000	United Utilities Water Finance 0.875% 28/10/2029	1,665	0.06
£ 10,250,000	Verizon Communications 1.875% 19/9/2030	8,568	0.33
£ 6,000,000	Vodafone 5.9% 26/11/2032	6,417	0.25

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (continued)		
£ 3,850,000	Vodafone 4.875% 3/10/2078	3,751	0.14
£ 2,700,000	Western Power Distribution 3.5% 16/10/2026	2,589	0.10
£ 3,314,000	Whitbread 3% 31/5/2031	2,827	0.11
£ 7,000,000	Yorkshire Building Society 3.375% 13/9/2028	6,353	0.24
£ 4,667,000	Yorkshire Building Society 7.375% 12/9/2027	4,822	0.18
£ 5,600,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	5,363	0.20
	EURO DEBT SECURITIES (0.79%)	**19,835**	**0.76**
€ 6,300,000	Cellnex Finance 2% 15/2/2033	4,624	0.18
€ 6,800,000	Cooperatieve Rabobank UA 3.1% Perpetual	4,865	0.19
€ 6,000,000	Infrastrutture Wireless Italiane 1.75% 19/4/2031	4,555	0.17
€ 6,705,350	Stichting AK Rabobank Certificaten 6.5% Perpetual	5,791	0.22
	US DOLLAR DEBT SECURITIES (1.73%)	**5,472**	**0.21**
$ 6,800,000	Standard Chartered 7.014% Perpetual	5,472	0.21
	COLLECTIVE INVESTMENT SCHEMES (6.12%)	**86,053**	**3.29**
	GUERNSEY (0.44%)	**9,381**	**0.36**
8,637,807	Renewables Infrastructure	9,381	0.36
	IRELAND (5.54%)	**73,368**	**2.80**
3,000,000	Liontrust GF Sustainable Future European Corporate Bond Fund++	25,891	0.99
2,793,131	Liontrust GF Sustainable Future Global Growth Fund++	32,476	1.24
1,300,000	Liontrust GF Sustainable Future US Growth Fund++	15,001	0.57
	UNITED KINGDOM (0.14%)	**3,304**	**0.13**
2,299,308	Greencoat UK Wind	3,304	0.13
	Portfolio of investments	**2,571,538**	**98.13**
	Net other assets	**49,112**	**1.87**
	Total net assets	**2,620,650**	**100.00**

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

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 January 2023.

Stocks shown as REITs represent Real Estate Investment Trust.

++ Managed by Liontrust Investment Partners LLP.

~ Unquoted security.

Sustainable Future Managed Fund (continued)

Statement of Total Return
for the year ended 31 January 2024

	Notes	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Income					
Net capital gains/(losses)	2		99,330		(281,033)
Revenue	3	51,924		46,579	
Expenses	4	(17,934)		(19,310)	
Interest payable and similar charges	6	(16)		(10)	
Net revenue before taxation		33,974		27,259	
Taxation	5	(3,183)		(1,213)	
Net revenue after taxation			30,791		26,046
Total return before distributions			**130,121**		**(254,987)**
Distributions	7		(30,856)		(25,980)
Change in net assets attributable to shareholders from investment activities			**99,265**		**(280,967)**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2024

	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Opening net assets attributable to shareholders		**2,777,095**		**3,058,166**
Amounts received on issue of shares	56,395		173,759	
Amounts paid on cancellation of shares	(322,549)		(182,567)	
		(266,154)		(8,808)
Stamp duty reserve tax		(101)		–
Change in net assets attributable to shareholders from investment activities		99,265		(280,967)
Retained distributions on accumulation shares		10,545		8,704
Closing net assets attributable to shareholders		**2,620,650**		**2,777,095**

Sustainable Future Managed Fund (continued)

Balance Sheet
as at 31 January 2024

	Notes	31.1.2024 (£'000)	31.1.2023 (£'000)
Assets			
Fixed assets			
Investments		2,571,538	2,778,410
Current assets:			
Debtors	8	9,639	15,018
Cash and bank balances	9	52,386	975
Total assets		**2,633,563**	**2,794,403**
Liabilities			
Provision for liabilities	10	(14)	–
Creditors:			
Distribution payable		(8,009)	(7,327)
Other creditors	11	(4,890)	(9,981)
Total liabilities		**(12,913)**	**(17,308)**
Net assets attributable to shareholders		**2,620,650**	**2,777,095**

Sustainable Future Managed Fund (continued)

Notes to the financial statements
for the year ended 31 January 2024

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 12 to 14.

2 Net capital gains/(losses)

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
The net capital gains/(losses) comprise:		
Non-derivative securities	99,747	(279,286)
Foreign currency losses	(417)	(1,747)
Net capital gains/(losses)	**99,330**	**(281,033)**

3 Revenue

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Bank interest	555	7
Equity distributions on CIS holdings	200	180
Interest from overseas fixed income securities	4,847	5,069
Interest from UK fixed income securities	19,445	14,527
Management fee rebates on CIS	319	591
Non-taxable overseas dividends	9,175	8,925
Revenue from short-term money market funds	522	810
Stock lending income	–	112
UK dividends	14,959	14,228
US REIT dividends	1,902	2,130
Total revenue	**51,924**	**46,579**

4 Expenses

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	15,994	17,132
General administration charges*	1,940	2,178
Total expenses	**17,934**	**19,310**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,850 (2023: £10,850). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

5 Taxation

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
a) Analysis of the tax charge for the year		
Corporation tax	1,814	–
Less: Double taxation relief	(287)	–
Overseas tax	1,576	1,279
Deferred tax charge/(credit) [see note(c)]	80	(66)
Total tax charge [see note(b)]	**3,183**	**1,213**

b) Factors affecting the tax charge for the year

The taxation assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Net revenue before taxation	33,974	27,259
Corporation tax at 20% (2023 - 20%)	6,795	5,452
Effects of:		
Double taxation relief	(330)	–
Movement in unrecognised tax losses	–	(787)
Overseas tax	1,576	1,279
Relief on overseas tax expensed	9	(64)
Revenue not subject to tax	(4,867)	(4,667)
Total tax charge [see note(a)]	**3,183**	**1,213**

Authorised investment companies with variable capital are exempt from UK tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c) Deferred tax

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Opening deferred tax asset	(66)	–
Deferred tax charge/(credit) for the year (see note 5a)	80	(66)
Closing deferred tax liability/(asset)	**14**	**(66)**

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

6 Interest payable and similar charges

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Overdraft interest	16	10
Total interest payable and similar charges	**16**	**10**

7 Distributions

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Interim distribution	17,897	14,633
Final distribution	12,117	11,128
	30,014	**25,761**
Amounts deducted on cancellation of shares	1,052	492
Amounts received on issue of shares	(210)	(273)
Distributions	**30,856**	**25,980**
The distributable amount has been calculated as follows:		
Net revenue after taxation	30,791	26,046
Less: Equalisation on conversions	(1)	–
Add/(Less): Deferred tax	66	(66)
Distributions	**30,856**	**25,980**

The distribution per share is set out in the tables on page 220.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

8 Debtors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued management fee rebates on CIS	28	52
Accrued revenue	7,820	9,318
Amounts receivable for issue of shares	281	1,184
Corporation tax recoverable	126	–
Currency sales awaiting settlement	61	–
Deferred tax	–	66
Overseas withholding tax	1,262	1,236
Sales awaiting settlement	61	3,162
Total debtors	**9,639**	**15,018**

9 Cash and bank balances

	31.1.2024 (£'000)	31.1.2023 (£'000)
Cash and bank balances	52,386	975
Total cash and bank balances	**52,386**	**975**

10 Provision for liabilities

	Deferred tax provision (£'000)	Total (£'000)
At 31 January 2023	–	–
Origination and reversal of timing differences	14	14
At 31 January 2024	**14**	**14**

There were no provisions for liabilities in the prior year.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

11 Creditors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued expenses	164	173
Accrued ACD's charge	1,349	1,419
Amounts payable for cancellation of shares	3,316	3,199
Currency purchases awaiting settlement	61	–
Purchases awaiting settlement	–	5,190
Total other creditors	**4,890**	**9,981**

12 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: £nil).

13 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are included within Notes 8 and 11.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £1,512,000 (2023: £1,592,000).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was £17,934,000 (2023: £19,310,000).

The total rebate of expenses paid by Liontrust Fund Partners LLP and its associates for the year was £319,000 (2023: £591,000).

The total rebate of expenses balance due from Liontrust Fund Partners LLP and its associates at the year end was £28,000 (2023: £52,000).

At the year end, certain Members or close family of Members of the ACD held 258,921 shares in Class 6 Net Accumulation (2023: 153,353 shares) with a value of £650,000 (2023: £366,000) and received distributions totalling £6,000 for the year (2023: £3,000).

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Securities lending

The Sub-fund engages in security lending activities which expose the Sub-fund to counterparty credit risk. The maximum exposure to the Sub-fund is equal to the value of the securities loaned.

Securities lending transactions entered into by the Sub-fund are subject to a written legal agreement between the Sub-fund and the Stock Lending Agent, The Bank of New York Mellon (London Branch), 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 Depositary on behalf of the Sub-fund. Collateral received is segregated from the assets belonging to the Sub-fund's Depositary or the Stock Lending Agent. All operational costs are borne out of the Stock Lending Agent's share of income earned.

The total income earned from securities lending transactions is split between the relevant Sub-fund and the Stock Lending Agent. The Sub-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 tables below show the net income earned by the Sub-funds from securities lending activity during the year to 31 January 2024.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Managed Fund				
Securities lending				
Gross return	–	–	–	–
% of total	70%	0%	30%	100%
Cost	–	–	–	–

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2023.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	112	–	48	160
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Securities lending (continued)

Securities on loan and collateral received

At 31 January 2024, there were no securities on loan or related collateral outstanding (31 January 2023: Nil).

Collateral accepted is non-cash in the form of sovereign debt rated AA or better from approved governments only, supranational debt obligations rated AAA or better listed on a recognised exchange.

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. At the year end all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange.

The Sub-fund also benefits from a borrower default indemnity provided by The Bank of New York Mellon (London Branch). The indemnity allows for full replacement of securities lent. The Bank of New York Mellon (London Branch) bears the cost of indemnification against borrower default.

15 Risk management policies

In accordance with the investment objectives and policies the Sub-fund can hold certain financial instruments as detailed in the Sub-fund's prospectus. These can comprise of:

- equity, equity related and non-equity shares;
- Investment grade corporate bonds and government bonds (both sterling and non-sterling);
- Sub-investment grade bonds, covered bonds and preference shares;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- short-term borrowings used to finance operational cash flows;
- units and shares in collective investment schemes;
- shareholders' funds, which represent investors' monies which are invested on their behalf from overseas investments held;
- derivative transactions for investment purposes as well as efficient portfolio management in accordance with the Sub-fund's investment policies.

In accordance with the requirements of the rules in the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Sub-fund is not permitted to trade in other financial instruments. The Sub-fund's use of financial instruments during the year satisfies these regulatory requirements.

The main risks arising from the Sub-fund's financial instruments are market price (including "emerging markets price risk"), currency, interest rate, liquidity and counterparty credit risk. The ACD's policies for managing these risks are summarised below. The Sub-fund, alongside an independent risk function, has used a combination of risk measurements and limits to measure and monitor portfolio risk. This is in line with the Liontrust Group's Risk Management Process.

These policies have remained unchanged since the beginning of the year to which these financial statements relate and during the prior year.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet an acceptable risk reward profile. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes and for investment purposes.

The Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the prospectus.

As at 31 January 2024 and 31 January 2023 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2024, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 15.8%.

As at 31 January 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 12.3%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

The Sub-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR).

The calculation of conversion methods for the commitment approach for standard derivatives is taken from the conversion methodologies listed in the ESMA Guidelines on calculation of Global Exposure and Counterparty Risk. The commitment conversion methodology for standard derivatives is either the notional value or the market value of the equivalent position in the underlying asset. Please refer to the portfolio statement for the notional values of any forwards and futures contracts.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Market price risk (continued)

VaR is a method of estimating potential loss due to market risk, rather than a statement of leverage, using a given confidence level, or probability, over a specific time period and assuming normal market conditions. VaR is calculated using a Historical Simulation model carried out in accordance with regulatory guidelines.

The Sub-fund uses a combination of other risk measurements and limits. This is in line with the Liontrust Group's Risk Management Process.

The Sub-fund did not materially use derivatives in the current or prior year and the level of leverage employed by the Sub-fund during the current or prior year is not considered to be significant.

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments may be significantly affected by currency risk movements as some of the assets and income are denominated in currencies other than Sterling, which is the Company's functional and reporting currency.

The ACD has identified three principal areas where foreign currency risk could impact the Sub-fund:

- Movements in exchange rates affecting the value of investments;
- Movements in exchange rates affecting short-term timing differences; and
- Movements in exchange rates affecting the income received.

Currency exposure is monitored closely and is considered to be part of the overall investment process. Currency hedges via forward exchange contracts will only be used in the event of a specific unwanted currency risk being identified.

The Sub-fund may be subject to short-term exposure to exchange rate movements, for instance, where there is a difference between the date an investment purchase or sale is entered into and the date when settlement of the proceeds occurs. The ACD believes that the impact of such movements is not significant enough to warrant the cost incurred of eliminating them via hedging.

The Sub-fund may receive income in currencies other than Sterling, and the Sterling values of this income can be affected by movements in exchange rates. The Sub-fund converts all receipts of income into Sterling on or near the date of receipt; it does not, however, hedge or otherwise seek to avoid exchange rate risk on income accrued but not received.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Currency risk (continued)

At 31 January 2024 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	5	–	5
Danish Krone	82	62,390	62,472
Euro	916	158,115	159,031
Japanese Yen	102	52,430	52,532
Swedish Krona	553	26,697	27,250
Swiss Franc	–	48,247	48,247
United States Dollar	437	1,084,131	1,084,568
	2,095	**1,432,010**	**1,434,105**

At 31 January 2023 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	16	–	16
Danish Krone	83	64,656	64,739
Euro	1,084	168,212	169,296
Japanese Yen	127	91,141	91,268
Swedish Krona	400	33,604	34,004
Swiss Franc	–	55,130	55,130
United States Dollar	1,276	1,213,108	1,214,384
	2,986	**1,625,851**	**1,628,837**

If the exchange rate at 31 January 2024 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.55%/(0.55)% respectively.

If the exchange rate at 31 January 2023 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.59%/(0.59)% respectively.

Interest rate risk

Interest rate risk is the risk that the revenue cash flow or the fair value of investments may be adversely affected by movements in market interest rates.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Interest rate risk (continued)

Between 10% and 60% (typically 25%) of the Sub-fund's financial assets will be in interest bearing financial assets and liabilities. As a result the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates. The ACD may from time to time enter into derivative contracts on behalf of the Sub-fund that seeks to mitigate the effects of these movements.

