

# LIONTRUST BALANCED FUND

Interim Report &  
Financial Statements (unaudited)

For the period:  
**1 January 2023**  
to  
**30 June 2023**

Liontrust Fund Partners LLP

**LIONTRUST** 

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

## Management and Administration

### **Authorised Fund Manager ("Manager")**

Liontrust Fund Partners LLP  
2 Savoy Court  
London WC2R 0EZ

Administration and Dealing enquiries 0344 892 0349  
Administration and Dealing facsimile 0207 964 2562  
Email [Liontrustadmin@bnymellon.com](mailto:Liontrustadmin@bnymellon.com)  
Website [www.liontrust.co.uk](http://www.liontrust.co.uk)

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

### **Investment Adviser**

Liontrust Investment Partners LLP  
2 Savoy Court  
London WC2R 0EZ

Authorised and regulated by the FCA.

### **Trustee**

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

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

### **Independent Auditor**

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

### **Administrator and Registrar**

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

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

# Liontrust Balanced Fund

### Liontrust Asset Management PLC

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

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

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

Russia's invasion of Ukraine, the sanctions imposed on Russia as a result and retaliatory action taken by Russia against foreign investors has caused significant volatility in certain financial markets, currency markets and commodities markets worldwide. Economic sanctions and the fallout from the conflict will likely impact companies worldwide operating in a wide variety of sectors, including energy, financial services and defence, amongst others. As a result, the performance of the Fund may also be negatively impacted even if they have no direct exposure to the regions involved in the conflict.

## Manager's Investment Report

### Investment Objective

The investment objective of the Fund is to generate long term (five years or more) capital growth with the potential for income.

### Investment Policy

The Fund invests, directly or indirectly, in a mix of asset classes across the world including equity, fixed income and alternatives. There is no predetermined exposure to any asset class or region.

The Fund may also invest in other eligible asset classes such as collective investment schemes (which may include Liontrust managed funds), other transferable securities, cash or near cash, deposits and money market instruments.

Derivatives and forward transactions may be used by the Manager for efficient portfolio management.

It is the intention to be nearfully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash, and to use efficient portfolio management, should the Manager feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to qualify for, and to be included in, an Individual Savings Account.

### Investment Strategy

The Fund invests in securities selected using a combination of top down and bottom up analysis while managing risk through asset allocation.

### The Team

Headed by James de Uphaugh, the Global Fundamental team has a strong track record of active management of equities for institutional investors, intermediaries and their clients since 2002. The team's offering initially focused on UK equities but expanded in 2007 to include a global long/short equity fund and again in 2014 to include US, Global and International equities strategies. The appointment of James de Uphaugh as lead manager of the Edinburgh Investment Trust in 2020 demonstrates the reputation and investment acumen of the Global Fundamental team. Following the acquisition of Majedie Asset Management in 2022, the team brought their funds and expertise to Liontrust.

The Liontrust Global Equity team became part of the Liontrust Global Fundamental team on 8 February 2023. It was announced at the same time that Robin Geffen, Head of the Global Equity team, will be leaving Liontrust in due course and that Tom Record had replaced him as manager of this Fund from 8 February 2023.

### The Process

The fund managers share a consistent philosophy and process and complement each other in style and approach. They work together collaboratively and collectively to capture the breadth of change underway in companies, markets and the world. Ideas are generated from a wide range of sources, blending company-specific and economic analysis.

The team embraces change, scouring markets for long-term opportunities where companies can exploit change, valuations and/or earnings are suppressed by short-term issues and where long-term potential is underestimated.

Deep fundamental research, which embeds environmental, social and governance considerations, is at the heart of their process.

The team has a collegiate culture that encourages active debate.

The Fund is 'focused', containing relatively fewer holdings than those included in their benchmark indexes because the stocks are selected based on the high convictions of the investment team. Whether Fund outperforms or underperforms its benchmark depends on the investment team's stock selections. While the Fund chooses stocks based on a long-term view of three to five years, they may underperform over the shorter periods because of short-term challenges.

### Manager's Investment Report (continued)

#### **Performance of the Fund**

In the six months to 30 June 2023 an investment in the Fund returned 13.4% (C Accumulation) compared with a 2.4% return from the IA Mixed Investment 40-85% sector, the comparator benchmark.

From the Fund's launch on 31 December 1998 to 30 June 2023, an investment in the Fund rose by 937%, compared to a rise of 202% in the IA Mixed Investment 40-85% sector, the comparator benchmark.

