LIONTRUST

LIONTRUST MACRO EQUITY INCOME FUND

(formerly CF Walker Crips Equity Income Fund)

Manager's Long Final Report and Financial Statements for the year ended 31 July 2013

Managed by Stephen Bailey
& Jan Luthman in accordance with
The Liontrust Macro-Thematic Process

LIONTRUST FUND PARTNERS LLP

LIONTRUST MACRO EQUITY INCOME FUND

Manager

Liontrust Fund Partners LLP *
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Authorised and regulated by the Financial Conduct Authority.

* The Manager changed from Capita Financial Managers Limited ("CFML") to Liontrust Fund Partners LLP ("LFP") on 8 October 2012.

Investment Adviser

Liontrust Investment Partners LLP **
2 Savoy Court
London
WC2R 0EZ

** The Investment Adviser, Walker Crips Asset Managers Limited ("WCAM") name changed to Liontrust Asset Managers Limited ("LAML") on 13 April 2012. The Investment Adviser then changed from Liontrust Asset Managers Limited to Liontrust Investment Partners LLP ("LIP") on 11 June 2012.

Trustee

State Street Trustees Limited ‡
20 Churchill Place
London
E14 5HJ

‡ On 5 October 2012 the Manager delegated the function of Trustee to State Street Trustees Limited, previously this function had been performed by BNY Mellon Trust & Depositary (UK) Limited.

Registrar

International Financial Data Services Limited †
IFDS House
St. Nicholas Lane
Essex

† On 8 October 2012 the Manager delegated the function of Registrar to International Financial Data Services Limited, previously this function had been performed by Capita Financial Administrators Limited.

Auditors

PricewaterhouseCoopers LLP ^
PO Box 90
Erskine House
68-73 Queen Street
Edinburgh
EH2 4NH

^ On 6 December 2012 the Manager delegated the function of Auditor to PricewaterhouseCoopers LLP, previously this function had been performed by KPMG Audit Plc.

LIONTRUST MACRO EQUITY INCOME FUND

Investment Profile

This unit trust aims to provide investors with rising dividend payments and capital growth. The Fund is managed according to the Liontrust Macro-Thematic Process. At the core of the investment philosophy of this process lies the belief that macro-thematic analysis - the identification and interpretation of major economic, political and social developments affecting the UK and the rest of the world - offers scope to add long-term investment value. Identifying such themes, and assessing their implications for investment markets and individual industries, provides the framework for the construction of the portfolios.

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Investment Objective and Policy

The investment objective of the Liontrust Macro Equity Income Fund is to provide Unitholders with a rising level of income, together with capital growth. In providing an above average level of income, particular attention will be paid towards capital security and maintenance. There is no restriction on the economic sectors or geographical areas in which the Fund may invest, however, the investments will be predominantly in ordinary shares of UK companies, although the Fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments and deposits. The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Liontrust Asset Management PLC

Liontrust, which was founded in 1994, is an independent fund management group whose shares are quoted on the London Stock Exchange. Liontrust manages £3.4 billion (as of 24 September 2013) in UK, European and Asian equities and Global Credit. We take pride in having a distinct culture and approach to asset management. This comes through the following factors:

- Liontrust is an independent business with no corporate parent.
- Liontrust specialises in those asset classes where it believes it has particular expertise and fund managers have strong long-term track records rather than try to be all things to all people.
- Liontrust uses rigorous investment processes that are robust and scaleable to ensure they are capable of delivering superior long-term performance. Using these investment processes ensures the way we manage money is predictable and repeatable.
- We aim to provide a culture that gives all fund managers the freedom to manage their portfolios according to their own investment processes and market views
- We have created an environment in which fund managers can focus on running money and not get distracted by other day-to-day aspects of running a fund management business, particularly administration.
- We aim to treat clients, investors, members, employees and suppliers fairly and with respect. Therefore, 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 Fund Partners LLP and Liontrust Investment Partners LLP, which are authorised and regulated by the Financial Conduct Authority. All members of the Liontrust Group sell only Liontrust Group products.