Interest receivable on bank deposits and short-term deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The interest rates earned on sterling deposits are earned at a rate in line with overnight bank rates.

The interest rate risk profile of investment assets and liabilities at 31 January 2024 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non-Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	–	530,096	2,041,442	2,571,538
Investment liabilities	–	–	–	–

The interest rate risk profile of investment assets and liabilities at 31 January 2023 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non-Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	26,419	586,270	2,165,721	2,778,410
Investment liabilities	–	–	–	–

At 31 January 2024, if interest rates had strengthened/weakened by 1.00% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 8.02%.

At 31 January 2023, if interest rates had strengthened/weakened by 1.00% with all other variables held constant this would have increased/decreased the net fixed income assets attributable to investors in the Sub-fund by approximately 9.81%.

Liquidity risk

Liquidity risk is the risk that the Sub-fund will not be able to meet its obligations as they fall due. The Sub-fund's assets comprise mainly of readily realisable securities which can be sold to meet liquidity requirements.

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-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 Sub-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. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Liquidity risk (continued)

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria and can make it difficult to establish accurate estimates of fundamental value. The lack of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD's ability to execute substantial deals.

The main liquidity risk of the Sub-fund is the redemption of any shares that investors wish to sell, which are redeemable on demand under the Prospectus. Where investments cannot be realised in time to meet any potential liability, the Sub-fund may borrow up to 10% of its value to ensure settlement.

In accordance with the ACD's policy, the ACD monitors the Sub-fund's liquidity on a daily basis.

Counterparty credit risk

Counterparty credit risk is the risk of suffering loss due to another party not meeting its financial obligation. Investments may be adversely affected if any of the institutions with which money is deposited or invested suffers insolvency or other financial difficulties or the credit rating of the bearers of the bonds held by the Sub-fund are downgraded.

The table below summarises the credit quality of the Sub-fund's debt portfolio as at 31 January 2024 and 31 January 2023.

Summary of Credit ratings	31.1.2024 (£'000)	31.1.2023 (£'000)
Investment grade	496,767	530,984
Below Investment grade	23,482	65,564
Not Rated	9,847	16,141
Total	**530,096**	**612,689**

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty. This list is reviewed at least annually.

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan.

At the balance sheet date, there were no counterparties to open derivative contracts (2023: none). At the year end collateral of £Nil (2023: £Nil) was received; collateral pledged was £Nil (2023: £Nil) and none (2023: none) of the Sub-fund's financial assets were past due or impaired.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Counterparty credit risk (continued)

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2024 and at 31 January 2023 was A (Standard & Poor's rating).

BNYMSA, in the discharge of its delegated Depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the Sub-fund's rights with respect to its assets to be delayed or may result in the Sub-fund not receiving the full value of its assets.

Maturity profile of financial liabilities

All financial liabilities of the Sub-fund at the current and prior year-end are due to settle in one year or less, or on demand.

Fair value of financial assets and liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation of financial investments

31.1.2024	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	2,135,330	–
Level 2: Observable market data	436,051	–
Level 3: Unobservable data	157	–
	2,571,538	**–**

31.1.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	2,173,282	–
Level 2: Observable market data	604,910	–
Level 3: Unobservable data	218	–
	2,778,410	**–**

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Risk management policies (continued)

Valuation of financial investments (continued)
Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.*

*The Level 3 asset held in the Sub-fund has been identified in the portfolio statement and has been valued based on the last traded price with a discount applied.

16 Share movement
For the year ending 31 January 2024

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Income	332,135,495	2,551,728	(63,263,077)	65,502	271,489,648
Class 3 Net Income	442,457,094	14,233,156	(34,486,402)	–	422,203,848
Class 6 Net Accumulation	453,040,653	6,865,654	(53,144,068)	310,219	407,072,458
Class 7 Net Accumulation	2,014,512	632,575	(618,493)	(347,687)	1,680,907

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

17 Portfolio transaction costs
for the year ending 31 January 2024

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	362,415	198	0.05	809	0.22
Debt instruments (direct)	171,979	–	–	–	–
Collective investment schemes	13,000	–	–	–	–
In-specie transfers	54,000	–	–	–	–
Total purchases	**601,394**	**198**		**809**	
Total purchases including transaction costs	**602,401**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	551,662	256	0.05	3	–
Debt instruments (direct)	254,409	–	–	–	–
Collective investment schemes	23,600	1	–	–	–
In-specie transfers	54,541	–	–	–	–
Total sales	**884,212**	**257**		**3**	
Total sales net of transaction costs	**883,952**				
Total transaction costs		**455**		**812**	
Total transaction costs as a % of average net assets		**0.02%**		**0.03%**	

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

17 Portfolio transaction costs (continued)
for the year ending 31 January 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	446,437	232	0.05	805	0.18
Debt instruments (direct)	450,900	–	–	–	–
Collective investment schemes	1,218	–	–	–	–
Total purchases	**898,555**	**232**		**805**	
Total purchases including transaction costs	**899,592**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	558,448	280	0.05	6	–
Debt instruments (direct)	241,107	–	–	–	–
Total sales	**799,555**	**280**		**6**	
Total sales net of transaction costs	**799,269**				
Total transaction costs		**512**		**811**	
Total transaction costs as a % of average net assets		**0.02%**		**0.03%**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally, for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

For the Sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.16% (2023: 0.21%).

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

18 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Net Income share has increased by 2.67% to 02 May 2024. The other share classes in the Sub-fund have moved by a similar magnitude.

Sustainable Future Managed Fund (continued)

Distribution Tables
for the year ended 31 January 2024

Final distribution

Group 1 - Shares purchased prior to 1 August 2023

Group 2 - Shares purchased 1 August 2023 to 31 January 2024

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2024 Pence per share	Distribution paid 31.3.2023 Pence per share
Class 2 Net Income - Group 1	0.7657	–	0.7657	0.6560
Class 2 Net Income - Group 2	0.3379	0.4278	0.7657	0.6560
Class 3 Net Income - Group 1	1.4045	–	1.4045	1.1636
Class 3 Net Income - Group 2	0.3762	1.0283	1.4045	1.1636
Class 6 Net Accumulation - Group 1	1.0033	–	1.0033	0.8337
Class 6 Net Accumulation - Group 2	0.4293	0.5740	1.0033	0.8337
Class 7 Net Accumulation - Group 1	1.4281	–	1.4281	1.1685
Class 7 Net Accumulation - Group 2	0.6573	0.7708	1.4281	1.1685

Interim distribution

Group 1 - Shares purchased prior to 1 February 2023

Group 2 - Shares purchased 1 February 2023 to 31 July 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2023 Pence per share	Distribution paid 30.9.2022 Pence per share
Class 2 Net Income - Group 1	1.1169	–	1.1169	0.8233
Class 2 Net Income - Group 2	0.5145	0.6024	1.1169	0.8233
Class 3 Net Income - Group 1	1.8575	–	1.8575	1.5018
Class 3 Net Income - Group 2	0.8144	1.0431	1.8575	1.5018
Class 6 Net Accumulation - Group 1	1.4518	–	1.4518	1.0606
Class 6 Net Accumulation - Group 2	0.6891	0.7627	1.4518	1.0606
Class 7 Net Accumulation - Group 1	1.8718	–	1.8718	1.4736
Class 7 Net Accumulation - Group 2	1.5940	0.2778	1.8718	1.4736

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Sustainable Future Managed Growth Fund

Report for the year from 1 February 2023 to 31 January 2024

Investment Objective

The Sub-fund aims to deliver capital growth over the long term (5 years or more) through investment in sustainable securities.

Investment Policy

The Sub-fund will invest globally and will seek to achieve the investment objective through investment in securities that provide or produce sustainable products and services as well as having a progressive approach to the management of environmental, social and governance ("ESG") issues. Further information on the investment process can be found in the Prospectus.

All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

Allocations to equities, fixed income, and cash will vary over time depending on market circumstances. Asset allocation limits will remain in line with the following asset allocation ranges:

Equity – 60-100%

Fixed income – 0-20%

Cash – 0-20%

The Sub-fund may invest in collective investment schemes including other Liontrust Funds (up to 10% of Sub-fund assets), other transferable securities, money market instruments, warrants, deposits.

The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Sustainable Future Managed Growth Fund (continued)

Investment review

Sub-fund review

The Sub-fund (Class 2 accumulation) returned 11.6% over the period under review, versus the IA Flexible Investment sector average of 3.6% (which is the comparator benchmark)*.

The future of sustainable investment has been questioned by a number of different parties recently. Yet, in contrast, we are more excited about the prospects for the sustainable themes and stocks we invest in than we have been for many years.

We believe interest rates are at peak levels and should fall towards central banks' targets by mid to late 2024. The current higher interest rate environment will likely lead to lower economic growth, resulting in early cuts in interest rates.

Given this view and the fact that interest rate rises were the primary catalyst for the sell-off in the long duration growth equities in which we invest, we expect that the valuation multiples applied to growth equities should stabilise in conjunction with the peak in interest rates/yields. This would remove a significant structural returns headwind.

We are confident about the outlook for our sustainable investment strategies and believe they will build on their long-term positive track record as we back those businesses which are growing profitability while delivering solutions to critical environmental and social problems.

Those businesses which are providing these solutions will potentially access vast growth opportunities. In many cases, the speed and scale of this growth is likely to be underestimated in the valuation of their shares.

This is where the opportunity lies – finding great companies and helping to solve challenges we face as a society and world, whose prospects are undervalued by the market.

Having struggled in 2022 with worries about growth and margins, **Spotify** ended 2023 as one of the Sub-fund's top performers. We felt the market somewhat misunderstood the company and its potential, namely around the key metrics that we believe are important for Spotify: user and subscriber growth. Recent quarterly results show that Spotify has been growing these metrics strongly, exceeding expectations and with management clearly communicating a pivot to profitability.

Another one of our top performers was **Palo Alto Networks**, which is exposed to our theme of *Enabling digital security*. The company provides cyber security solutions for over 85,000 organisations. Almost every facet of our lives has some online exposure, whether personal information, finances, commercial interactions and simple communications. The same is true for businesses, governments and international institutions. Keeping this information secure and only accessible by the right people is essential for retaining trust in all these on-line interactions.

Palo Alto has traded strongly, with a series of encouraging earnings releases throughout the year, coupled with a share price boost towards the end of the year as expectations of an interest rate pivot were revived in Q4. Palo Alto's strategy is to build on the leading firewall product and move to subscription-based firewall and security as a service. This is increasingly based on consumption of data, meaning the market for security solutions will grow as data increases and more of this data is shifted into the cloud.

While its third quarter earnings release disappointed investors, **Alphabet** was among the top performers over the year. The company's quarterly earnings releases were well received by the market, and investor excitement towards the 'Magnificent Seven' stocks, driven by artificial intelligence, helped Alphabet's share price rise over the year.

Among the detractors over the year was **First Republic Bank**, with the company swept up in the turmoil following the collapse of Silicon Valley Bank (SVB) in March, given its deposit base was primarily in the San Francisco Bay area, as was SVB's. Panic ensued as reports of the collapse of SVB hit the news, which saw First Republic's deposit base fall from $155 billion to around $70 billion over a few days. While the solvency of First Republic was sound, the sharp fall in its deposit base led to higher funding costs, and hurt profitability. We exited the position over the first quarter of 2023.

Exposed to our *Saving for the future* theme, **Charles Schwab** was another one of the Sub-fund's positions to be negatively impacted by concerns around the collapse of SVB. Shares in the US investment firm fell amid a crisis of confidence in the banking sector with these concerns being further amplified after UBS announced that it was to buy out struggling Swiss lender Credit Suisse.

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Having exited First Republic, we initiated a position in **Morningstar** under our *Saving for the future* theme. Morningstar provides both quantitative and qualitative research to the investment industry, with databases and analytical tools covering private markets, ESG, credit ratings, equity valuation, and more. On the client side, it provides software and investment management services to financial advisors and institutions.

We also added multinational plumbing and heating products distributor **Ferguson**, under our *Building better cities* theme. Sanitation is an area of sustainable development which offers a huge opportunity to improve over the coming decades. Clean water, decent toilets and good hygiene are basic human rights, and these also interact with other goals such as education, reducing inequalities and climate action.

We initiated a new position in leading Human Capital Management (HCM) software provider **Paylocity** in the third quarter. Exposed to our *Increasing financial resilience* theme, Paylocity's products enable its customers, which are primarily small businesses, to manage the increasingly complex demands of managing its employees. We believe HCM is key to the strength and resilience of small and medium-sized enterprises (SME's) as incorrect payroll and incorrect taxes have high costs when they are not processed correctly. The importance of the ensuring your workforce is engaged in a hybrid work environment places further importance on HCM within the workplace.

Edwards Lifesciences, the developer and supplier of patient-focused medical innovations for heart disease and critical care monitoring was added under our *Enabling innovation in healthcare* theme. All of the company's products and services provide lifesaving results. As compared with open heart surgery, minimally invasive techniques (and percutaneous in the case of Edwards) are lower risk for the patient, as well as cheaper and timelier for both they and the healthcare system as a whole.

We also bought **Veralto** under the *Improving the management of wate*r theme. Veralto is a spin-out of Danaher's 'Environmental and Applied Solutions' segment, which focusses on providing tools and services to enable the testing and treatment of water, as well as the creation and key regulatory printing of consumer-packaged goods.

In terms of disposals, we exited the position in **Puma**. The departure of the CEO to a competitor was disappointing, given we rated his strategy and leadership highly. We had also hoped the sales of products directly related to wellness and exercise would outgrow the fashion-focused sales, which would have increased the thematic exposure, and seen an upgrade from C to B in terms of the product rating. This mix shift did not eventuate, as sportswear sales had disappointed. We therefore decided to exit the position.

We also sold **Intertek**. We have become increasingly concerned that the "reshoring" phenomena is a headwind for growth and margins for Intertek. As production is incrementally brought back to home shores, particularly in the US, the level of complexity in terms of supply chain auditing also falls, which we feel may negatively affect the long-term earnings and returns profile of Intertek.

We sold the position in air conditioning and heating pump provider **Daikin**. We have previously flagged the military division of Daikin with our advisory committee, and have been satisfied it is both immaterial (at around 0.50% of sales) and a legacy business which continues to shrink. We discussed the production of white phosphorus, which is manufactured solely for artillery shells that produce smoke (i.e., not incendiary) and are used purely for training purpose. The advisory committee felt the risks in the current geo-political environment meant that there was a material chance that the production of white phosphorous may one day be used as a weapon. So while this did not constitute a breach of screen, they felt we needed to engage with Daikin to get it to divest its military division – something we have done on numerous occasions, without any success.

We also identified an emerging risk from the chemicals division in Daikin – the production of Polyfluorinated Substances (PFAS). These "forever chemicals" are an emerging risk to both food and water systems, and our process is tracking the issue through testing and detection companies.

We came to the conclusion that these two risks are material to the Daikin investment case, and despite the positive environmental impact of the Daikin business, these risks weigh heavily on Daikin.