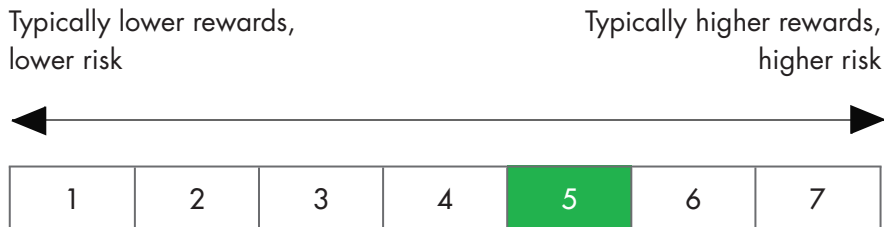
*Source: Financial Express, bid to bid basis, total return (net of fees, income reinvested) figures show performance up to 30 June 2023. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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

## Manager's Investment Report (continued)

### Risk and Reward profile

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



- The Synthetic Risk and Reward Indicator (SRRI) is based upon historical data and may not be relied upon to gauge the future risk profile of the Fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Fund or a representative fund or Index's value has moved up and down in the past.
- The Fund is categorised 5 primarily for its exposure to 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 Fund;
  - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund;
  - 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.
- This Fund may have a concentrated portfolio, i.e. hold a limited number of investments or have significant sector or factor exposures. If one of these investments or sector/factor falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments across a more diversified portfolio.
- The Fund may, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Fund volatility in both up and down markets by hedging against the general market.
- The Fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- The Fund will invest in smaller companies and may invest a small proportion (less than 10%) of the Fund in unlisted securities. There

### Manager's Investment Report (continued)

#### **Risk and Reward profile (continued)**

may be liquidity constraints in these securities from time to time, i.e. in certain circumstances, the Fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause the Fund to defer or suspend redemptions of its shares.

- The Fund may have both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign exchange contracts to protect returns in the base currency of the Fund.
- Outside of normal conditions, the Fund may hold higher levels of cash which may be deposited with several credit counterparties (e.g. international banks). A credit risk arises should one or more of these counterparties be unable to return the deposited cash.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Environmental Social Governance (ESG) Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG.

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



## Manager's Investment Report (continued)

### Fund Review

The Liontrust Balanced Fund returned 13.4% (C Accumulation) over the period, versus the IA Mixed Investment 40-85% Shares Investment sector, also a comparator benchmark, which returned 2.4%\*.

Global financial markets were generally higher in Q1, marking a second quarter of modest recovery. Investor sentiment improved throughout January and February but was disturbed in March when some regional US banks experienced deposit flight and were forced to realise losses on their long duration held-to-maturity bond portfolios. Problems at Credit Suisse added to the jitters, but policymakers on both sides of the Atlantic were quick to provide support and worries of a systemic issue subsided.

Global equity markets mostly moved higher for the third quarter in a row in Q2, with the UK and China the notable exceptions. The US drove global returns yet again, despite the ongoing fallout from its regional banking crisis. There were market jitters in May over the periodic political standoff regarding the US debt ceiling, but these subsided by the end of the month when the House of Representatives passed the required bill.

Monetary tightening in the US and Europe continued, as core inflation remained stubbornly high. The Federal Reserve hiked by a quarter-point in May, its 10th in just over a year and bringing it to its highest target range since 2007, then paused in June. The US looks to be further ahead than other developed markets in terms of tackling inflation, especially the UK, where the Bank of England hiked rates by 75 basis points (bps) over the quarter and still appears to be behind the curve.

The debt ceiling issues have impacted US money supply, however, and M2 growth (yoy) is now negative and at its lowest in around 60 years. The restricted liquidity is raising funding costs for the regional banks, causing knock-on effects for the real estate sector. On the positive side, there are signs that the drivers of inflation are weakening, including a slight cooling in the tight US jobs market, while new developments in Generative AI should boost the economy in the short to medium term by increasing productivity and in turn, wages.

Elsewhere, there were hopes earlier this year that a resurgent China re-opening post-lockdown would stimulate the world economy. That recovery has faltered, which has global implications, but the Chinese government has moved back into a pro-stimulus phase of managing its economy.

We are seeing opportunities in a broad range of stocks. We expect our idiosyncratic stock-specific opportunities (and risks) to be a bigger determinant of returns than any big positioning in the portfolio to growth or cyclicals, for example. We continue to move the portfolio away from late cyclicals and have been gently increasing our exposure to consumer and early cyclical stocks.