Performance of the Fund

In the year to 31 July 2013 an investment in the Fund returned 21.4%. This compares with a rise of 24.3% in the Fund's benchmark, the FTSE All-Share Index and an average return of 25.6% in the IMA UK Equity Income sector.

From the Fund's launch on 31 October 2003 to 31 January 2013, an investment in the Fund has risen 171.3% compared with a rise of 131.5% in the FTSE All-Share Index and an average return of 121.4% in the IMA UK Equity Income sector.

Source: *Financial Express, bid-to-bid basis, total return retail class (accumulation units).*

A final dividend of 3.50 pence per unit (income units) and 5.01 pence per unit (accumulation units) was distributed to retail unitholders, 3.54 pence per unit (income units) and 5.03 pence per unit (accumulation units) to institutional unitholders and 3.64 pence per unit (income units) and 5.01 pence per unit (accumulation units) to advised class unitholders at the end of September 2013.

An interim dividend of 2.60 pence per unit (Income units) and 3.77 (accumulation units) pence per unit was paid to retail unitholders, and 1.26 pence per unit (income units) and 1.77 pence per unit (accumulation units) to institutional unitholders and 0.24 pence per unit (income units) and 0.34 pence per unit (accumulation units) to advised class unitholders at the end of March 2013.

Source: *Liontrust Fund Partners LLP. Institutional class launched 17 October 2012 and advised class launched 17 December 2012.*

Past performance is not a guide to future performance. The value of investments and the income from them can fall as well as rise.

LIONTRUST MACRO EQUITY INCOME FUND

MANAGER'S INVESTMENT REPORT

Risk Rating

The Risk disclosures are in accordance with CESR guidelines and are consistent with rating disclosed in the KIID.

Lower Risk Typically lower rewards

Higher Risk Typically higher rewards

1	2	3	4	5	6	7

- The Fund's risk and reward category has been calculated using the methodology set by the European Commission. It is based upon the rate by which the Fund's value has moved up and down in the past.
- The fund has been classed as 6 primarily for its exposure to equities.
- This indicator is based on historical data and may not be relied upon to gauge the future risk profile of the fund.
- The lowest category (1) does not mean risk free.
- The risk and reward profile shown is not guaranteed to remain the same and may shift over time.
- For full details of the fund`s risks, please see the prospectus which may be obtained from Liontrust or online at www.liontrust.co.uk.

The risk and reward indicator does not take into account the following Fund risks:

- That a company may fail thus reducing its value within the Fund.
- Any company which has high overseas earnings may carry a higher currency risk for valuation purposes local receipts may require conversion into the currency of the Fund, which is pounds sterling.
- The Fund will comprise both growth and value companies as appropriate.

LIONTRUST MACRO EQUITY INCOME FUND

MANAGER'S INVESTMENT REPORT

The market

Global equity markets enjoyed a significant rally for much of the year under review. The initial impetus was provided in the summer of 2012 as the European Central Bank took measures to tackle the eurozone sovereign debt crisis and the US Federal Reserve and the Bank of England implemented expansionary measures such as quantitative easing (QE).

At the start of 2013 sterling suffered a rapid and substantial devaluation relative to the US dollar as the market's assessment of the UK economy moved closer to our own downbeat view. As 2013 progressed, equity markets maintained their upward momentum despite a number of potentially ugly macroeconomic catalysts which included Federal Reserve minutes that suggested an earlier than expected conclusion to unlimited quantitative easing (QE), a downgrade of the UK's credit rating from Moody's, and the need for – and near fumbling of – a Cypriot banking bailout in March.

Mounting investor nervousness eventually resulted in a market correction in May and June. The prospect of the Federal Reserve tapering its QE measures catalysed the setback, with fears growing in the second half of May, before the imprecision of comments from Chairmen Ben Bernanke at the press conference after the June rate decision led many to conclude that stimulus would indeed be withdrawn earlier than previously had been expected. The setback to equity markets proved relatively short-lived as July saw headline indices rebounding sharply in the direction of May's highs as – in response to the June sell-off – the Federal Reserve sought to qualify its tightening rhetoric.