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Last, we sold e-signature software provider **DocuSign**, which was held under our *Delivering a circular materials economy* theme. While DocuSign continues to dominate the high-end of the e-signature market, the rest of the market is increasingly commoditised, and pricing well below what works for DocuSign. In our opinion, the company needs to accelerate core growth above 10% in the near-term and thus needs to carve out a new market and new products in the contract lifecycle management software (CLM) space. While this may work, we believe the chances they'll dominate as in e-signature are lower than we require for investments in our process.

** Source: Financial Express, bid-to-bid, net of fees, 31.01.24. Please note that the total return has been calculated at midday whereas the financial statements are at close of business.*

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested.

Past performance is not a guide to future performance. The value of an investment and the income generated from it can fall as well as rise and is not guaranteed. You may get back less than you originally invested.

Material portfolio changes by value

Purchases	Sales
Veralto	Palo Alto Networks
Paylocity	Adobe
Morningstar	Daikin Industries
Edwards Lifesciences	NVR
Ferguson	Intertek
TopBuild	Puma
Agilent Technologies	Spotify Technology
Thermo Fisher Scientific	Alphabet 'A'
Advanced Drainage Systems	Charles Schwab
Trex	DocuSign

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk — Typically higher rewards, higher risk

1	2	3	4	5	**6**	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-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 Sub-fund's risk and reward category has been calculated using the methodology set by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- All investments will be expected to conform to our social and environmental criteria.
- The Sub-fund is categorised 6 primarily for its exposure to a diversified portfolio of global equities and bonds.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-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 Sub-fund;
  - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result;
  - the creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- The Sub-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 Sub-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 Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-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.

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

- Outside of normal conditions, the Sub-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.
- The Sub-fund's investment objective is to target capital growth for investors. Growth stocks tend to pay out lower levels of dividend resulting in lower income yields and may produce more volatile returns than the market as a whole.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- 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 Sub-fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 1) or online at www.liontrust.co.uk.

Sustainable Future Managed Growth Fund (continued)

Comparative Tables
for the year ended 31 January 2024

Class 2 Net Accumulation Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	263.99	282.69	261.13
Return before operating charges	23.03	(16.50)	24.12
Operating charges	(2.27)	(2.20)	(2.56)
Return after operating charges	20.76	(18.70)	21.56
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**284.75**	**263.99**	**282.69**
After direct transaction costs of*	(0.06)	(0.05)	(0.21)
Performance			
Return after charges	7.86%	(6.62%)	8.26%
Other information			
Closing net asset value (£'000)	690,627	745,832	763,599
Closing number of shares	242,538,243	282,526,906	270,116,046
Operating charges**	0.86%	0.86%	0.88%
Direct transaction costs*	0.02%	0.02%	0.07%
Prices			
Highest share price	289.62	285.61	322.91
Lowest share price	242.20	227.06	255.57

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Managed Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2024

Class 3 Net Accumulation Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	381.24	406.57	373.93
Return before operating charges	33.40	(23.67)	34.52
Operating charges	(1.72)	(1.66)	(1.88)
Return after operating charges	31.68	(25.33)	32.64
Distributions	(0.87)	(0.81)	(0.13)
Retained distributions on accumulation shares	0.87	0.81	0.13
Closing net asset value per share	**412.92**	**381.24**	**406.57**
After direct transaction costs of*	(0.08)	(0.08)	(0.30)
Performance			
Return after charges	8.31%	(6.23%)	8.73%
Other information			
Closing net asset value (£'000)	255,788	254,152	278,253
Closing number of shares	61,946,204	66,664,529	68,438,900
Operating charges**	0.45%	0.45%	0.45%
Direct transaction costs*	0.02%	0.02%	0.07%
Prices			
Highest share price	419.98	410.77	463.94
Lowest share price	350.85	327.07	366.14

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (96.71%)	**908,105**	**95.95**
	DENMARK (3.91%)	**35,966**	**3.80**
198,479	Ringkjoebing Landbobank	25,371	2.68
469,971	Vestas Wind Systems	10,595	1.12
	GERMANY (4.32%)	**19,463**	**2.06**
587,094	Evotec	7,189	0.76
426,778	Infineon Technologies	12,274	1.30
	JAPAN (6.10%)	**34,159**	**3.61**
65,600	Keyence	23,439	2.48
581,800	TechnoPro	10,720	1.13
	NETHERLANDS (4.27%)	**43,437**	**4.59**
16,984	Adyen	16,962	1.79
38,883	ASML	26,475	2.80
	SWEDEN (4.57%)	**39,744**	**4.20**
1,183,381	Avanza Bank	18,896	2.00
123,282	Spotify Technology	20,848	2.20
	SWITZERLAND (3.80%)	**31,808**	**3.36**
317,033	Alcon	18,992	2.01
56,656	Roche	12,816	1.35
	UNITED KINGDOM (5.79%)	**50,293**	**5.31**
719,240	Compass	15,665	1.65
108,235	Ferguson	16,073	1.70
207,509	London Stock Exchange	18,555	1.96
	UNITED STATES OF AMERICA (63.95%)	**653,235**	**69.02**
32,897	Adobe	15,949	1.68
151,183	Advanced Drainage Systems	15,470	1.63
235,570	Agilent Technologies	24,065	2.54
307,698	Alphabet 'A'	33,828	3.57
137,001	American Tower REIT	21,047	2.22
91,760	Ansys	23,619	2.50

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED STATES OF AMERICA (continued)		
115,667	Autodesk	23,053	2.44
156,757	Bright Horizons Family Solutions	12,094	1.28
259,253	Brown & Brown	15,786	1.67
145,009	Cadence Design Systems	32,846	3.47
344,841	Charles Schwab	17,033	1.80
99,949	Ecolab	15,555	1.64
231,315	Edwards Lifesciences	14,248	1.51
35,451	Equinix REIT	23,100	2.44
108,524	Illumina	12,186	1.29
31,303	Intuit	15,514	1.64
93,034	Intuitive Surgical	27,621	2.92
143,957	IQVIA	23,535	2.49
148,688	Masimo	15,055	1.59
81,440	Morningstar	17,857	1.89
384,203	Nasdaq	17,429	1.84
3,462	NVR	19,174	2.03
58,225	Palo Alto Networks	15,472	1.63
85,653	Paylocity	10,655	1.13
203,321	PayPal	9,790	1.03
193,914	PTC	27,499	2.91
76,075	Thermo Fisher Scientific	32,187	3.40
62,704	TopBuild	18,176	1.92
265,893	Trex	17,011	1.80
328,498	Veralto	19,783	2.09
144,985	VeriSign	22,643	2.39
204,899	Visa 'A'	43,955	4.64
	COLLECTIVE INVESTMENT SCHEMES (3.36%)	**0**	**0.00**
	Portfolio of investments	**908,105**	**95.95**
	Net other assets	**38,310**	**4.05**
	Total net assets	**946,415**	**100.00**

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

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 January 2023.

Stocks shown as REITs represent Real Estate Investment Trust.

Sustainable Future Managed Growth Fund (continued)

Statement of Total Return
for the year ended 31 January 2024

	Notes	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Income					
Net capital gains/(losses)	2		69,927		(68,732)
Revenue	3	7,362		7,301	
Expenses	4	(7,127)		(7,416)	
Interest payable and similar charges	6	(8)		(1)	
Net revenue/(expense) before taxation		227		(116)	
Taxation	5	(860)		(734)	
Net expense after taxation			(633)		(850)
Total return before distributions			**69,294**		**(69,582)**
Distributions	7		(584)		(554)
Change in net assets attributable to shareholders from investment activities			**68,710**		**(70,136)**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2024

	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Opening net assets attributable to shareholders		**999,984**		**1,041,852**
Amounts received on issue of shares	16,929		95,298	
Amounts paid on cancellation of shares	(139,774)		(67,582)	
		(122,845)		27,716
Change in net assets attributable to shareholders from investment activities		68,710		(70,136)
Retained distributions on accumulation shares		566		552
Closing net assets attributable to shareholders		**946,415**		**999,984**

Sustainable Future Managed Growth Fund (continued)

Balance Sheet
as at 31 January 2024

	Notes	31.1.2024 (£'000)	31.1.2023 (£'000)
Assets			
Fixed assets			
Investments		908,105	1,000,732
Current assets:			
Debtors	8	698	591
Cash and bank balances	9	39,641	209
Total assets		**948,444**	**1,001,532**
Liabilities			
Creditors:			
Other creditors	10	(2,029)	(1,548)
Total liabilities		**(2,029)**	**(1,548)**
Net assets attributable to shareholders		**946,415**	**999,984**

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements
for the year ended 31 January 2024

1 Accounting policies
The accounting policies for the Sub-fund are set out on pages 12 to 14.

2 Net capital gains/(losses)

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
The net capital gains/(losses) comprise:		
Non-derivative securities	70,101	(68,859)
Foreign currency (losses)/gains	(174)	127
Net capital gains/(losses)	**69,927**	**(68,732)**

3 Revenue

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Bank interest	546	1
Non-taxable overseas dividends	4,514	4,293
Revenue from short-term money market funds	464	743
Stock lending income	–	20
UK dividends	655	1,134
US REIT dividends	1,183	1,110
Total revenue	**7,362**	**7,301**

4 Expenses

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	6,234	6,466
General administration charges*	893	950
Total expenses	**7,127**	**7,416**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £9,200 (2023: £9,200). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

5 Taxation

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
a) Analysis of the tax charge for the year		
Overseas tax	860	734
Total tax charge [see note(b)]	**860**	**734**

b) Factors affecting the tax charge for the year
The taxation assessed for the year is higher (2023: higher) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Net revenue/(expense) before taxation	227	(116)
Corporation tax at 20% (2023 - 20%)	45	(23)
Effects of:		
Movement in unrecognised tax losses	1,051	1,131
Overseas tax	860	734
Prior year adjustment to unrecognised tax losses	(27)	11
Relief on overseas tax expensed	(35)	(34)
Revenue not subject to tax	(1,034)	(1,085)
Total tax charge [see note(a)]	**860**	**734**

Authorised investment companies with variable capital are exempt from UK tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c) Deferred tax
At the year end there is a potential deferred tax asset of £5,113,000 (2023: £4,062,000) due to tax losses of £25,563,000 (2023: £20,310,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Overdraft interest	8	1
Total interest payable and similar charges	**8**	**1**

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

7 Distributions

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Interim distribution	427	460
Final distribution	139	92
	566	**552**
Amounts deducted on cancellation of shares	25	16
Amounts received on issue of shares	(7)	(14)
Distributions	**584**	**554**

The distributable amount has been calculated as follows:		
Net expense after taxation	(633)	(850)
Shortfall of income taken to capital	1,217	1,404
Distributions	**584**	**554**

The distribution per share is set out in the tables on page 249.

8 Debtors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued revenue	513	483
Amounts receivable for issue of shares	23	7
Currency sales awaiting settlement	53	–
Overseas withholding tax	56	101
Sales awaiting settlement	53	–
Total debtors	**698**	**591**

9 Cash and bank balances

	31.1.2024 (£'000)	31.1.2023 (£'000)
Cash and bank balances	39,641	209
Total cash and bank balances	**39,641**	**209**

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

10 Creditors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued expenses	75	78
Accrued ACD's charge	525	544
Amounts payable for cancellation of shares	1,376	926
Currency purchases awaiting settlement	53	–
Total other creditors	**2,029**	**1,548**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: £nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £600,000 (2023: £622,000).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was £7,127,000 (2023: £7,416,000).

At the year end, certain Members or close family of Members of the ACD held 10,788 shares in Class 2 Net Accumulation (2023: 10,770 shares) with a value of £31,000 (2023: £28,000) and received distributions totalling £nil for the year (2023: £nil).

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

13 Securities lending

The Sub-fund engages in security lending activities which expose the Sub-fund to counterparty credit risk. The maximum exposure to the Sub-fund is equal to the value of the securities loaned.

Securities lending transactions entered into by the Sub-fund are subject to a written legal agreement between the Sub-fund and the Stock Lending Agent, The Bank of New York Mellon (London Branch), 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 Depositary on behalf of the Sub-fund. Collateral received is segregated from the assets belonging to the Sub-fund's Depositary or the Stock Lending Agent. All operational costs are borne out of the Stock Lending Agent's share of income earned.

The total income earned from securities lending transactions is split between the relevant Sub-fund and the Stock Lending Agent. The Sub-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 tables below show the net income earned by the Sub-funds from securities lending activity during the year to 31 January 2024.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Managed Growth Fund				
Securities lending				
Gross return	–	–	–	–
% of total	70%	0%	30%	100%
Cost	–	–	–	–

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2023.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	20	–	9	29
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

13 Securities lending (continued)

Securities on loan and collateral received

At 31 January 2024, there were no securities on loan or related collateral outstanding (31 January 2023: Nil).

Collateral accepted is non-cash in the form of sovereign debt rated AA or better from approved governments only, supranational debt obligations rated AAA or better listed on a recognised exchange.

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. At the year end all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange.

The Sub-fund also benefits from a borrower default indemnity provided by The Bank of New York Mellon (London Branch). The indemnity allows for full replacement of securities lent. The Bank of New York Mellon (London Branch) bears the cost of indemnification against borrower default.

14 Risk management policies

In accordance with the investment objectives and policies the Sub-fund can hold certain financial instruments as detailed in the Sub-fund’s prospectus. These can comprise of:

- equity, equity related and non-equity shares;
- Investment grade corporate bonds and government bonds (both sterling and non-sterling);
- Sub-investment grade bonds, covered bonds and preference shares;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- short-term borrowings used to finance operational cash flows;
- units and shares in collective investment schemes;
- shareholders' funds, which represent investors’ monies which are invested on their behalf from overseas investments held;
- derivative transactions for investment purposes as well as efficient portfolio management in accordance with the Sub-fund’s investment policies.

In accordance with the requirements of the rules in the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Sub-fund is not permitted to trade in other financial instruments. The Sub-fund's use of financial instruments during the year satisfies these regulatory requirements.

The main risks arising from the Sub-fund's financial instruments are market price (including “emerging markets price risk”), currency, interest rate, liquidity and counterparty credit risk. The ACD's policies for managing these risks are summarised below. The Sub-fund, alongside an independent risk function, has used a combination of risk measurements and limits to measure and monitor portfolio risk. This is in line with the Liontrust Group’s Risk Management Process.

These policies have remained unchanged since the beginning of the year to which these financial statements relate and during the prior year.

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet an acceptable risk reward profile. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes and for investment purposes.

The Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the prospectus.

As at 31 January 2024 and 31 January 2023 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2024, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 17.4%.

As at 31 January 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 12.5%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

The Sub-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR).

The calculation of conversion methods for the commitment approach for standard derivatives is taken from the conversion methodologies listed in the ESMA Guidelines on calculation of Global Exposure and Counterparty Risk. The commitment conversion methodology for standard derivatives is either the notional value or the market value of the equivalent position in the underlying asset. Please refer to the portfolio statement for the notional values of any forwards and futures contracts.