From here, the US economy has an almost equal chance of slipping into recession or working through a period of shallow weakness. Real estate is likely to be a potential weak point, as it has the potential to feed through with leverage into issues around the regional banks. The real estate sector is seeing some high vacancy and capitalisation rates, which together with mark to market losses in the fixed income portion of the held-to-maturity asset side of some of the smaller banks' balance sheets, could lead to a hiatus in lending. It feels like now is not a time to take major sectoral or positioning bets, although there are plenty of reasons to be optimistic, too. We are more balanced in our approach, having tempered the positivity that we had at the beginning of the year.

Among the notable performers for the period was US semiconductor firm Nvidia. At the recent GTC developer's conference and keynote, Nvidia showcased significant advancements in chips, services, and software. Nvidia demonstrated the vast scope of opportunities, not only in terms of expanding its presence in existing markets (such as extending Hopper into the inference market and introducing Grace CPU to complement its GPUs), but more importantly, in branching out from chips and cards to systems, software, and cloud services. In our opinion, the company is strategically positioning itself to capitalise on the transformative potential of AI investments.

On a sector basis, the Fund's allocation to information technology was the strongest sectoral contributor to performance. Our positions in Alphabet, Adobe, Microsoft and Amazon were among the top 10 contributors for the period.

### Manager's Investment Report (continued)

#### **Fund Review (continued)**

*\* Source: Financial Express, as at 30.06.23, total return, net of fees, income reinvested. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

**Tom Record, Tom Hosking & Hong Yi Chen**

Fund Managers

July 2023

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## Manager's Investment Report (continued)

### Material portfolio changes by value

#### Purchases

Fiserv  
Mercadolibre  
Naspers  
Taiwan Semiconductor Manufacturing ADR  
Novo Nordisk  
Novartis  
Electronic Arts  
Zimmer Biomet  
Elevance Health  
Performance Food

#### Sales

NVIDIA  
Apple  
Microsoft  
Liontrust Investment Funds II - Global Technology Fund +  
Visa 'A'  
UnitedHealth  
CME  
Pfizer  
Arthur J Gallagher  
Amazon.com

+ Managed by Liontrust Fund Partners LLP.

### Authorised Status

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

### Certification of Financial Statements by Partners of the Manager

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



**Martin Kearney**

Partner, Chief Compliance Officer



**Antony Morrison**

Partner, Head of Finance

Liontrust Fund Partners LLP  
29 August 2023

## Performance Tables (unaudited)

as at 30 June 2023

### Income record

Any distributions payable are paid on a semi-annual basis (31 August and 28 February). The table shows distributions declared over the specified periods.

<b>For the six months ending</b>	<b>30 June 2023 per unit (p)</b>	<b>30 June 2022 per unit (p)</b>
A Accumulation	5.3384	4.0636
A Income	4.7216	3.6552
B Accumulation	0.8061	0.6880
B Income	0.7902	0.6873
C Accumulation	2.0577	1.8113
C Income	1.9144	1.7176
D Accumulation	1.9138	1.6992

### Net asset value

<b>Period end</b>	<b>Units in Issue</b>	<b>Net Asset Value (£'000)</b>	<b>Net Asset Value per unit (p)</b>
<b>30 June 2023</b>			
A Accumulation	7,454,380	71,304	956.54
A Income	116,878	982	840.39
B Accumulation	3,827,855	3,808	99.48
B Income	2,038,164	1,976	96.93
C Accumulation	150,160,597	331,801	220.96
C Income	7,323,186	14,909	203.59
D Accumulation	14,298,980	27,969	195.60
<b>31 December 2022</b>			
A Accumulation	8,026,428	67,616	842.41
A Income	123,006	915	744.29
B Accumulation	3,851,679	3,364	87.34
B Income	2,312,191	1,983	85.79
C Accumulation	163,923,219	317,734	193.83
C Income	7,750,708	13,971	180.25
D Accumulation	15,573,554	26,708	171.50
<b>31 December 2021</b>			
A Accumulation	17,552,639	192,000	1,093.85
A Income	249,598	2,436	976.11
B Accumulation+	4,158,948	4,700	112.99
B Income+	2,345,677	2,645	112.77
C Accumulation	142,517,062	356,100	249.86
C Income	9,484,504	22,456	236.76
D Accumulation	17,392,167	38,410	220.85

## Performance Tables (unaudited) (continued)

as at 30 June 2023

### Net asset value

Period end	Units in Issue	Net Asset Value (£'000)	Net Asset Value per unit (p)
<b>31 December 2020</b>			
A Accumulation	20,323,926	193,455	951.86
A Income	563,952	4,789	849.22
C Accumulation	127,534,072	275,140	215.74
C Income	7,484,195	15,366	205.32
D Accumulation	8,493,411	16,180	190.50

+ Launched on 3 February 2021.