The Fund

At the start of the review period our positioning of the Fund was influenced by our assessment of the outlook for the UK economy and sterling. We viewed the UK as a country with an uncompetitive wage structure in a globalising world, operating in an environment of austerity in which the government was unable, or at least unwilling, to either increase spending or reduce taxes, and with domestic demand weakening as consumer spending power was being eroded by inflation that persistently exceeded wage growth.

Elsewhere in the world, we saw the emergence of encouraging indicators that suggested the economic outlook, particularly in China and the USA, was better - or at least less gloomy - than many market commentators (and share price valuations) were suggesting and that the outlook for their currencies was likewise more positive than for sterling.

In view of this, the 'backdrop' to our portfolio was one of exposure to companies that derived most, or even all, of their earnings from regions of the world with healthier economies and currencies that we felt were likely to strengthen relative to sterling.

Fund performance over the twelve months was very much a matter of two halves - underperformance during the first six months (addressed in our manager's interim report), followed by outperformance during the second six months as a number of themes that had been in place during 2012 came to fruition. Over the 12 months to 31 July 2013, the Fund returned 21.4%, compared with the 24.3% gain in the FTSE All-Share Index.

A strong majority of the stocks held within the portfolio made positive returns over the year. On a relative basis, the theme of *avoiding incumbent banks* made a negative contribution as the sector experienced a strong rally in the first half of the period on the back of government and central bank measures to support the banking system. A number of the themes in the Fund performed well over the year, with the US dollar denominated holdings in particular performing well as markets came round to our negative view of sterling.

Asset management theme holdings featured prominently among the top risers with Polar Capital (+127%), Hargreaves Lansdown (+73.1%) and Aberdeen Asset Management (+53.9%) all making strong gains. The *global healthcare* theme, which through pharmaceutical stocks gives the Fund its largest sector exposure, saw positive performances from a number of stocks including Vectura (+36.1%), Shire (+30.7%), GlaxoSmithKline (+20.6%) and AstraZeneca (+18.5%) as well as the US holdings – Pfizer (+31.1%), Abbvie (+30.6%), Bristol Myers Squibb (22.9%), Merck (+16.9%), and Eli Lilly (+3.4%).

The consumer goods stocks held within the *readjustment of global wages and currencies* theme largely performed well. Shares in Heinz (+35.3%) rose on the back of a takeover approach, and we subsequently sold the shares. The other US consumer goods stocks – Kraft (22.3%), Pepsico (+17.0%) and Kimberley-Clark (+13.6%) – were also sold from the Fund after making strong positive returns. The UK constituent stocks Reckitt Benckiser (+37.8) and Unilever (20.4%) also made solid gains. Shares in BT (+62.9%) and Vodafone (+14.6%) – constituents of the *telecoms* theme – performed well.

The *basic resources* sector exposure became a headwind in the second half of the year as concerns over global economic growth rates, particularly in China, and uncertainty over the timeline for withdrawal of monetary stimulus weighed on the outlook for commodity demand. BHP Billiton (+4.3% over the year, but -11.3% in the second half) and Anglo Pacific (-16.9%) were among the Fund holdings to be negatively affected.

LIONTRUST MACRO EQUITY INCOME FUND

MANAGER'S INVESTMENT REPORT

Portfolio Activity

Our strategy has been characterised by both a continued adherence to long-held, fundamentally reasoned macro-themes and an attempt to capitalise on an increase in volatility by capturing a measure of alpha through additions to selected holdings on weakness, and a disciplined approach to capturing profits where valuations suggested caution.

Changes to exposure throughout the year have included the initiation of a *'challenger' banks* theme; the closure of the *tobacco* theme; increased exposure to *global healthcare*; reduced exposure to the *global readjustment of wages & currencies* theme and its constituent consumer goods stocks; and the evolution of the *asset managers* theme.

We sold the Fund's holdings in Imperial Tobacco and British American Tobacco during the summer and autumn of 2012. After several years of marked outperformance relative to the wider market, sector valuations had reached levels that appeared over-optimistic to us. This view was given added strength by a hardening of political attitudes towards smoking in countries around the world (with Australia in the vanguard, with its requirement for drab olive packaging), which suggested to us a negative outlook for pricing power and earnings growth.