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Market price risk (continued)

VaR is a method of estimating potential loss due to market risk, rather than a statement of leverage, using a given confidence level, or probability, over a specific time period and assuming normal market conditions. VaR is calculated using a Historical Simulation model carried out in accordance with regulatory guidelines.

The Sub-fund uses a combination of other risk measurements and limits. This is in line with the Liontrust Group's Risk Management Process.

The Sub-fund did not materially use derivatives in the current or prior year and the level of leverage employed by the Sub-fund during the current or prior year is not considered to be significant.

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments may be significantly affected by currency risk movements as some of the assets and income are denominated in currencies other than Sterling, which is the Company's functional and reporting currency.

The ACD has identified three principal areas where foreign currency risk could impact the Sub-fund:

- Movements in exchange rates affecting the value of investments;
- Movements in exchange rates affecting short-term timing differences; and
- Movements in exchange rates affecting the income received.

Currency exposure is monitored closely and is considered to be part of the overall investment process. Currency hedges via forward exchange contracts will only be used in the event of a specific unwanted currency risk being identified.

The Sub-fund may be subject to short-term exposure to exchange rate movements, for instance, where there is a difference between the date an investment purchase or sale is entered into and the date when settlement of the proceeds occurs. The ACD believes that the impact of such movements is not significant enough to warrant the cost incurred of eliminating them via hedging.

The Sub-fund may receive income in currencies other than Sterling, and the Sterling values of this income can be affected by movements in exchange rates. The Sub-fund converts all receipts of income into Sterling on or near the date of receipt; it does not, however, hedge or otherwise seek to avoid exchange rate risk on income accrued but not received.

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Currency risk (continued)
At 31 January 2024 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	3	–	3
Danish Krone	43	35,967	36,010
Euro	11	62,900	62,911
Japanese Yen	73	34,159	34,232
Swedish Krona	191	18,896	19,087
Swiss Franc	–	31,807	31,807
United States Dollar	231	674,082	674,313
	552	**857,811**	**858,363**

At 31 January 2023 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	9	–	9
Danish Krone	37	39,100	39,137
Euro	57	85,816	85,873
Japanese Yen	93	61,026	61,119
Swedish Krona	–	24,964	24,964
Swiss Franc	–	38,063	38,063
United States Dollar	234	660,218	660,452
	430	**909,187**	**909,617**

If the exchange rate at 31 January 2024 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.91%/(0.91)% respectively.

If the exchange rate at 31 January 2023 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.91%/(0.91)% respectively.

Interest rate risk
Interest rate risk is the risk that the revenue cash flow or the fair value of investments may be adversely affected by movements in market interest rates.

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Interest rate risk (continued)

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

Interest receivable on bank deposits and short-term deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The interest rates earned on sterling deposits are earned at a rate in line with overnight bank rates.

Liquidity risk

Liquidity risk is the risk that the Sub-fund will not be able to meet its obligations as they fall due. The Sub-fund’s assets comprise mainly of readily realisable securities which can be sold to meet liquidity requirements.

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-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 Sub-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. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria and can make it difficult to establish accurate estimates of fundamental value. The lack of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD’s ability to execute substantial deals.

The main liquidity risk of the Sub-fund is the redemption of any shares that investors wish to sell, which are redeemable on demand under the Prospectus. Where investments cannot be realised in time to meet any potential liability, the Sub-fund may borrow up to 10% of its value to ensure settlement.

In accordance with the ACD’s policy, the ACD monitors the Sub-fund's liquidity on a daily basis.

Counterparty credit risk

Counterparty credit risk is the risk of suffering loss due to another party not meeting its financial obligation. Investments may be adversely affected if any of the institutions with which money is deposited or invested suffers insolvency or other financial difficulties or the credit rating of the bearers of the bonds held by the Sub-fund are downgraded.

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty. This list is reviewed at least annually.

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Counterparty credit risk (continued)
The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan.

At the balance sheet date, there were no counterparties to open derivative contracts (2023: none). At the year end collateral of £Nil (2023: £Nil) was received; collateral pledged was £Nil (2023: £Nil) and none (2023: none) of the Sub-fund's financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2024 and at 31 January 2023 was A (Standard & Poor's rating).

BNYMSA, in the discharge of its delegated Depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the Sub-fund's rights with respect to its assets to be delayed or may result in the Sub-fund not receiving the full value of its assets.

Maturity profile of financial liabilities
All financial liabilities of the Sub-fund at the current and prior year-end are due to settle in one year or less, or on demand.

Fair value of financial assets and liabilities
There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation of financial investments

31.1.2024	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	908,105	–
	908,105	**–**

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Valuation of financial investments (continued)

31.1.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	967,114	–
Level 2: Observable market data	33,618	–
	1,000,732	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs

15 Share movement

For the year ending 31 January 2024

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	282,526,906	4,175,143	(44,163,806)	–	242,538,243
Class 3 Net Accumulation	66,664,529	1,578,971	(6,297,296)	–	61,946,204

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

16 Portfolio transaction costs
for the year ending 31 January 2024

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	149,961	80	0.05	–	–
Total purchases	**149,961**	**80**		**–**	
Total purchases including transaction costs	**150,041**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	279,251	123	0.04	2	–
Total sales	**279,251**	**123**		**2**	
Total sales net of transaction costs	**279,126**				
Total transaction costs		**203**		**2**	
Total transaction costs as a % of average net assets		**0.02%**		**–**	

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

16 Portfolio transaction costs (continued)
for the year ending 31 January 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	220,905	120	0.05	–	–
Total purchases	**220,905**	**120**		**–**	
Total purchases including transaction costs	**221,025**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	157,041	84	0.05	2	–
Total sales	**157,041**	**84**		**2**	
Total sales net of transaction costs	**156,955**				
Total transaction costs		**204**		**2**	
Total transaction costs as a % of average net assets		**0.02%**		**–**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally, for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.04% (2023: 0.05%).

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

17 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Net Accumulation share has increased by 2.88% to 02 May 2024. The other share classes in the Sub-fund have moved by a similar magnitude.

Sustainable Future Managed Growth Fund (continued)

Distribution Tables
for the year ended 31 January 2024

Final distribution

Group 1 - Shares purchased prior to 1 August 2023

Group 2 - Shares purchased 1 August 2023 to 31 January 2024

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2024 Pence per share	Distribution paid 31.3.2023 Pence per share
Class 2 Net Accumulation - Group 1	–	–	–	–
Class 2 Net Accumulation - Group 2	–	–	–	–
Class 3 Net Accumulation - Group 1	0.2247	–	0.2247	0.1379
Class 3 Net Accumulation - Group 2	0.0546	0.1701	0.2247	0.1379

Interim distribution

Group 1 - Shares purchased prior to 1 February 2023

Group 2 - Shares purchased 1 February 2023 to 31 July 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2023 Pence per share	Distribution paid 30.9.2022 Pence per share
Class 2 Net Accumulation - Group 1	–	–	–	–
Class 2 Net Accumulation - Group 2	–	–	–	–
Class 3 Net Accumulation - Group 1	0.6493	–	0.6493	0.6703
Class 3 Net Accumulation - Group 2	0.2239	0.4254	0.6493	0.6703

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Sustainable Future UK Growth Fund

Report for the year from 1 February 2023 to 31 January 2024

Investment Objective

The Sub-fund aims to deliver capital growth over the long-term (5 years or more) through investment in sustainable securities.

Investment Policy

The Sub-fund will invest at least 80% in companies which are incorporated, domiciled or conduct significant business in the United Kingdom (UK) and will seek to achieve the investment objective through investment in securities that provide or produce sustainable products and services as well as having a progressive approach to the management of environmental, social and governance ("ESG") issues. Further information on the investment process can be found in the Prospectus.

All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

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

The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Sustainable Future UK Growth Fund (continued)

Investment review

Sub-fund review

The Sub-fund (Class 2 accumulation) returned 1.2% over the 12 months to 31 January 2024, compared with the 1.9% IA UK All Companies sector average return and the MSCI UK Index's return of 2.2% (both of which are comparator benchmarks)*.

The future of sustainable investment has been questioned by a number of different parties recently. Yet, in contrast, we are more excited about the prospects for the sustainable themes and stocks we invest in than we have been for many years.

We believe interest rates are at peak levels and should fall towards central banks' targets by mid to late 2024. The current higher interest rate environment will likely lead to lower economic growth, resulting in early cuts in interest rates.

Given this view and the fact that interest rate rises were the primary catalyst for the sell-off in the long-duration growth equities in which we invest, we expect that the valuation multiples applied to growth equities should stabilise in conjunction with the peak in interest rates/yields. This would remove a significant structural returns headwind.

We are confident about the outlook for our sustainable investment strategies and believe they will build on their long-term positive track record as we back those businesses which are growing profitability while delivering solutions to critical environmental and social problems.

Those businesses which are providing these solutions will potentially access vast growth opportunities. In many cases, the speed and scale of this growth is likely to be underestimated in the valuation of their shares.

This is where the opportunity lies – finding great companies and helping to solve challenges we face as a society and world, whose prospects are undervalued by the market.

Online money transfer specialist **Wise** enjoyed a strong year after more than tripling its annual profits, boosted by an increase in customer numbers, while higher interest rates lifted income. The fintech company also updated its outlook for its 2024 financial year: it now expects income to grow between 28% and 32%.

Held under our *Increasing financial resilience* theme, Wise's mission is to bring transparency and fairness into moving money around the world. This covers pricing of products and sharing the economies of scale in order to bring foreign exchange (FX) costs down to zero. Traditionally, FX has been very costly for individuals, especially those remitting small amounts regularly. Wise offers a significantly better rate, lower fees, and very simple app-based approach. Offering better rates is not just about having more to spend on your holiday; for migrant labour the typical 6% charge to remit earnings has very real impacts on household spending. Wise can reduce this by 60% on average.

Long term holding **3i Group**, exposed to our *Increasing financial resilience* theme, maintained its strong performance following a series of encouraging earnings release over the year. Most notable was a resilient half year results in November which revealed a 10%, or £1.67 billion, return on opening shareholders' funds during a challenging economic and geopolitical environment. The company commented on continued strong performance from discount retailer Action, as well as a number of holdings within the value for money, private label and healthcare space.

Having struggled somewhat in the aftermath of its IPO in March 2021, it was pleasing to see **Trustpilot** among the top performers over the year. The Danish review platform performed strongly in as it upgraded its profit guidance for FY2023. The company, which is exposed to our *Connecting people* theme, also launched a £20 million share buyback programme.

Oxford Biomedica has struggled this year despite rallying in December after the release of a more encouraging business update. The company has seen continued customer destocking after Covid-19 supply chain disruptions induced many customers to over order and build up very large inventories. As Covid has diminished and supply chains have normalised, companies are now running these inventories down to normal levels, while also facing lower demand.

Following two consecutive lacklustre company updates, digital education specialist **Learning Technologies Group** (LTG) was also among the notable detractors. Exposed to our *Providing education* theme, LTG fell sharply in April after its 2022 full-year results release

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

was poorly received by the market. LTG fell again after its first-half of 2023 update also underwhelmed investors with revised revenue and operating guidance sitting below analyst estimates.

Life science specialist **Syncona** was another detractor. The company fell after it reported an interim net asset value of £1.2 billion as of 30 September 2023, down from £1.25 billion six months earlier.

In terms of portfolio activity, we initiated a position in medical products and technologies company **Convatec**. Held under our *Enabling innovation in healthcare* theme, Convatec manufactures medical devices for people living with and managing chronic disease. Its mission is to pioneer trusted medical solutions to improve lives.

We also initiated a new position in multinational plumbing and heating products distributor **Ferguson** under our *Building better cities* theme. Sanitation is an area of sustainable development which offers a huge opportunity to improve over the coming decades. Clean water, decent toilets and good hygiene are basic human rights, and these also interact with other goals such as education, reducing inequalities and climate action.

We added global information services company **Experian** under our *Increasing financial resilience* theme. As the world's largest consumer credit bureau, Experian plays a critical role financial stability through the provision of transparent and accurate credit information. Experian has also developed a number of free tools on the consumer side of the business aimed at improving financial inclusion and credit scores – Experian Boost and Experian Go – helping people establish a credit identity and improve their score, all free of charge.

We re-instated **Kingspan** to the portfolio under our *Improving the efficiency of energy use* theme. The company has now implemented the required controls around product certification and fire safety. Continued engagement with the company by the Sustainable Investment team has provided the reassurance that deficiencies highlighted by the Grenfell Tower inquiry will not occur again.

Kingspan's products dramatically improve the energy efficiency of buildings. The company estimates that through the use of its products sold in 2022, 173 million tonnes of CO2 were saved, equivalent to the energy use of around 20 million homes. We believe Kingspan is well positioned to have a significant impact in reducing global energy use from buildings.

We also opened a position in British engineering group **Spirax-Sarco Engineering** under our *Improving the resource efficiency of industrial and agricultural processes* theme. Spirax's steam systems dramatically improve the resource efficiency of chemical and industrial plants.

We initiated a position in pest control company **Rentokil Initial** under our *Enabling healthier lifestyles* theme. Rentokil helps to keep our urban environment clean and healthy by preventing pest infestations in businesses and homes and providing hygiene services.

Pest control companies help to protect human health and property from damage from pests such as mosquitoes, termites and vermin. The number and size of cities drives the demand for pest control because they provide ideal environments for breeding (warmer and lack of predators).

Finally, we added **Spectris**, the seller of high-tech instruments and related services that improve the performance of the life sciences, automotive, and industrial sectors, under our *Better monitoring of supply chains and quality control* theme. Through measurement and analysis its clients can analyse and understand how to increase the effectiveness of medicines, develop longer range batteries, test new electric car designs and even electric planes.

In terms of portfolio disposals, we exited our position in **Crest Nicholson**, a leading UK house builder, with excellent sustainability credentials built into every home, and a long-term holding. Unfortunately, there has been some management mis-steps and changes over the past few years and we believe the UK housing recovery could take longer than anticipated. We decided there are better opportunities in other areas of the portfolio.

We also sold identity verification and fraud protection specialist **GB Group**. Despite strong structural demand, GB Group's management team made an expensive acquisition linked to cyber security in cryptocurrencies in what transpired to be the height of the

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

crypto boom. This lack of discipline around capital allocation causes us to lose faith that management are careful custodians of our clients' capital – we decided to exit our position over the period.

Finally, we also sold our position in life sciences company **ABCAM** after an acquisition bid at a 40% premium to the share price from Danaher Inc.

**Source: Financial Express, bid-to-bid, net of fees, 31.01.24. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested.

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.