## Portfolio Statement (unaudited)

as at 30 June 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (77.78%)</b>	<b>383,196</b>	<b>84.64</b>
	<b>UNITED STATES OF AMERICA (60.98%)</b>	<b>210,224</b>	<b>46.45</b>
	<b>Aerospace &amp; Defence (0.00%)</b>	<b>5,977</b>	<b>1.32</b>
38,800	L3Harris Technologies	5,977	1.32
	<b>Airlines (0.00%)</b>	<b>7,193</b>	<b>1.59</b>
192,400	Delta Air Lines	7,193	1.59
	<b>Banks (0.64%)</b>		
	<b>Beverages (2.15%)</b>	<b>9,475</b>	<b>2.09</b>
183,100	Molson Coors Beverage	9,475	2.09
	<b>Biotechnology (0.00%)</b>	<b>6,182</b>	<b>1.37</b>
191,600	Ionis Pharmaceuticals	6,182	1.37
	<b>Commercial Services (1.61%)</b>		
	<b>Computers (5.06%)</b>		
	<b>Diversified Financial Services (10.40%)</b>	<b>8,201</b>	<b>1.81</b>
92,200	Intercontinental Exchange	8,201	1.81
	<b>Engineering &amp; Construction (0.00%)</b>	<b>8,737</b>	<b>1.93</b>
348,200	Frontdoor	8,737	1.93
	<b>Food Producers (0.00%)</b>	<b>15,450</b>	<b>3.41</b>
199,000	Performance Food	9,429	2.08
174,000	US Foods	6,021	1.33
	<b>Healthcare Products (2.04%)</b>	<b>11,560</b>	<b>2.55</b>
101,000	Zimmer Biomet	11,560	2.55
	<b>Healthcare Services (4.08%)</b>	<b>9,286</b>	<b>2.06</b>
330,056	BehaVR (Private Equity)~	204	0.05
26,000	Elevance Health	9,082	2.01

## LIONTRUST BALANCED FUND

### Portfolio Statement (unaudited) (continued)

as at 30 June 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED STATES OF AMERICA (continued)</b>		
	<b>Home Builders (0.00%)</b>	<b>15,318</b>	<b>3.38</b>
67,000	Installed Building Products	7,383	1.63
74,800	LGI Homes	7,935	1.75
	<b>Household Products (0.00%)</b>	<b>6,731</b>	<b>1.49</b>
85,390	Church & Dwight	6,731	1.49
	<b>Insurance (3.63%)</b>		
	<b>Internet (11.28%)</b>	<b>21,861</b>	<b>4.82</b>
160,791	Alphabet 'A'	15,139	3.34
65,600	Amazon.com	6,722	1.48
	<b>Machinery Diversified (0.33%)</b>		
	<b>Media (1.30%)</b>		
	<b>Mining (0.00%)</b>	<b>6,319</b>	<b>1.40</b>
132,400	Freeport-McMoRan	4,165	0.92
64,200	Newmont	2,154	0.48
	<b>Packaging &amp; Containers (0.00%)</b>	<b>6,094</b>	<b>1.35</b>
89,200	Crown	6,094	1.35
	<b>Pharmaceuticals (4.58%)</b>		
	<b>Semiconductors (3.37%)</b>	<b>5,054</b>	<b>1.12</b>
15,200	NVIDIA	5,054	1.12
	<b>Software (10.51%)</b>	<b>60,893</b>	<b>13.46</b>
19,500	Adobe	7,497	1.66
109,074	Electronic Arts	11,127	2.46
231,000	Fiserv	22,912	5.06
18,200	Intuit	6,557	1.45
32,600	Microsoft	8,726	1.93
35,200	TakeTwo Interactive Software	4,074	0.90
	<b>Toys, Games &amp; Hobbies (0.00%)</b>	<b>5,893</b>	<b>1.30</b>
115,700	Hasbro	5,893	1.30