We increased our exposure to *asset managers* at a similar time, adding Close Brothers, Henderson, Invesco and IG Group (a derivatives trading company exposed to the same thematic drivers) to the Fund's sector exposure. As the theme performed well and began to mature over the year, we sought to take advantage of relative valuation differentials; our position in Hargreaves Lansdown – which had risen to a premium rating – was sold, as was Invesco, and new positions in Jupiter Fund Management and Investec added.

In February 2013, Heinz received a cash bid from Warren Buffet's Berkshire Hathaway at a 20% premium. In the immediate aftermath of the announcement, we were able to dispose of our holding at a premium to the offer. In the following weeks we sold our entire holdings in Kimberley-Clark, Kraft, PepsiCo and Mondelez (a position initiated earlier in the period), as valuations within the US consumer goods sector had been boosted by the 'halo effect' of the Heinz bid, while wage growth in China was slowing and margins were being compressed by increasing competition. We also trimmed the Fund's exposure to UK peers Unilever and Reckitt Benckiser as the *'global readjustment of wages and currencies'* theme matured.

The *global healthcare* theme – already a major exposure at 20% of the Fund at the start of the period – was supplemented with the additions of US pharmaceutical companies Abbvie and Eli Lilly. Given the risks associated with the progression of drugs through the pharmaceutical pipeline, the addition of further sector holdings to the Fund increased diversification.

The *telecoms* theme was expanded through the additions of AT&T and Verizon, major US operators within the fixed-line and wireless markets respectively.

Following the emergence of the *'challenger' bank/Help-to-Buy* theme, covered in more detail in the next section, we initiated positions in a number of related companies: Galliford Try, Moneysupermarket.com, Paragon, J.Sainsbury and Telford Homes.

Other significant trades in the period included new positions in Rexam (the beverage packaging company with sizeable exposure to emerging markets and a strong balance sheet) and DS Smith (very cash generative business, also in the packaging industry). Sales included: Shanks (which is exposed to eurozone government contracts at a time of declining public expenditure), Synthomer (taking advantage of a share price recovery after a profit warning and ahead of the release of full year results), IP Group (which performed well but was reliant on the success of one investment) and BP, as well as some portfolio tidying through the removal of a non-core positions in Amec and Dragon Oil and small holdings in Eurovestech, Chesnara. Invensys was added to the Fund in November 2012 and subsequently sold in 2013 in the wake of a cash and share bid for the company from Schneider. Likewise LSE was added in the fourth quarter of 2012 and sold in 2013 following a strong re-rating of its shares.

The Macro Themes

In this section we outline some of the most prominent themes currently active within the Fund. This list is not exhaustive; at any given time we tend to have a number of smaller themes within the portfolio, while many of the themes are also inter-connected.

'Challenger' banks/Help-to-Buy

This latest macro theme to be implemented in the Fund has evolved from a little publicised comment within the UK Treasury's Technical Paper on the UK government's mortgage guarantee scheme (MGS), due to come in to effect in January 2014. In our view, the terms of the scheme could open up significant opportunities for so-called 'challenger' banks to carve out rapidly growing niches within the retail mortgage market at the expense of larger incumbents. The MGS is intended to help first time buyers and home movers, but the Treasury Technical Paper implies that the scheme will also be available to borrowers simply intent on remortgaging, so long as they do so through a new lender. Challenger banks will be able to offer borrowers who have loans with other banks the opportunity to remortgage with the protection of the government's mortgage guarantee scheme, while incumbent banks will not be able to access the scheme to protect their existing mortgage loan books. In the event that challenger banks grow their loan books during 2014, while incumbent banks' loan books decline, challenger banks would have a further advantage in being able to access the Bank of England's Funding for Lending scheme at lower rates than their incumbent competitors. One of the new thematic positions we have initiated in the Fund is Paragon Group. It is nominally a provider of buy-to-let mortgages to the professional market, but is also in the process of acquiring a banking licence which will give the company access to deposit finance, the capacity to originate residential mortgages and an opportunity to exploit these challenger friendly conditions. On the premise that in a gold rush the man who makes a fortune is the man who sells the shovels, we have added a position in Moneysupermarket.com. We have also bought shares in Telford Homes and Galliford Try – both homebuilders.