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
ConvaTec	Abcam
Experian	3i
Kingspan	Smurfit Kappa
Spirax-Sarco Engineering	Smart Metering Systems
Ferguson	Kerry
GSK	Halma
Rentokil Initial	Unilever
Spectris	Paragon Banking
Halma	Oxford Instruments
Unilever	FD Technologies

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk — Typically higher rewards, higher risk

1	2	3	4	5	**6**	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-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 Sub-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 Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund invests in UK equities. The Sub-fund may also invest in other eligible asset classes as detailed within the prospectus.
- All investments will be expected to conform to our social and environmental criteria.
- The Sub-fund is categorised 6 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 Sub-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 Sub-fund.
- The Sub-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 Sub-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 Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund is expected to invest in companies predominantly in a single country which maybe subject to greater political, social and economic risks which could result in greater volatility than investments in more broadly diversified funds.
- The Sub-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 Sub-fund will invest in smaller companies and may invest a small proportion (less than 10%) of the Sub-fund in unlisted

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

securities. There may be liquidity constraints in these securities from time to time, i.e. in certain circumstances, the Sub-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 Sub-fund to defer or suspend redemptions of its shares.

- Outside of normal conditions, the Sub-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.
- The Sub-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 Sub-fund's investment objective is to target capital growth for investors. Growth stocks tend to pay out lower levels of dividend resulting in lower income yields and may produce more volatile returns than the market as a whole.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- 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 Sub-fund’s risks, please see the prospectus which may be obtained from Liontrust (address on page 1) or online at www.liontrust.co.uk.

Sustainable Future UK Growth Fund (continued)

Comparative Tables
for the year ended 31 January 2024

Class 2 Net Accumulation Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	224.52	260.90	253.95
Return before operating charges	1.43	(34.47)	9.35
Operating charges	(1.79)	(1.91)	(2.40)
Return after operating charges	(0.36)	(36.38)	6.95
Distributions	(3.86)	(2.98)	(2.63)
Retained distributions on accumulation shares	3.86	2.98	2.63
Closing net asset value per share	**224.16**	**224.52**	**260.90**
After direct transaction costs of*	(0.31)	(0.36)	(0.66)
Performance			
Return after charges	(0.16%)	(13.94%)	2.74%
Other information			
Closing net asset value (£'000)	412,908	546,581	741,478
Closing number of shares	184,205,889	243,441,634	284,202,697
Operating charges**	0.83%	0.84%	0.85%
Direct transaction costs*	0.14%	0.16%	0.23%
Prices			
Highest share price	232.20	267.98	307.24
Lowest share price	191.69	197.53	256.59

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future UK Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2024

Class 3 Net Accumulation Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	325.95	377.30	365.78
Return before operating charges	2.12	(49.86)	13.35
Operating charges	(1.41)	(1.49)	(1.83)
Return after operating charges	0.71	(51.35)	11.52
Distributions	(6.80)	(5.59)	(5.43)
Retained distributions on accumulation shares	6.80	5.59	5.43
Closing net asset value per share	**326.66**	**325.95**	**377.30**
After direct transaction costs of*	(0.45)	(0.53)	(0.95)
Performance			
Return after charges	0.22%	(13.61%)	3.15%
Other information			
Closing net asset value (£'000)	195,814	220,513	306,861
Closing number of shares	59,944,490	67,651,338	81,330,616
Operating charges**	0.45%	0.45%	0.45%
Direct transaction costs*	0.14%	0.16%	0.23%
Prices			
Highest share price	337.13	387.55	443.64
Lowest share price	279.07	286.44	370.47

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future UK Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2024

Class 6 Income Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022+ per share (p)
Change in net assets per share			
Opening net asset value per share	75.21	88.51	100.00
Return before operating charges	0.46	(11.65)	(10.64)
Operating charges	(0.60)	(0.64)	(0.39)
Return after operating charges	(0.14)	(12.29)	(11.03)
Distributions	(1.29)	(1.01)	(0.46)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	**73.78**	**75.21**	**88.51**
After direct transaction costs of*	(0.10)	(0.12)	(0.11)
Performance			
Return after charges	(0.19%)	(13.89%)	(11.03%)
Other information			
Closing net asset value (£'000)	2,172	1,945	571
Closing number of shares	2,943,925	2,586,297	645,594
Operating charges**	0.83%	0.83%	0.83%
Direct transaction costs*	0.14%	0.16%	0.23%
Prices			
Highest share price	77.78	90.92	104.77
Lowest share price	63.50	66.46	87.51

\+ Launched on 9 August 2021.

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future UK Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2024

M Accumulation Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	90.55	105.05	102.09
Return before operating charges	0.57	(13.87)	3.74
Operating charges	(0.59)	(0.63)	(0.78)
Return after operating charges	(0.02)	(14.50)	2.96
Distributions	(1.68)	(1.35)	(1.23)
Retained distributions on accumulation shares	1.68	1.35	1.23
Closing net asset value per share	**90.53**	**90.55**	**105.05**
After direct transaction costs of*	(0.12)	(0.15)	(0.26)
Performance			
Return after charges	(0.02%)	(13.80%)	2.90%
Other information			
Closing net asset value (£'000)	2,041	32,820	1,297
Closing number of shares	2,254,883	36,246,399	1,234,893
Operating charges**	0.68%	0.69%	0.69%
Direct transaction costs*	0.14%	0.16%	0.23%
Prices			
Highest share price	93.65	107.90	123.63
Lowest share price	77.39	79.63	103.32

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future UK Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2024

M Income **Accounting year ended**	**31 January 2024** **per share (p)**	**31 January 2023** **per share (p)**	**31 January 2022** **per share (p)**
Change in net assets per share			
Opening net asset value per share	87.46	102.93	101.15
Return before operating charges	0.53	(13.54)	3.77
Operating charges	(0.57)	(0.62)	(0.78)
Return after operating charges	(0.04)	(14.16)	2.99
Distributions	(1.62)	(1.31)	(1.21)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	**85.80**	**87.46**	**102.93**
After direct transaction costs of*	(0.12)	(0.14)	(0.26)
Performance			
Return after charges	(0.05%)	(13.76%)	2.96%
Other information			
Closing net asset value (£'000)	2,260	5,304	9,656
Closing number of shares	2,634,244	6,064,718	9,381,266
Operating charges**	0.68%	0.69%	0.70%
Direct transaction costs*	0.14%	0.16%	0.23%
Prices			
Highest share price	90.45	105.73	121.87
Lowest share price	73.87	77.31	101.84

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future UK Growth Fund (continued)

Portfolio Statement
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (95.17%)	**598,020**	**97.21**
	UNITED KINGDOM (89.47%)	**562,479**	**91.43**
	Alternative Energy Sources (0.34%)	**1,220**	**0.20**
510,487	Ceres Power	1,220	0.20
	Banks (6.61%)	**32,837**	**5.34**
7,698,854	NatWest	17,330	2.82
2,204,227	Paragon Banking	15,507	2.52
	Biotechnology (5.09%)	**10,530**	**1.72**
2,965,921	Oxford Biomedica	5,392	0.88
3,205,273	Oxford Nanopore Technologies	5,138	0.84
	Building Materials (1.24%)	**8,387**	**1.36**
1,985,167	Genuit	8,387	1.36
	Chemicals (2.34%)	**11,536**	**1.88**
240,084	Croda International	11,536	1.88
	Commercial Services (5.33%)	**40,392**	**6.56**
371,870	Ashtead	19,345	3.14
317,845	Intertek	14,281	2.32
1,657,559	Rentokil Initial	6,766	1.10
	Computers (3.40%)	**16,453**	**2.67**
1,137,816	Softcat	16,453	2.67
	Cosmetics & Personal Care (6.71%)	**35,928**	**5.84**
4,656,988	Haleon	14,972	2.43
544,725	Unilever	20,956	3.41
	Distribution & Wholesale (0.00%)	**12,420**	**2.02**
83,639	Ferguson	12,420	2.02
	Diversified Financial Services (7.55%)	**48,306**	**7.86**
2,922,642	AJ Bell	9,241	1.50

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Diversified Financial Services (continued)		
242,516	London Stock Exchange	21,686	3.53
1,507,776	Mortgage Advice Bureau	12,605	2.05
729,912	St James's Place	4,774	0.78
	Electricity (1.22%)	**8,461**	**1.38**
581,913	Telecom Plus	8,461	1.38
	Electronics (9.34%)	**51,842**	**8.42**
631,126	Halma	13,834	2.25
640,070	Oxford Instruments	14,210	2.31
4,185,811	Rotork	13,118	2.13
325,417	Smart Metering Systems	3,095	0.50
204,996	Spectris	7,585	1.23
	Engineering & Construction (1.58%)	**7,934**	**1.29**
10,030,216	Helios Towers	7,934	1.29
	Food Services (1.98%)	**11,782**	**1.92**
540,947	Compass	11,782	1.92
	Healthcare Products (0.00%)	**16,827**	**2.74**
6,981,981	ConvaTec	16,827	2.74
	Home Builders (0.41%)		
	Insurance (5.16%)	**35,663**	**5.79**
651,190	Admiral	16,377	2.66
7,150,522	Legal & General	18,234	2.96
684,066	Thrive Renewables~	1,052	0.17
	Internet (3.73%)	**34,619**	**5.63**
5,580,019	Trainline	18,436	3.00
9,010,325	Trustpilot	16,183	2.63

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Investment Companies (1.41%)	**4,447**	**0.72**
739,170	Capital for Colleagues	517	0.08
7,542,939	Distribution Finance Capital	1,961	0.32
3,612,427	SDCL Energy Efficiency Income Trust	1,969	0.32
	Leisure Time (1.36%)	**8,194**	**1.33**
7,729,850	Gym	8,194	1.33
	Machinery Diversified (0.00%)	**12,459**	**2.03**
124,525	Spirax-Sarco Engineering	12,459	2.03
	Miscellaneous Manufacturing (1.21%)	**9,119**	**1.48**
1,381,676	Porvair	9,119	1.48
	Pharmaceuticals (5.32%)	**40,549**	**6.59**
178,733	AstraZeneca	18,767	3.05
1,389,154	GSK	21,782	3.54
	Private Equity (7.41%)	**48,002**	**7.80**
1,250,907	3i	31,010	5.04
15,673,189	IP	8,197	1.33
3,685,972	Molton Ventures	8,795	1.43
	Real Estate Investment & Services (0.02%)	**140**	**0.02**
382,000	Ethical Property~	140	0.02
	Real Estate Investment Trusts (1.19%)	**6,600**	**1.07**
5,784,978	Home REIT^	808	0.13
6,879,094	PRS REIT	5,792	0.94
	Retail (1.43%)	**7,843**	**1.27**
6,784,580	DFS Furniture	7,843	1.27

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Software (6.25%)	**32,096**	**5.22**
16,677,028	Learning Technologies	13,525	2.20
2,293,870	Wise	18,571	3.02
	Transportation (1.84%)	**7,893**	**1.28**
9,194,002	Mobico	7,893	1.28
	IRELAND (5.70%)	**35,541**	**5.78**
	Building Materials (0.00%)	**12,821**	**2.08**
198,970	Kingspan	12,821	2.08
	Commercial Services (0.00%)	**10,947**	**1.78**
332,140	Experian	10,947	1.78
	Food Producers (1.87%)	**3,115**	**0.51**
44,238	Kerry	3,115	0.51
	Forest Products & Paper (3.83%)	**8,658**	**1.41**
293,879	Smurfit Kappa	8,658	1.41
	COLLECTIVE INVESTMENT SCHEMES (3.62%)	**9,651**	**1.57**
	GUERNSEY (2.71%)	**9,651**	**1.57**
8,235,103	Syncona	9,651	1.57
	UNITED KINGDOM (0.91%)	**0**	**0.00**
	Portfolio of investments	**607,671**	**98.78**
	Net other assets	**7,524**	**1.22**
	Total net assets	**615,195**	**100.00**

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

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 January 2023.

Stocks shown as REITs represent Real Estate Investment Trust.

~ Unquoted security.

^ Suspended Security.

Sustainable Future UK Growth Fund (continued)

Statement of Total Return
for the year ended 31 January 2024

	Notes	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Income					
Net capital losses	2		(24,938)		(161,665)
Revenue	3	19,052		19,331	
Expenses	4	(5,089)		(6,431)	
Interest payable and similar charges	6	(1)		(2)	
Net revenue before taxation		13,962		12,898	
Taxation	5	(62)		(4)	
Net revenue after taxation			13,900		12,894
Total return before distributions			**(11,038)**		**(148,771)**
Distributions	7		(13,900)		(12,889)
Change in net assets attributable to shareholders from investment activities			**(24,938)**		**(161,660)**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2024

	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Opening net assets attributable to shareholders		**807,163**		**1,059,863**
Amounts received on issue of shares	31,962		79,526	
Amounts paid on cancellation of shares	(211,865)		(182,742)	
		(179,903)		(103,216)
Dilution adjustment		80		–
Change in net assets attributable to shareholders from investment activities		(24,938)		(161,660)
Retained distributions on accumulation shares		12,793		12,176
Closing net assets attributable to shareholders		**615,195**		**807,163**

Sustainable Future UK Growth Fund (continued)

Balance Sheet
as at 31 January 2024

	Notes	31.1.2024 (£'000)	31.1.2023 (£'000)
Assets			
Fixed assets			
Investments		607,671	797,404
Current assets:			
Debtors	8	9,183	1,349
Cash and bank balances	9	9,770	10,618
Total assets		**626,624**	**809,371**
Liabilities			
Creditors:			
Distribution payable		(30)	(36)
Other creditors	10	(11,399)	(2,172)
Total liabilities		**(11,429)**	**(2,208)**
Net assets attributable to shareholders		**615,195**	**807,163**

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements
for the year ended 31 January 2024

1 Accounting policies
The accounting policies for the Sub-fund are set out on pages 12 to 14.

2 Net capital losses

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
The net capital losses comprise:		
Non-derivative securities	(24,928)	(161,641)
Foreign currency losses	(10)	(24)
Net capital losses	**(24,938)**	**(161,665)**

3 Revenue

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Bank interest	160	15
Non-taxable overseas dividends	1,603	1,205
Stock lending income	–	27
UK dividends	17,102	17,550
UK REIT dividends	187	534
Total revenue	**19,052**	**19,331**

4 Expenses

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	4,579	5,757
General administration charges*	510	674
Total expenses	**5,089**	**6,431**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £9,200 (2023: £9,200). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

5 Taxation

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
a) Analysis of the tax charge for the year		
Overseas tax	62	4
Total tax charge [see note(b)]	**62**	**4**

b) Factors affecting the tax charge for the year
The taxation assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Net revenue before taxation	13,962	12,898
Corporation tax at 20% (2023 - 20%)	2,792	2,580
Effects of:		
Movement in unrecognised tax losses	949	1,155
Overseas tax	62	4
Prior year adjustment to unrecognised tax losses	–	16
Revenue not subject to tax	(3,741)	(3,751)
Total tax charge [see note(a)]	**62**	**4**

Authorised investment companies with variable capital are exempt from UK tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c) Deferred tax
At the year end there is a potential deferred tax asset of £7,762,000 (2023: £6,813,000) due to tax losses of £38,808,000 (2023: £34,065,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Overdraft interest	1	2
Total interest payable and similar charges	**1**	**2**

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

7 Distributions

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Interim distribution	8,615	8,288
Final distribution	4,272	4,006
	12,887	**12,294**
Amounts deducted on cancellation of shares	1,226	863
Amounts received on issue of shares	(213)	(268)
Distributions	**13,900**	**12,889**
The distributable amount has been calculated as follows:		
Net revenue after taxation	13,900	12,894
Less: Equalisation on conversions	–	(5)
Distributions	**13,900**	**12,889**

The distribution per share is set out in the tables on page 283.