## Portfolio Statement (unaudited) (continued)

as at 30 June 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>SWITZERLAND (0.00%)</b>	<b>22,646</b>	<b>5.00</b>
	<b>Healthcare Products (0.00%)</b>	<b>3,362</b>	<b>0.74</b>
51,627	Alcon	3,362	0.74
	<b>Pharmaceuticals (0.00%)</b>	<b>13,155</b>	<b>2.91</b>
166,270	Novartis	13,155	2.91
	<b>Retail (0.00%)</b>	<b>6,129</b>	<b>1.35</b>
171,080	Dufry	6,129	1.35
	<b>UNITED KINGDOM (7.27%)</b>	<b>18,627</b>	<b>4.11</b>
	<b>Beverages (1.52%)</b>		
	<b>Biotechnology (0.57%)</b>	<b>1,894</b>	<b>0.42</b>
803,536	Oxford Nanopore Technologies	1,713	0.38
111,941	Vaccitech ADR	181	0.04
	<b>Computers (0.31%)</b>	<b>1,261</b>	<b>0.28</b>
2,880,000	Oxford Nanoimaging (Private Equity)~	267	0.06
833,334	Oxford Sciences Innovation (Private Equity)~	994	0.22
	<b>Machinery Diversified (0.00%)</b>	<b>5,725</b>	<b>1.26</b>
505,379	CNH Industrial	5,725	1.26
	<b>Mining (0.00%)</b>	<b>4,272</b>	<b>0.94</b>
191,298	Anglo American	4,272	0.94
	<b>Pharmaceuticals (2.61%)</b>	<b>5,338</b>	<b>1.18</b>
4,519,774	Cambridge Innovation Capital (Private Equity)~	3,885	0.86
1,176	Oxstem (Private Equity)~	0	0.00
20,875	Ultromics (Private Equity)~	1,453	0.32
	<b>Private Equity (2.17%)</b>		
	<b>Software (0.09%)</b>	<b>137</b>	<b>0.03</b>
9,123	Navenio (Private Equity)~	137	0.03
810	Proxisense (Private Equity)~	0	0.00

## LIONTRUST BALANCED FUND

### Portfolio Statement (unaudited) (continued)

as at 30 June 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>URUGUAY (0.00%)</b>	<b>13,762</b>	<b>3.04</b>
	<b>Internet (0.00%)</b>	<b>13,762</b>	<b>3.04</b>
14,781	MercadoLibre	13,762	3.04
	<b>TAIWAN (0.00%)</b>	<b>12,784</b>	<b>2.82</b>
	<b>Semiconductors (0.00%)</b>	<b>12,784</b>	<b>2.82</b>
161,100	Taiwan Semiconductor Manufacturing	12,784	2.82
	<b>FRANCE (2.93%)</b>	<b>12,759</b>	<b>2.82</b>
	<b>Advertising (0.00%)</b>	<b>5,373</b>	<b>1.19</b>
85,188	Publicis Groupe	5,373	1.19
	<b>Aerospace &amp; Defence (0.00%)</b>	<b>7,386</b>	<b>1.63</b>
62,730	Thales	7,386	1.63
	<b>Apparel (2.93%)</b>		
	<b>JAPAN (3.59%)</b>	<b>12,495</b>	<b>2.76</b>
	<b>Diversified Financial Services (0.50%)</b>		
	<b>Home Furnishings (2.34%)</b>		
	<b>Machinery Diversified (0.75%)</b>	<b>3,905</b>	<b>0.86</b>
142,800	FANUC	3,905	0.86
	<b>Telecommunications (0.00%)</b>	<b>8,590</b>	<b>1.90</b>
233,300	SoftBank	8,590	1.90
	<b>DENMARK (0.00%)</b>	<b>12,180</b>	<b>2.69</b>
	<b>Pharmaceuticals (0.00%)</b>	<b>12,180</b>	<b>2.69</b>
96,006	Novo Nordisk	12,180	2.69
	<b>SOUTH AFRICA (0.00%)</b>	<b>12,042</b>	<b>2.66</b>
	<b>Internet (0.00%)</b>	<b>12,042</b>	<b>2.66</b>
85,295	Naspers	12,042	2.66