Global healthcare

This remains a major macro theme within our portfolios. We see the potential for a substantial upward rerating of the pharmaceutical sector as growth in emerging markets offsets declines in mature western markets, as the industry refocuses its attentions to faster growing geographical markets, and to more profitable less regulated product markets outside primary and secondary care (over-the-counter, lifestyle, branded generics), and as risk is lowered in the R&D process through partnering with both specialist biotech research companies and government research bodies.

Avoiding utilities

Utilities enjoy elevated valuations which, given the weak outlook for growth in energy demand from both the manufacturing and consumer sectors, have become more than usually dependent upon dividend yield premium over gilts/bonds, and any erosion of this premium or rise in bond yields could undermine share prices. Although valuations are deriving some support from the low rates indicated by Bank of England 'forward guidance', we remain unconvinced that current valuations adequately reflect political and regulatory risks such as how the costs of 'green' power policies are to be shared between customers, shareholders and taxpayers in the run up to a General Election.

Avoiding incumbent banks

We view banks as being driven by political and regulatory imperatives, rather than free market forces, while the true state of their financial health remains obscure. This theme has recently evolved, with a positive interpretation of the outlook for 'challenger banks' – as outlined above – but we remain unconvinced that incumbent banks' profits will match market expectations once Funding for Lending and QE are wound down, and irrecoverable debts associated with 'zombie' companies are recognised.

Global readjustment of wages and currencies

This theme matured during the six months under review. In a globalising world, we had expected that – over the long term - the costs of producing goods in both 'high-cost' and 'low-cost' regions of the world would trend towards some approximation of parity. It seemed to us likely that, instead of widespread and painful reductions in wages, high-cost economies will seek to devalue their currencies. Conversely, we expected low-cost regions to prefer to garner political popularity through accelerated wage growth rather than currency appreciation. This has provided a significant increase in disposable incomes and, coupled with a decreased need to save as social welfare and healthcare services are expanded, has generated sustained growth in demand for consumer staples and household products at the modest end of the market. With valuations in the sector boosted by the takeover offer for Heinz, margins being compressed by increased competition and slowing wage growth in China, we reduced the Fund's exposure through the sale of all our US holdings, although we retain modest exposure via holdings in Unilever and Reckitt Benckiser.

Asset Managers

As global economic activity picks up, we would expect corporate earnings to improve, equity markets to rise and interest rates to begin to increase – and therefore bond prices to weaken. In such a scenario, asset managers should enjoy a triple benefit: (a) rising fees from rising markets, (b) new inflows to equity funds as investor confidence improved and (c) a shift from (low fee) bond funds to (higher fee) equity funds. This theme is still active within the Fund, and is approaching maturity.

Telecoms

We believe there will be rapid growth in non-voice data traffic, driven by smart phones, video-on-demand, social networking sites, on-line television, the expansion of commercial telecommunication etc. Well-publicised network capacity constraints provide pricing power and strategic advantage for those possessing bandwidth.

MANAGER'S INVESTMENT REPORT

Basic Resources

We believe that the long term drivers of this theme are still present - resource values should increase as the need for security of supply and/or ownership. The exploitation of the huge deposits of shale oil and gas in the US will give the US a very substantial cost advantage not just within petrochemical industries, but also within energy-intensive manufacturing processes which implies growing US demand for raw materials such as iron, copper, and aluminium.

Outlook

The market correction in May and June appeared to be the necessary corollary to the unchecked ascent of equity markets since November 2012, and a characteristic feature of markets driven by economic cycles, global politics and investor sentiment. We saw no good reason to change a strategy based upon long-term macro-themes and the exploitation of select relative value opportunities.