8 Debtors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued revenue	562	541
Amounts receivable for issue of shares	–	279
Currency sales awaiting settlement	2,807	–
Income tax recoverable	–	3
Overseas withholding tax	559	526
Sales awaiting settlement	5,255	–
Total debtors	**9,183**	**1,349**

9 Cash and bank balances

	31.1.2024 (£'000)	31.1.2023 (£'000)
Cash and bank balances	9,770	10,618
Total cash and bank balances	**9,770**	**10,618**

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

10 Creditors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued expenses	37	50
Accrued ACD's charge	334	452
Amounts payable for cancellation of shares	2,863	1,670
Currency purchases awaiting settlement	2,798	–
Purchases awaiting settlement	5,367	–
Total other creditors	**11,399**	**2,172**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: £nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £371,000 (2023: £502,000).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was £5,089,000 (2023: £6,431,000).

At the year end, certain Members or close family of Members of the ACD held 2,315 shares in Class 2 Net Accumulation (2023: 2,310 shares) with a value of £5,000 (2023: £5,000) and received distributions totalling £nil for the year (2023: £nil).

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

13 Securities lending

The Sub-fund engages in security lending activities which expose the Sub-fund to counterparty credit risk. The maximum exposure to the Sub-fund is equal to the value of the securities loaned.

Securities lending transactions entered into by the Sub-fund are subject to a written legal agreement between the Sub-fund and the Stock Lending Agent, The Bank of New York Mellon (London Branch), 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 Depositary on behalf of the Sub-fund. Collateral received is segregated from the assets belonging to the Sub-fund's Depositary or the Stock Lending Agent. All operational costs are borne out of the Stock Lending Agent's share of income earned.

The total income earned from securities lending transactions is split between the relevant Sub-fund and the Stock Lending Agent. The Sub-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 tables below show the net income earned by the Sub-funds from securities lending activity during the year to 31 January 2024.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future UK Growth Fund				
Securities lending				
Gross return	–	–	–	–
% of total	70%	0%	30%	100%
Cost	–	–	–	–

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2023.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	27	–	12	39
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

13 Securities lending (continued)

Securities on loan and collateral received

At 31 January 2024, there were no securities on loan or related collateral outstanding (31 January 2023: Nil).

Collateral accepted is non-cash in the form of sovereign debt rated AA or better from approved governments only, supranational debt obligations rated AAA or better listed on a recognised exchange.

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. At the year end all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange.

The Sub-fund also benefits from a borrower default indemnity provided by The Bank of New York Mellon (London Branch). The indemnity allows for full replacement of securities lent. The Bank of New York Mellon (London Branch) bears the cost of indemnification against borrower default.

14 Risk management policies

In accordance with the investment objectives and policies the Sub-fund can hold certain financial instruments as detailed in the Sub-fund's prospectus. These can comprise of:

- equity, equity related and non-equity shares;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- short-term borrowings used to finance operational cash flows;
- units and shares in collective investment schemes;
- shareholders' funds, which represent investors' monies which are invested on their behalf from overseas investments held;
- derivative transactions for investment purposes as well as efficient portfolio management in accordance with the Sub-fund's investment policies.

In accordance with the requirements of the rules in the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Sub-fund is not permitted to trade in other financial instruments. The Sub-fund's use of financial instruments during the year satisfies these regulatory requirements.

The main risks arising from the Sub-fund's financial instruments are market price (including "emerging markets price risk"), currency, interest rate, liquidity and counterparty credit risk. The ACD's policies for managing these risks are summarised below. The Sub-fund, alongside an independent risk function, has used a combination of risk measurements and limits to measure and monitor portfolio risk. This is in line with the Liontrust Group's Risk Management Process.

These policies have remained unchanged since the beginning of the year to which these financial statements relate and during the prior year.

Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Market price risk (continued)

order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet an acceptable risk reward profile. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes and for investment purposes.

The Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the prospectus.

As at 31 January 2024 and 31 January 2023 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2024, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 11.8%.

As at 31 January 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.6%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

The Sub-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR).

The calculation of conversion methods for the commitment approach for standard derivatives is taken from the conversion methodologies listed in the ESMA Guidelines on calculation of Global Exposure and Counterparty Risk. The commitment conversion methodology for standard derivatives is either the notional value or the market value of the equivalent position in the underlying asset. Please refer to the portfolio statement for the notional values of any forwards and futures contracts.

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Market price risk (continued)

VaR is a method of estimating potential loss due to market risk, rather than a statement of leverage, using a given confidence level, or probability, over a specific time period and assuming normal market conditions. VaR is calculated using a Historical Simulation model carried out in accordance with regulatory guidelines.

The Sub-fund uses a combination of other risk measurements and limits. This is in line with the Liontrust Group's Risk Management Process.

The Sub-fund did not materially use derivatives in the current or prior year and the level of leverage employed by the Sub-fund during the current or prior year is not considered to be significant.

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments may be significantly affected by currency risk movements as some of the assets and income are denominated in currencies other than Sterling, which is the Company's functional and reporting currency.

The ACD has identified three principal areas where foreign currency risk could impact the Sub-fund:

- Movements in exchange rates affecting the value of investments;
- Movements in exchange rates affecting short-term timing differences; and
- Movements in exchange rates affecting the income received.

Currency exposure is monitored closely and is considered to be part of the overall investment process. Currency hedges via forward exchange contracts will only be used in the event of a specific unwanted currency risk being identified.

The Sub-fund may be subject to short-term exposure to exchange rate movements, for instance, where there is a difference between the date an investment purchase or sale is entered into and the date when settlement of the proceeds occurs. The ACD believes that the impact of such movements is not significant enough to warrant the cost incurred of eliminating them via hedging.

The Sub-fund may receive income in currencies other than Sterling, and the Sterling values of this income can be affected by movements in exchange rates. The Sub-fund converts all receipts of income into Sterling on or near the date of receipt; it does not, however, hedge or otherwise seek to avoid exchange rate risk on income accrued but not received.

The majority of the Sub-fund's financial assets and liabilities are denominated in the Sub-fund's functional currency. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of currency exchange rates. Therefore, no exchange rate sensitivity analysis has been prepared for these.

Interest rate risk

Interest rate risk is the risk that the revenue cash flow or the fair value of investments may be adversely affected by movements in market interest rates.

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Interest rate risk (continued)

Interest receivable on bank deposits and short-term deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The interest rates earned on sterling deposits are earned at a rate in line with overnight bank rates.

Liquidity risk

Liquidity risk is the risk that the Sub-fund will not be able to meet its obligations as they fall due. The Sub-fund's assets comprise mainly of readily realisable securities which can be sold to meet liquidity requirements.

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-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 Sub-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. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

The main liquidity risk of the Sub-fund is the redemption of any shares that investors wish to sell, which are redeemable on demand under the Prospectus. Where investments cannot be realised in time to meet any potential liability, the Sub-fund may borrow up to 10% of its value to ensure settlement.

In accordance with the ACD's policy, the ACD monitors the Sub-fund's liquidity on a daily basis.

Counterparty credit risk

Counterparty credit risk is the risk of suffering loss due to another party not meeting its financial obligation. Investments may be adversely affected if any of the institutions with which money is deposited or invested suffers insolvency or other financial difficulties or the credit rating of the bearers of the bonds held by the Sub-fund are downgraded.

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty. This list is reviewed at least annually.

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan.

At the balance sheet date, there were no counterparties to open derivative contracts (2023: none). At the year end collateral of £Nil (2023: £Nil) was received; collateral pledged was £Nil (2023: £Nil) and none (2023: none) of the Sub-fund's financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2024 and at 31 January 2023 was A (Standard & Poor's rating).

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Counterparty credit risk (continued)

BNYMSA, in the discharge of its delegated Depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the Sub-fund's rights with respect to its assets to be delayed or may result in the Sub-fund not receiving the full value of its assets.

Maturity profile of financial liabilities

All financial liabilities of the Sub-fund at the current and prior year-end are due to settle in one year or less, or on demand.

Fair value of financial assets and liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation of financial investments

31.1.2024	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	605,154	–
Level 2: Observable market data	517	–
Level 3: Unobservable data	2,000	–
	607,671	**–**

31.1.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	793,920	–
Level 3: Unobservable data	3,484	–
	797,404	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.*

*The Level 3 assets held in the Sub-fund have been identified in the portfolio statement and have been valued based on the last traded price with a discount applied.

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Share movement

For the year ending 31 January 2024

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	243,441,634	6,223,868	(65,439,521)	(20,092)	184,205,889
Class 3 Net Accumulation	67,651,338	1,838,551	(9,524,481)	(20,918)	59,944,490
Class 6 Income	2,586,297	868,584	(707,850)	196,894	2,943,925
M Accumulation	36,246,399	14,048,617	(48,003,215)	(36,918)	2,254,883
M Income	6,064,718	205,235	(3,635,709)	–	2,634,244

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

16 Portfolio transaction costs
for the year ending 31 January 2024

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	159,087	93	0.06	741	0.47
Total purchases	**159,087**	**93**		**741**	
Total purchases including transaction costs	**159,921**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	314,038	173	0.06	1	–
Collective investment schemes	10,871	10	0.09	–	–
Total sales	**324,909**	**183**		**1**	
Total sales net of transaction costs	**324,725**				
Total transaction costs		**276**		**742**	
Total transaction costs as a % of average net assets		**0.04%**		**0.10%**	

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

16 Portfolio transaction costs (continued)
for the year ending 31 January 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	226,823	121	0.05	1,136	0.50
Total purchases	**226,823**	**121**		**1,136**	
Total purchases including transaction costs	**228,080**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	304,343	161	0.05	1	–
Collective investment schemes	4,096	3	0.07	–	–
Total sales	**308,439**	**164**		**1**	
Total sales net of transaction costs	**308,274**				
Total transaction costs		**285**		**1,137**	
Total transaction costs as a % of average net assets		**0.03%**		**0.13%**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally, for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.20% (2023: 0.20%).

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

17 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Net Accumulation share has increased by 4.95% to 02 May 2024. The other share classes in the Sub-fund have moved by a similar magnitude.

Sustainable Future UK Growth Fund (continued)

Distribution Tables
for the year ended 31 January 2024

Final distribution

Group 1 - Shares purchased prior to 1 August 2023

Group 2 - Shares purchased 1 August 2023 to 31 January 2024

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2024 Pence per share	Distribution paid 31.3.2023 Pence per share
Class 2 Net Accumulation - Group 1	1.4278	–	1.4278	0.9906
Class 2 Net Accumulation - Group 2	0.5168	0.9110	1.4278	0.9906
Class 3 Net Accumulation - Group 1	2.6645	–	2.6645	2.0537
Class 3 Net Accumulation - Group 2	1.0469	1.6176	2.6645	2.0537
Class 6 Income - Group 1	0.4724	–	0.4724	0.3347
Class 6 Income - Group 2	0.2494	0.2230	0.4724	0.3347
M Accumulation - Group 1	0.6317	–	0.6317	0.4680
M Accumulation - Group 2	0.1657	0.4660	0.6317	0.4680
M Income - Group 1	0.6105	–	0.6105	0.4520
M Income - Group 2	0.1899	0.4206	0.6105	0.4520

Interim distribution

Group 1 - Shares purchased prior to 1 February 2023

Group 2 - Shares purchased 1 February 2023 to 31 July 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2023 Pence per share	Distribution paid 30.9.2022 Pence per share
Class 2 Net Accumulation - Group 1	2.4287	–	2.4287	1.9916
Class 2 Net Accumulation - Group 2	1.1233	1.3054	2.4287	1.9916
Class 3 Net Accumulation - Group 1	4.1343	–	4.1343	3.5402
Class 3 Net Accumulation - Group 2	0.9016	3.2327	4.1343	3.5402
Class 6 Income - Group 1	0.8139	–	0.8139	0.6777
Class 6 Income - Group 2	0.2923	0.5216	0.8139	0.6777
M Accumulation - Group 1	1.0469	–	1.0469	0.8785
M Accumulation - Group 2	0.3372	0.7097	1.0469	0.8785
M Income - Group 1	1.0096	–	1.0096	0.8555
M Income - Group 2	0.4550	0.5546	1.0096	0.8555

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

UK Ethical Fund

Report for the year from 1 February 2023 to 31 January 2024

Investment Objective

The Sub-fund aims to deliver capital growth over the long-term (5 years or more) through investment in sustainable securities.

Investment Policy

The Sub-fund will invest at least 80% in companies which are incorporated, domiciled or conduct significant business in the United Kingdom (UK) and will seek to achieve the investment objective through investment in securities that provide or produce sustainable products and services as well as having a progressive approach to the management of environmental, social and governance (ESG) issues. Further information on the investment process can be found in the Prospectus.

All investments will be expected to conform to our social and environmental criteria, and ethical screening process which includes complete exclusion of companies involved in any activity related to animal testing. Full details are set out on the Liontrust website (www.liontrust.co.uk).

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

The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

UK Ethical Fund (continued)

Investment review

Sub-fund review

The Sub-fund (Class 2 accumulation) returned -1.7% over the period under review, versus the 1.9% IA UK All Companies sector average and the MSCI UK Index's 2.2% (both of which are comparator benchmarks)*.

The future of sustainable investment has been questioned by a number of different parties recently. Yet, in contrast, we are more excited about the prospects for the sustainable themes and stocks we invest in than we have been for many years.

We believe interest rates are at peak levels and should fall towards central banks' targets by mid to late 2024. The current higher interest rate environment will likely lead to lower economic growth, resulting in early cuts in interest rates.

Given this view and the fact that interest rate rises were the primary catalyst for the sell-off in the long duration growth equities in which we invest, we should expect that the valuation multiples applied to growth equities should stabilise in conjunction with the peak in interest rates/yields. This would remove a significant structural returns headwind.

We are confident about the outlook for our sustainable investment strategies and believe they will build on their long-term positive track record as we back those businesses which are growing profitability while delivering solutions to critical environmental and social problems.

Those businesses which are providing these solutions will potentially access vast growth opportunities. In many cases, the speed and scale of this growth is likely to be underestimated in the valuation of their shares.

This is where the opportunity lies – finding great companies and helping to solve challenges we face as a society and world, whose prospects are undervalued by the market.