## Portfolio Statement (unaudited) (continued)

as at 30 June 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>SOUTH KOREA (0.00%)</b>	<b>10,874</b>	<b>2.40</b>
	<b>Semiconductors (0.00%)</b>	<b>10,874</b>	<b>2.40</b>
9,989	Samsung Electronics	10,874	2.40
	<b>CHINA (0.00%)</b>	<b>9,449</b>	<b>2.09</b>
	<b>Healthcare Services (0.00%)</b>	<b>2,478</b>	<b>0.55</b>
658,500	Wuxi Biologics Cayman	2,478	0.55
	<b>Internet (0.00%)</b>	<b>6,971</b>	<b>1.54</b>
253,300	Trip.com ADR	6,971	1.54
	<b>PANAMA (0.00%)</b>	<b>6,982</b>	<b>1.54</b>
	<b>Airlines (0.00%)</b>	<b>6,982</b>	<b>1.54</b>
80,300	Copa	6,982	1.54
	<b>PERU (0.00%)</b>	<b>6,800</b>	<b>1.50</b>
	<b>Banks (0.00%)</b>	<b>6,800</b>	<b>1.50</b>
58,600	Credicorp	6,800	1.50
	<b>ITALY (0.00%)</b>	<b>6,758</b>	<b>1.49</b>
	<b>Banks (0.00%)</b>	<b>6,758</b>	<b>1.49</b>
370,313	UniCredit	6,758	1.49
	<b>CHILE (0.00%)</b>	<b>5,591</b>	<b>1.24</b>
	<b>Chemicals (0.00%)</b>	<b>5,591</b>	<b>1.24</b>
97,900	Sociedad Quimica y Minera de Chile	5,591	1.24
	<b>NETHERLANDS (0.62%)</b>	<b>4,638</b>	<b>1.02</b>
	<b>Semiconductors (0.62%)</b>		
	<b>Telecommunications (0.00%)</b>	<b>4,638</b>	<b>1.02</b>
1,653,914	Koninklijke KPN	4,638	1.02

## LIONTRUST BALANCED FUND

### Portfolio Statement (unaudited) (continued)

as at 30 June 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>IRELAND (0.00%)</b>	<b>4,585</b>	<b>1.01</b>
	<b>Healthcare Services (0.00%)</b>	<b>4,585</b>	<b>1.01</b>
23,300	ICON	4,585	1.01
	<b>CANADA (2.39%)</b>	<b>0</b>	<b>0.00</b>
	<b>Software (2.39%)</b>	<b>0</b>	<b>0.00</b>
	<b>BONDS (14.17%)</b>	<b>60,082</b>	<b>13.27</b>
	<b>UNITED KINGDOM GOVERNMENT BONDS (14.17%)</b>	<b>60,082</b>	<b>13.27</b>
£ 3,200,000	United Kingdom Gilt Inflation Linked 2% 26/1/2035	7,683	1.70
£ 3,900,000	United Kingdom Gilt Inflation Linked 1.125% 22/11/2037	7,509	1.66
£ 4,400,000	United Kingdom Gilt Inflation Linked 0.625% 22/3/2040	7,287	1.61
£ 6,000,000	United Kingdom Gilt Inflation Linked 0.625% 22/11/2042	10,005	2.21
£ 5,700,000	United Kingdom Gilt Inflation Linked 0.125% 22/3/2029	8,581	1.89
£ 5,000,000	United Kingdom Gilt Inflation Linked 0.75% 22/3/2034	8,105	1.79
£ 9,200,000	United Kingdom Gilt Inflation Linked 0.125% 22/3/2046	10,912	2.41
	<b>COLLECTIVE INVESTMENT SCHEMES (6.84%)</b>	<b>8,763</b>	<b>1.93</b>
	<b>IRELAND (0.00%)</b>	<b>4,382</b>	<b>0.97</b>
4,381,722	HSBC Sterling Liquidity Fund	4,382	0.97
	<b>LUXEMBOURG (0.00%)</b>	<b>4,381</b>	<b>0.96</b>
4,381,722	JP Morgan Liquidity Fund	4,381	0.96
	<b>UNITED KINGDOM (6.84%)</b>	<b>0</b>	<b>0.00</b>
	<b>Portfolio of investments</b>	<b>452,041</b>	<b>99.84</b>
	<b>Net other assets</b>	<b>708</b>	<b>0.16</b>
	<b>Total net assets</b>	<b>452,749</b>	<b>100.00</b>

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 December 2022.

## Portfolio Statement (unaudited) (continued)

as at 30 June 2023

Stocks shown as ADRs represent American Depositary Receipts.

~ Unquoted security.