Online money transfer specialist **Wise** enjoyed a strong year after more than tripling its annual profits, boosted by an increase in customer numbers, while higher interest rates lifted income. The fintech company also updated its outlook for its 2024 financial year: it now expects income to grow between 28% and 32%.

Held under our *Increasing financial resilience* theme, Wise's mission is to bring transparency and fairness into moving money around the world. This covers pricing of products and sharing the economies of scale in order to bring foreign exchange (FX) costs down to zero. Traditionally, FX has been very costly for individuals, especially those remitting small amounts regularly. Wise offers a significantly better rate, lower fees, and very simple app-based approach. Offering better rates is not just about having more to spend on your holiday; for migrant labour the typical 6% charge to remit earnings has very real impacts on household spending. Wise can reduce this by 60% on average.

Specialist lender **Paragon Banking Group** was among the top contributors, performing strongly in December following the release of its annual results. Held under our *Building better cities* theme, Paragon provides finance for professional landlords and small and medium-sized enterprises (SMEs), with a long history of low impairments and high service levels. Its lending helps to support the sizeable private rental market and the development of new houses. The company noted a stronger-than-expected 25% increase in annual profits, while also announcing another £50 million share buyback.

Having struggled somewhat in the aftermath of its IPO in March 2021, it was pleasing to see **Trustpilot** among the top performers over the year. The Danish review platform performed strongly in as it upgraded its profit guidance for FY2023. The company, which is exposed to our *Connecting people* theme, also launched a £20 million share buyback programme.

Mobico Group (Formerly National Express) performed poorly over the period under review, most notably falling sharply on the announcement of its financial report for the six months to the 30 June 2023. Exposed to our theme of *Making transportation more efficient or safer*, the transport company reported an 18.5% increase in group revenue for the period, however group operating profit was down to £8.7m, with the company attributing this to a reduction in Covid-19 funding from the government.

Following two consecutive lacklustre company updates, digital education specialist **Learning Technologies Group** (LTG) was also among the notable detractors. Exposed to our *Providing education* theme, LTG fell sharply in April after its 2022 full-year results release

UK Ethical Fund (continued)

Investment review (continued)

Sub-fund review (continued)
was poorly received by the market. LTG fell again after its first-half of 2023 update also underwhelmed investors with revised revenue and operating guidance sitting below analyst estimates.

Shares in UK wealth manager **St. James's Place** tumbled following the announcement that it was reviewing its fees and charges. The company is aligned with our theme of *Saving for the Future*, recognising value that companies such as St James Place offers in helping people prepare for their financial future in a backdrop of increasing financial complexity and diminishing state/employer support.

We have long recognised that the charging approach from the company is distinctive, however felt that over the lifetime of a client it was reasonable given the comprehensive advice and overall value of their service. This view is supported by consistently high customer satisfaction scores and the industry leading advisor training St James Place provides. Earlier this year we met with the Management team following the reduction of long-term client fees in light of the new Consumer Duty rules from the FCA. We felt they were taking proactive sensible actions to the benefit of customers and incentivise long-term investing.

The recent news indicates that they will now additionally be scrapping the exit fee element of their fee model and lower their overall. Our initial view is that this will lead to a hit on shorter term earnings and profitability but the longer term picture is less affected. Ultimately if clients are happy with the service and advice they receive then the company will retain and grow assets under management. This is the metric we focus on, and thus far seems to have held up well. It is under review, but we continue to hold our position in the portfolios.

In terms of other portfolio activity, we added global information services company **Experian** under our *Increasing financial resilience* theme. As the world's largest consumer credit bureau, Experian plays a critical role financial stability through the provision of transparent and accurate credit information. Experian has also developed a number of free tools on the consumer side of the business aimed at improving financial inclusion and credit scores – Experian Boost and Experian Go – helping people establish a credit identity and improve their score, all free of charge.

We added **Spectris**, the seller of high-tech instruments and related services that improve the performance of the life sciences, automotive, and industrial sectors, under our *Better monitoring of supply chains and quality contro*l theme. Through measurement and analysis their clients can analyse and understand how to increase the effectiveness of medicines, develop longer range batteries, test new electric car designs and even electric planes.

We re-added **Kingspan** under our *Improving the efficiency of energy use* theme for very strong sustainable investment reasons and because the company has now implemented the required controls around product certification and fire safety. Continued engagement with the company by the Sustainable Investment team has provided the reassurance that deficiencies highlighted by the Grenfell Tower inquiry will not occur again.

Kingspan's products dramatically improve the energy efficiency of buildings. The company estimates that through the use of its products sold in 2022, 173 million tonnes of CO2 will be saved, equivalent to the energy use of around 20 million homes. We believe Kingspan is well positioned to have a significant impact in reducing global energy use from buildings, which is essential if we are to prevent global warming exceeding the 1.5C threshold that the IPCC (Intergovernmental Panel on Climate Change) warns is critical.

We also opened a position in British engineering group **Spirax-Sarco Engineering** under our *Improving the resource efficiency of industrial and agricultural processes* theme. Spirax's steam systems dramatically improve the resource efficiency of chemical and industrial plants, saves its customers an estimated 18.2mt CO2e per annum.

In terms of sells, we exited our position in **Crest Nicholson**, a leading UK house builder, with excellent sustainability credentials built into every home, and a long-term holding. Unfortunately, there has been some management mis-steps and changes over the past few years and we believe the UK housing recovery could take longer than anticipated. With these concerns, we have decided there are better opportunities in other areas of the portfolio.

We also sold Identity verification and fraud protection specialist **GB Group**. Despite strong structural demand, GB Group's management team made an expensive acquisition linked to cyber security in cryptocurrencies in what transpired to be the height of the

UK Ethical Fund (continued)

Investment review (continued)

Sub-fund review (continued)

crypto boom. This lack of discipline around capital allocation causes us to lose faith that management are careful custodians of our client's capital – we decided to exit our position over the period.

** Source: Financial Express, bid-to-bid, net of fees, 31.01.24. Please note that the total return has been calculated at midday whereas the financial statements are at close of business.*

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested.

Past performance is not a guide to future performance. The value of an investment and the income generated from it can fall as well as rise and is not guaranteed. You may get back less than you originally invested.

Material portfolio changes by value

Purchases	Sales
Experian	Smart Metering Systems
Kingspan	Smurfit Kappa
Spirax-Sarco Engineering	Oxford Instruments
NatWest	Intertek
National Grid	Compass
Spectris	GB
London Stock Exchange	Paragon Banking
Telecom Plus	London Stock Exchange
Genuit	FD Technologies
Softcat	National Grid

UK Ethical Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.

Typically lower rewards,
lower risk

Typically higher rewards,
higher risk

1	2	3	4	5	6	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-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 Sub-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 Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund invests in UK equities. The Sub-fund may also invest in other eligible asset classes as detailed within the prospectus.
- All investments will be expected to conform to our social and environmental criteria.
- The Sub-fund is categorised 6 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 Sub-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 Sub-fund.
- The Sub-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 Sub-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 Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund is expected to invest in companies predominantly in a single country which maybe subject to greater political, social and economic risks which could result in greater volatility than investments in more broadly diversified funds.
- The Sub-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 Sub-fund may invest in companies listed on the Alternative Investment Market (AIM) which is primarily for emerging or smaller

UK Ethical Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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 Sub-fund will invest in smaller companies and may invest a small proportion (less than 10%) of the Sub-fund in unlisted securities. There may be liquidity constraints in these securities from time to time, i.e. in certain circumstances, the Sub-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 Sub-fund to defer or suspend redemptions of its shares.
- The Sub-fund's investment objective is to target capital growth for investors. Growth stocks tend to pay out lower levels of dividend resulting in lower income yields and may produce more volatile returns than the market as a whole.
- Outside of normal conditions, the Sub-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.
- 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 Sub-fund’s risks, please see the prospectus which may be obtained from Liontrust (address on page 1) or online at www.liontrust.co.uk.

UK Ethical Fund (continued)

Comparative Tables
for the year ended 31 January 2024

Class 2 Net Accumulation **Accounting year ended**	**31 January 2024** **per share (p)**	**31 January 2023** **per share (p)**	**31 January 2022** **per share (p)**
Change in net assets per share			
Opening net asset value per share	298.37	347.49	337.96
Return before operating charges	(5.92)	(46.71)	12.56
Operating charges	(2.18)	(2.41)	(3.03)
Return after operating charges	(8.10)	(49.12)	9.53
Distributions	(7.06)	(4.97)	(4.33)
Retained distributions on accumulation shares	7.06	4.97	4.33
Closing net asset value per share	**290.27**	**298.37**	**347.49**
After direct transaction costs of*	(0.35)	(0.36)	(0.59)
Performance			
Return after charges	(2.71%)	(14.14%)	2.82%
Other information			
Closing net asset value (£'000)	212,725	309,136	423,542
Closing number of shares	73,285,272	103,607,682	121,887,001
Operating charges**	0.78%	0.79%	0.81%
Direct transaction costs*	0.13%	0.12%	0.16%
Prices			
Highest share price	308.04	356.04	407.45
Lowest share price	241.74	260.84	341.61

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

UK Ethical Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2024

Class 3 Net Income Accounting year ended	31 January 2024 per share (p)	31 January 2023 per share (p)	31 January 2022 per share (p)
Change in net assets per share			
Opening net asset value per share	262.69	310.83	305.92
Return before operating charges	(5.31)	(41.56)	11.56
Operating charges	(0.98)	(1.09)	(1.35)
Return after operating charges	(6.29)	(42.65)	10.21
Distributions	(7.12)	(5.49)	(5.30)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	**249.28**	**262.69**	**310.83**
After direct transaction costs of*	(0.31)	(0.32)	(0.53)
Performance			
Return after charges	(2.39%)	(13.72%)	3.34%
Other information			
Closing net asset value (£'000)	278,465	321,114	398,843
Closing number of shares	111,706,876	122,238,569	128,316,856
Operating charges**	0.40%	0.40%	0.40%
Direct transaction costs*	0.13%	0.12%	0.16%
Prices			
Highest share price	271.23	318.53	367.10
Lowest share price	209.67	231.23	308.65

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

UK Ethical Fund (continued)

Portfolio Statement
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (95.22%)	**479,416**	**97.60**
	UNITED KINGDOM (90.34%)	**441,152**	**89.81**
	Alternative Energy Sources (0.46%)	**1,367**	**0.28**
571,922	Ceres Power	1,367	0.28
	Banks (8.54%)	**45,172**	**9.20**
9,183,802	NatWest	20,673	4.21
3,482,476	Paragon Banking	24,499	4.99
	Biotechnology (0.95%)	**4,882**	**0.99**
3,045,663	Oxford Nanopore Technologies	4,882	0.99
	Building Materials (1.86%)	**13,478**	**2.74**
3,190,049	Genuit	13,478	2.74
	Chemicals (2.58%)	**11,383**	**2.32**
2,471,862	Treatt	11,383	2.32
	Commercial Services (7.71%)	**34,057**	**6.94**
400,985	Ashtead	20,859	4.25
293,751	Intertek	13,198	2.69
	Computers (5.27%)	**17,076**	**3.48**
1,180,878	Softcat	17,076	3.48
	Diversified Financial Services (11.13%)	**55,946**	**11.39**
4,454,494	AJ Bell	14,085	2.87
222,493	London Stock Exchange	19,895	4.05
1,490,732	Mortgage Advice Bureau	12,463	2.54
1,452,988	St James's Place	9,503	1.93
	Electricity (3.29%)	**22,295**	**4.54**
1,169,467	National Grid	12,338	2.51
684,825	Telecom Plus	9,957	2.03

UK Ethical Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Electronics (10.63%)	**39,688**	**8.09**
640,780	Oxford Instruments	14,225	2.90
4,023,735	Rotork	12,610	2.57
444,092	Smart Metering Systems	4,223	0.86
233,233	Spectris	8,630	1.76
	Engineering & Construction (2.72%)	**7,230**	**1.47**
9,139,597	Helios Towers	7,230	1.47
	Food Services (3.59%)	**14,709**	**2.99**
675,360	Compass	14,709	2.99
	Home Builders (1.09%)		
	Insurance (7.10%)	**43,538**	**8.86**
743,377	Admiral	18,696	3.81
9,081,679	Legal & General	23,158	4.71
1,095,006	Thrive Renewables~	1,684	0.34
	Internet (3.61%)	**32,713**	**6.66**
4,834,745	Trainline	15,974	3.25
9,320,346	Trustpilot	16,739	3.41
	Investment Companies (3.05%)	**11,074**	**2.25**
1,108,253	Capital for Colleagues	776	0.16
9,667,540	Distribution Finance Capital	2,514	0.51
14,281,829	SDCL Energy Efficiency Income Trust	7,784	1.58
	Leisure Time (2.04%)	**10,160**	**2.07**
9,584,780	Gym	10,160	2.07
	Machinery Diversified (0.00%)	**13,631**	**2.77**
136,246	Spirax-Sarco Engineering	13,631	2.77

UK Ethical Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Real Estate Investment & Services (0.06%)	**290**	**0.06**
788,000	Ethical Property~	290	0.06
	Real Estate Investment Trusts (2.37%)	**11,404**	**2.32**
6,638,467	Home REIT^	927	0.19
12,443,466	PRS REIT	10,477	2.13
	Retail (2.17%)	**9,848**	**2.00**
8,519,142	DFS Furniture	9,848	2.00
	Software (7.13%)	**30,411**	**6.19**
16,101,196	Learning Technologies	13,058	2.66
2,143,388	Wise	17,353	3.53
	Transportation (2.99%)	**10,800**	**2.20**
12,580,336	Mobico	10,800	2.20
	IRELAND (4.88%)	**38,264**	**7.79**
	Building Materials (0.00%)	**13,648**	**2.78**
211,803	Kingspan	13,648	2.78
	Commercial Services (0.00%)	**11,708**	**2.38**
355,210	Experian	11,708	2.38
	Forest Products & Paper (4.88%)	**12,908**	**2.63**
438,158	Smurfit Kappa	12,908	2.63
	COLLECTIVE INVESTMENT SCHEMES (3.74%)	**8,387**	**1.71**
	GUERNSEY (1.37%)	**4,041**	**0.82**
3,720,848	Renewables Infrastructure	4,041	0.82

UK Ethical Fund (continued)

Portfolio Statement (continued)
as at 31 January 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	COLLECTIVE INVESTMENT SCHEMES (continued)		
	UNITED KINGDOM (2.37%)	**4,346**	**0.89**
3,024,407	Greencoat UK Wind	4,346	0.89
	Portfolio of investments	**487,803**	**99.31**
	Net other assets	**3,387**	**0.69**
	Total net assets	**491,190**	**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 January 2023.

Stocks shown as REITs represent Real Estate Investment Trust.

~ Unquoted security.

^ Suspended Security.