## Financial Statements (unaudited)

### Statement of Total Return (unaudited)

for the period ended 30 June 2023

	(£'000)	1.1.2023 to 30.6.2023 (£'000)	(£'000)	1.1.2022 to 30.6.2022 (£'000)
Income				
Net capital gains/(losses)		54,243		(120,256)
Revenue	6,599		6,898	
Expenses	(2,156)		(2,925)	
Interest payable and similar charges	(11)		–	
Net revenue before taxation	4,432		3,973	
Taxation	(378)		(216)	
Net revenue after taxation		4,054		3,757
<b>Total return before distributions</b>		<b>58,297</b>		<b>(116,499)</b>
Distributions		(4,054)		(3,762)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>54,243</b>		<b>(120,261)</b>

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

for the period ended 30 June 2023

	(£'000)	1.1.2023 to 30.6.2023 (£'000)	(£'000)	1.1.2022 to 30.6.2022 (£'000)
<b>Opening net assets attributable to unitholders</b>		<b>432,291</b>		<b>618,747</b>
Amounts received on issue of units	10,987		42,843	
Amounts paid on cancellation of units	(48,564)		(60,508)	
		(37,577)		(17,665)
Change in net assets attributable to unitholders from investment activities		54,243		(120,261)
Retained distributions on accumulation units		3,792		3,540
<b>Closing net assets attributable to unitholders</b>		<b>452,749</b>		<b>484,361</b>

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

## Financial Statements (unaudited) (continued)

**Balance Sheet (unaudited)**

as at 30 June 2023

	<b>30.6.2023</b> <b>(£'000)</b>	<b>31.12.2022</b> <b>(£'000)</b>
<b>Assets</b>		
<b>Fixed assets</b>		
Investments	452,041	427,058
<b>Current assets:</b>		
Debtors	597	1,655
Cash and bank balances	1,535	5,510
<b>Total assets</b>	<b>454,173</b>	<b>434,223</b>
<b>Liabilities</b>		
<b>Creditors:</b>		
Distribution payable	(162)	(161)
Other creditors	(1,262)	(1,771)
<b>Total liabilities</b>	<b>(1,424)</b>	<b>(1,932)</b>
<b>Net assets attributable to unitholders</b>	<b>452,749</b>	<b>432,291</b>

**Accounting Policies**

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

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022 and are described in those financial statements.

## Securities Financing Transactions

as at 30 June 2023

### Securities Lending

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

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

### Return and cost

The table below shows the net income earned by the Fund from securities lending activity during the period to 30 June 2023.

	Collective Investment Undertaking (£'000)	Manager of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
<b>Securities lending</b>				
Gross return	4	–	2	6
% of total	70%	0%	30%	100%
Cost	–	–	–	–

### Securities lending

The following table details the value of securities on loan as a proportion of the Funds' total lendable assets and Net Asset Value (NAV) as at 30 June 2023. The income earned from securities lending are also shown for the period ended 30 June 2023. Total lendable assets represents the aggregate value of assets forming part of the Funds' securities lending programme. This excludes any assets held by the Fund that are not considered lendable due to any market, regulatory, investment or other restriction.

	Securities on loan		Income earned (£'000)
% of lendable assets	% of NAV		
2.20	1.96		4



## Securities Financing Transactions (continued)

as at 30 June 2023

### Securities lending (continued)

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

Counterparty	Counterparty's country of establishment	Securities Lending	
		Amount on loan (£'000)	Collateral received (£'000)
BNP Paribas	France	1,791	1,973
Merrill Lynch International	UK	1,191	1,251
UBS	Switzerland	5,894	6,502
<b>Total</b>		<b>8,876</b>	<b>9,726</b>

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

### Collateral

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

The following table provides an analysis by currency of the underlying cash and non-cash collateral received / posted by way of title transfer collateral arrangement by the Fund, in respect of securities lending transactions, as at 30 June 2023.

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
<b>Securities lending transactions</b>				
CAD	-	-	473	-
CHF	-	-	251	-
DKK	-	-	124	-
EUR	-	-	2,114	-
GBP	-	-	491	-
HKD	-	-	151	-
JPY	-	-	194	-
NOK	-	-	239	-
SEK	-	-	731	-
USD	-	-	4,958	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9,726</b>	<b>-</b>

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

## Securities Financing Transactions (continued)

as at 30 June 2023

**Collateral (continued)**

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received / posted by the Fund by way of title transfer collateral arrangement in respect of securities lending transactions, as at 30 June 2023.

Collateral type and quality	Maturity Tenor					Open transactions (£'000)	Total (£'000)
	1 - 7 days (£'000)	8 - 30 days (£'000)	31 - 90 days (£'000)	91 - 365 days (£'000)	More than 365 days (£'000)		
<b>Collateral received - securities lending</b>							
<b>Fixed income</b>							
Investment grade	–	–	–	16	2,447	–	<b>2,463</b>
<b>Equities</b>							
Recognised equity index	–	–	–	–	–	7,263	<b>7,263</b>
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>16</b>	<b>2,447</b>	<b>7,263</b>	<b>9,726</b>

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

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

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

As at 30 June 2023, all non-cash collateral received by the Fund in respect of securities lending transactions is held by the Funds' Trustee (or through its delegates).

The following table lists the top ten issuers (or all the issuers if less than ten) by value of non-cash collateral received by the Fund by way of the title transfer collateral arrangement across securities lending transactions as at 30 June 2023.

Issuer	Value (£'000)	% of the Sub-fund's NAV
UBS	6,502	1.44
BNP Paribas Arbitrage (Euroclear)	1,973	0.43
Merrill Lynch International	1,251	0.28
<b>Total</b>	<b>9,726</b>	<b>2.15</b>

## Additional Information

**Trust Deed:** The Fund was established by a Trust Deed made between the Manager and the Trustee dated 9 October 2002.

**Prospectus:** Copies of the Fund's Prospectus are available free of charge from the Manager upon request, and from our website, [www.liontrust.co.uk](http://www.liontrust.co.uk).

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

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

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

The minimum initial lump sum investment in Class A and Class B Units of the Fund is £1,000, the minimum subsequent purchase or sale is £50, providing you maintain a balance of £1,000. The minimum initial lump sum investment in Class C Units of the Fund is £250,000, the minimum subsequent purchase or sale is £100, providing you maintain a balance of £250,000. The minimum initial lump sum investment in Class D Units of the Fund is £100,000,000, with no minimum subsequent purchase or sale, providing you maintain a balance of £100,000,000. At its absolute discretion, the Manager may accept a lower minimum amount for the purchase and sale of units.

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

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

Initial charge	%	Ongoing charges figure*	%	Included within the OCF is the Annual Management Charge**	%
A Accumulation	Nil	A Accumulation	1.65	A Accumulation	1.60
A Income	Nil	A Income	1.65	A Income	1.60
B Accumulation	Nil	B Accumulation	1.13	B Accumulation	1.00
B Income	Nil	B Income	1.13	B Income	1.00
C Accumulation	Nil	C Accumulation	0.86	C Accumulation	0.75
C Income	Nil	C Income	0.86	C Income	0.75
D Accumulation	Nil	D Accumulation	0.76	D Accumulation	0.65

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

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

### Additional Information (continued)

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

**Capital Gains Tax:** As an authorised unit trust, any capital gains made within the Fund is exempt from UK Capital Gains Tax. An individual investor is subject to capital gains tax on gains made on their investment, however an individual's first £6,000 of net gains on disposals in the 2023-2024 tax year are exempt from tax (2022-2023: £12,300).

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

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

**Assessment of Value:** The regulator - the FCA - has asked every asset manager to assess the value of the funds they run. Assessing value goes beyond performance and costs and encompasses a minimum of seven criteria mandated by the FCA. Please note we are changing the reference and publication date of our annual Assessment of Value. Previously, the reference date was the end of August, with a publication date of December. Going forward, from 30 June 2023, the reference date will be 30 June, with a publication deadline of end of October. The assessment of value report can be viewed on the Liontrust website [www.liontrust.co.uk/learning/assessment-of-value](http://www.liontrust.co.uk/learning/assessment-of-value).

**Changes to the Fund:** The Liontrust Global Equity team became part of the Liontrust Global Fundamental team on 8 February 2023. It was announced at the same time that Robin Geffen, Head of the Global Equity team, will be leaving Liontrust in due course and that Tom Record had replaced him as manager of this Fund from 8 February 2023.

**Important information:** Past performance is not a guide to future performance. The value of an investment and the income generated from it can fall as well as rise and is not guaranteed. You may get back less than you originally invested. The issue of units may be subject to an initial charge and this is likely to have an impact on the realisable value of your investment, particularly in the short term. You should always regard unit trust investment as long term.



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**LIONTRUST** 

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