UK Ethical Fund (continued)

Statement of Total Return
for the year ended 31 January 2024

	Notes	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Income					
Net capital losses	2		(36,589)		(125,406)
Revenue	3	17,962		16,598	
Expenses	4	(3,069)		(4,049)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation		14,893		12,549	
Taxation	5	(75)		23	
Net revenue after taxation			14,818		12,572
Total return before distributions			**(21,771)**		**(112,834)**
Distributions	7		(14,818)		(12,572)
Change in net assets attributable to shareholders from investment activities			**(36,589)**		**(125,406)**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2024

	(£'000)	1.2.2023 to 31.1.2024 (£'000)	(£'000)	1.2.2022 to 31.1.2023 (£'000)
Opening net assets attributable to shareholders		**630,250**		**822,385**
Amounts received on issue of shares	9,346		27,210	
Amounts paid on cancellation of shares	(117,682)		(99,301)	
		(108,336)		(72,091)
Change in net assets attributable to shareholders from investment activities		(36,589)		(125,406)
Retained distributions on accumulation shares		5,865		5,362
Closing net assets attributable to shareholders		**491,190**		**630,250**

UK Ethical Fund (continued)

Balance Sheet
as at 31 January 2024

	Notes	31.1.2024 (£'000)	31.1.2023 (£'000)
Assets			
Fixed assets			
Investments		487,803	623,678
Current assets:			
Debtors	8	4,771	1,098
Cash and bank balances	9	6,552	10,190
Total assets		**499,126**	**634,966**
Liabilities			
Creditors:			
Distribution payable		(3,056)	(2,579)
Other creditors	10	(4,880)	(2,137)
Total liabilities		**(7,936)**	**(4,716)**
Net assets attributable to shareholders		**491,190**	**630,250**

UK Ethical Fund (continued)

Notes to the financial statements
for the year ended 31 January 2024

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 12 to 14.

2 Net capital losses

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
The net capital losses comprise:		
Non-derivative securities	(36,578)	(125,393)
Foreign currency losses	(11)	(13)
Net capital losses	**(36,589)**	**(125,406)**

3 Revenue

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Bank interest	151	27
Equity distributions on CIS holdings	314	382
Non-taxable overseas dividends	1,581	1,446
Stock lending income	–	25
UK dividends	15,602	14,056
UK REIT dividends	314	662
Total revenue	**17,962**	**16,598**

4 Expenses

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	2,724	3,579
General administration charges*	345	470
Total expenses	**3,069**	**4,049**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £9,200 (2023: £9,200). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

5 Taxation

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
a) Analysis of the tax charge/(credit) for the year		
Overseas tax	75	(23)
Total tax charge/(credit) [see note(b)]	**75**	**(23)**

b) Factors affecting the tax charge/(credit) for the year

The taxation assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Net revenue before taxation	14,893	12,549
Corporation tax at 20% (2023 - 20%)	2,979	2,510
Effects of:		
Movement in unrecognised tax losses	521	667
Overseas tax	75	(23)
Revenue not subject to tax	(3,500)	(3,177)
Total tax charge/(credit) [see note(a)]	**75**	**(23)**

Authorised investment companies with variable capital are exempt from UK tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c) Deferred tax

At the year end there is a potential deferred tax asset of £5,115,000 (2023: £4,594,000) due to tax losses of £25,576,000 (2023: £22,972,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Overdraft interest	–	–
Total interest payable and similar charges	**–**	**–**

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

7 Distributions

	1.2.2023 to 31.1.2024 (£'000)	1.2.2022 to 31.1.2023 (£'000)
Interim distribution	9,079	7,788
Final distribution	4,983	4,458
	14,062	**12,246**
Amounts deducted on cancellation of shares	821	463
Amounts received on issue of shares	(65)	(137)
Distributions	**14,818**	**12,572**
The distributable amount has been calculated as follows:		
Net revenue after taxation	14,818	12,572
Distributions	**14,818**	**12,572**

The distribution per share is set out in the tables on page 312.

8 Debtors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued revenue	610	623
Overseas withholding tax	471	475
Sales awaiting settlement	3,690	–
Total debtors	**4,771**	**1,098**

9 Cash and bank balances

	31.1.2024 (£'000)	31.1.2023 (£'000)
Cash and bank balances	6,552	10,190
Total cash and bank balances	**6,552**	**10,190**

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

10 Creditors

	31.1.2024 (£'000)	31.1.2023 (£'000)
Accrued expenses	26	34
Accrued ACD's charge	211	277
Amounts payable for cancellation of shares	1,709	1,826
Purchases awaiting settlement	2,934	–
Total other creditors	**4,880**	**2,137**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: £nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £237,000 (2023: £312,000).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was £3,069,000 (2023: £4,049,000).

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

13 Securities lending

The Sub-fund engages in security lending activities which expose the Sub-fund to counterparty credit risk. The maximum exposure to the Sub-fund is equal to the value of the securities loaned.

Securities lending transactions entered into by the Sub-fund are subject to a written legal agreement between the Sub-fund and the Stock Lending Agent, The Bank of New York Mellon (London Branch), 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 Depositary on behalf of the Sub-fund. Collateral received is segregated from the assets belonging to the Sub-fund's Depositary or the Stock Lending Agent. All operational costs are borne out of the Stock Lending Agent's share of income earned.

The total income earned from securities lending transactions is split between the relevant Sub-fund and the Stock Lending Agent. The Sub-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 tables below show the net income earned by the Sub-funds from securities lending activity during the year to 31 January 2024.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust UK Ethical Fund				
Securities lending				
Gross return	–	–	–	–
% of total	70%	0%	30%	100%
Cost	–	–	–	–

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2023.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	25	–	11	36
% of total	70%	0%	30%	100%
Cost	–	–	–	–

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

13 Securities lending (continued)

Securities on loan and collateral received

At 31 January 2024, there were no securities on loan or related collateral outstanding (31 January 2023: Nil).

Collateral accepted is non-cash in the form of sovereign debt rated AA or better from approved governments only, supranational debt obligations rated AAA or better listed on a recognised exchange.

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. At the year end all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange.

The Sub-fund also benefits from a borrower default indemnity provided by The Bank of New York Mellon (London Branch). The indemnity allows for full replacement of securities lent. The Bank of New York Mellon (London Branch) bears the cost of indemnification against borrower default.

14 Risk management policies

In accordance with the investment objectives and policies the Sub-fund can hold certain financial instruments as detailed in the Sub-fund's prospectus. These can comprise of:

- equity, equity related and non-equity shares;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- short-term borrowings used to finance operational cash flows;
- units and shares in collective investment schemes;
- shareholders' funds, which represent investors' monies which are invested on their behalf from overseas investments held;
- derivative transactions for investment purposes as well as efficient portfolio management in accordance with the Sub-fund's investment policies.

In accordance with the requirements of the rules in the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Sub-fund is not permitted to trade in other financial instruments. The Sub-fund's use of financial instruments during the year satisfies these regulatory requirements.

The main risks arising from the Sub-fund's financial instruments are market price (including "emerging markets price risk"), currency, interest rate, liquidity and counterparty credit risk. The ACD's policies for managing these risks are summarised below. The Sub-fund, alongside an independent risk function, has used a combination of risk measurements and limits to measure and monitor portfolio risk. This is in line with the Liontrust Group's Risk Management Process.

These policies have remained unchanged since the beginning of the year to which these financial statements relate and during the prior year.

Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Market price risk (continued)
order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet an acceptable risk reward profile. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes and for investment purposes.

The Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the prospectus.

As at 31 January 2024 and 31 January 2023 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2024, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 12.8%.

As at 31 January 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 11.9%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

The Sub-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR).

The calculation of conversion methods for the commitment approach for standard derivatives is taken from the conversion methodologies listed in the ESMA Guidelines on calculation of Global Exposure and Counterparty Risk. The commitment conversion methodology for standard derivatives is either the notional value or the market value of the equivalent position in the underlying asset. Please refer to the portfolio statement for the notional values of any forwards and futures contracts.

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Market price risk (continued)

VaR is a method of estimating potential loss due to market risk, rather than a statement of leverage, using a given confidence level, or probability, over a specific time period and assuming normal market conditions. VaR is calculated using a Historical Simulation model carried out in accordance with regulatory guidelines.

The Sub-fund uses a combination of other risk measurements and limits. This is in line with the Liontrust Group's Risk Management Process.

The Sub-fund did not materially use derivatives in the current or prior year and the level of leverage employed by the Sub-fund during the current or prior year is not considered to be significant.

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments may be significantly affected by currency risk movements as some of the assets and income are denominated in currencies other than Sterling, which is the Company's functional and reporting currency.

The ACD has identified three principal areas where foreign currency risk could impact the Sub-fund:

- Movements in exchange rates affecting the value of investments;
- Movements in exchange rates affecting short-term timing differences; and
- Movements in exchange rates affecting the income received.

Currency exposure is monitored closely and is considered to be part of the overall investment process. Currency hedges via forward exchange contracts will only be used in the event of a specific unwanted currency risk being identified.

The Sub-fund may be subject to short-term exposure to exchange rate movements, for instance, where there is a difference between the date an investment purchase or sale is entered into and the date when settlement of the proceeds occurs. The ACD believes that the impact of such movements is not significant enough to warrant the cost incurred of eliminating them via hedging.

The Sub-fund may receive income in currencies other than Sterling, and the Sterling values of this income can be affected by movements in exchange rates. The Sub-fund converts all receipts of income into Sterling on or near the date of receipt; it does not, however, hedge or otherwise seek to avoid exchange rate risk on income accrued but not received.

The majority of the Sub-fund's financial assets and liabilities are denominated in the Sub-fund's functional currency. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of currency exchange rates. Therefore, no exchange rate sensitivity analysis has been prepared for these.

Interest rate risk

Interest rate risk is the risk that the revenue cash flow or the fair value of investments may be adversely affected by movements in market interest rates.

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Interest rate risk (continued)
Interest receivable on bank deposits and short-term deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The interest rates earned on sterling deposits are earned at a rate in line with overnight bank rates.

Liquidity risk
Liquidity risk is the risk that the Sub-fund will not be able to meet its obligations as they fall due. The Sub-fund's assets comprise mainly of readily realisable securities which can be sold to meet liquidity requirements.

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-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 Sub-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. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

The main liquidity risk of the Sub-fund is the redemption of any shares that investors wish to sell, which are redeemable on demand under the Prospectus. Where investments cannot be realised in time to meet any potential liability, the Sub-fund may borrow up to 10% of its value to ensure settlement.

In accordance with the ACD's policy, the ACD monitors the Sub-fund's liquidity on a daily basis.

Counterparty credit risk
Counterparty credit risk is the risk of suffering loss due to another party not meeting its financial obligation. Investments may be adversely affected if any of the institutions with which money is deposited or invested suffers insolvency or other financial difficulties or the credit rating of the bearers of the bonds held by the Sub-fund are downgraded.

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty. This list is reviewed at least annually.

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan.

At the balance sheet date, there were no counterparties to open derivative contracts (2023: none). At the year end collateral of £Nil (2023: £Nil) was received; collateral pledged was £Nil (2023: £Nil) and none (2023: none) of the Sub-fund's financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2024 and at 31 January 2023 was A (Standard & Poor's rating).

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

14 Risk management policies (continued)

Counterparty credit risk (continued)
BNYMSA, in the discharge of its delegated Depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the Sub-fund's rights with respect to its assets to be delayed or may result in the Sub-fund not receiving the full value of its assets.

Maturity profile of financial liabilities
All financial liabilities of the Sub-fund at the current and prior year-end are due to settle in one year or less, or on demand.

Fair value of financial assets and liabilities
There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation of financial investments

31.1.2024	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	484,126	–
Level 2: Observable market data	776	–
Level 3: Unobservable data	2,901	–
	487,803	**–**

31.1.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	619,008	–
Level 3: Unobservable data	4,670	–
	623,678	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.*

*The Level 3 assets held in the Sub-fund have been identified in the portfolio statement and have been valued based on the last traded price with a discount applied.

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

15 Share movement

For the year ending 31 January 2024

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	103,607,682	1,817,105	(32,145,466)	5,951	73,285,272
Class 3 Net Income	122,238,569	1,833,071	(12,357,905)	(6,859)	111,706,876

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

16 Portfolio transaction costs
for the year ending 31 January 2024

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	99,513	59	0.06	481	0.48
Total purchases	**99,513**	**59**		**481**	
Total purchases including transaction costs	**100,053**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	188,861	120	0.06	–	–
Collective investment schemes	10,617	7	0.07	–	–
Total sales	**199,478**	**127**		**–**	
Total sales net of transaction costs	**199,351**				
Total transaction costs		**186**		**481**	
Total transaction costs as a % of average net assets		**0.04%**		**0.09%**	

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

16 Portfolio transaction costs (continued)
for the year ending 31 January 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	130,767	76	0.06	620	0.47
Collective investment schemes	660	–	–	–	–
Total purchases	**131,427**	**76**		**620**	
Total purchases including transaction costs	**132,123**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	199,118	109	0.05	–	–
Collective investment schemes	3,830	1	0.03	–	–
Total sales	**202,948**	**110**		**–**	
Total sales net of transaction costs	**202,838**				
Total transaction costs		**186**		**620**	
Total transaction costs as a % of average net assets		**0.03%**		**0.09%**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally, for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.26% (2023: 0.26%).

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2024

17 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Net Accumulation share has increased by 2.53% to 02 May 2024. The other share classes in the Sub-fund have moved by a similar magnitude.

UK Ethical Fund (continued)

Distribution Tables
for the year ended 31 January 2024

Final distribution

Group 1 - Shares purchased prior to 1 August 2023

Group 2 - Shares purchased 1 August 2023 to 31 January 2024

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2024 Pence per share	Distribution paid 31.3.2023 Pence per share
Class 2 Net Accumulation - Group 1	2.6290	–	2.6290	1.8135
Class 2 Net Accumulation - Group 2	1.0369	1.5921	2.6290	1.8135
Class 3 Net Income - Group 1	2.7359	–	2.7359	2.1101
Class 3 Net Income - Group 2	1.7455	0.9904	2.7359	2.1101

Interim distribution

Group 1 - Shares purchased prior to 1 February 2023

Group 2 - Shares purchased 1 February 2023 to 31 July 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2023 Pence per share	Distribution paid 30.9.2022 Pence per share
Class 2 Net Accumulation - Group 1	4.4336	–	4.4336	3.1543
Class 2 Net Accumulation - Group 2	2.0596	2.3740	4.4336	3.1543
Class 3 Net Income - Group 1	4.3868	–	4.3868	3.3765
Class 3 Net Income - Group 2	1.8432	2.5436	4.3868	3.3765

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Additional Information (unaudited)

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 shares 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 investment in Funds as long term. The annual management fees of the Liontrust Sustainable Future Cautious Managed Fund and Liontrust Sustainable Future Defensive Managed Fund are deducted from capital. Whilst this results in the dividend paid to investors being higher than would be the case were the annual management fee charged to income, the potential for capital growth may be reduced.

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