Our view of the market outlook and the prospects for the macro-themes have evolved since our last manager's report, but not dramatically so. The outlook for the UK domestic economy has improved, although it is worth mentioning that the growth in consumer spending has been driven entirely by an increase in debt, as real wage growth (ie wage growth net of inflation) remains negative. We would also, once again, draw attention to the disparity between the UK statutory minimum wage and the US Federal minimum wage, which will continue to hamper efforts to improve employment, especially among the young and modestly skilled. Nevertheless, we have introduced exposure to the UK domestic economy, mainly on the back of our 'challenger' bank/Help-to-Buy theme, which we believe will benefit from a benign political and regulatory environment.

Risks clearly abound within the world – the problems of the eurozone, its banking system and its desperately over-indebted member states have not gone away; the tragic situation within Syria threatens to engulf the Middle East in turmoil, and might create a very troubling situation for global oil and energy supplies; the US government's difficulties in dealing effectively with its budget deficit threaten to take centre stage later this year, while the UK is now entering the early stages of the run up to a General Election in May 2015 that will inject a degree of political uncertainty and volatility into the UK equity market. Nevertheless, despite all this, we remain positive on the long-term outlook for UK-based investors, who enjoy the benefit of being able to invest in major international companies that derive a significant proportion of their business from international markets, and which are listed in the UK. We will continue to manage the Fund in accordance with our macro-thematic philosophy that has served unitholders well over the period since the fund was launched.

Jan Luthman & Stephen Bailey
Partners, Liontrust Investment Partners LLP
September 2013

Past performance is not a guide to future performance. The value of investments and the income from them can fall as well as rise.

Manager's Report

The manager's investment report, together with information on the authorised status of the Fund, the objectives and policy of the Fund, the information on page 1 and the portfolio statement, comprise the Manager's Report.

LIONTRUST MACRO EQUITY INCOME FUND

Performance Record

Net Asset Value and Ongoing Charges Figure

The table below shows the number of units in issue, the total net asset value of the property of the Fund, the net asset value per unit and the ongoing charges figure:

	Units in issue	Net asset value of unit class (£)	Net asset value per unit (p)	*Ongoing charges figure (%)
Advised				
Accumulation 31/07/13	5,000.00	12,998	259.96	1.14
Income 31/07/13	48,152.93	86,915	180.50	1.15
Institutional				
Accumulation 31/07/13	358,503.97	934,886	260.77	0.90
Income 31/07/13	28,264,183.93	50,839,517	179.87	0.89
Retail				
Accumulation 31/07/11	11,595,447.00	24,122,911	208.04	-
Accumulation 31/07/12	13,542,162.00	28,469,241	210.23	1.56
Accumulation 31/07/13	14,653,689.93	37,914,017	258.73	1.61
Income 31/07/11	117,137,615.00	179,347,647	153.11	-
Income 31/07/12	155,788,478.00	232,113,476	148.99	1.56
Income 31/07/13	129,642,791.29	229,374,793	176.93	1.61

The calculation of the net asset value for the current year uses bid prices in line with the requirements of the Statement of Recommended Practice (SORP) for Authorised Funds issued by the IMA in October 2010.

To comply with the requirements of the UCITS IV Directive the Total Expense Ratio has been replaced with an Ongoing Charges Figure.

* The Ongoing Charges Figure ('OCF') is the total expenses paid by the Fund in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

LIONTRUST MACRO EQUITY INCOME FUND

Performance Record

Unit price history and revenue record

The table below shows the highest buying price, the lowest selling price of units and the net income distributions made by the Fund for the last five years.

Advised

Year	Highest offer (buying) price (p)	Lowest bid (selling) price (p)	Net income per unit (p)	Net income per £1,000 invested at 17/12/12 (£)
Accumulation				
2012	230.95	217.66	-	-
2013 (to 31.07)	270.70	221.33	5.35	23.17

Year	Highest offer (buying) price (p)	Lowest bid (selling) price (p)	Net income per unit (p)	Net income per £1,000 invested at 17/12/12 (£)
Income				
2012	163.68	154.27	-	-
2013 (to 31.07)	191.71	156.88	3.88	23.70

Institutional

Year	Highest offer (buying) price (p)	Lowest bid (selling) price (p)	Net income per unit (p)	Net income per £1,000 invested at 17/10/12 (£)
Accumulation				
2012	222.35	209.46	-	-
2013 (to 31.07)	266.04	221.64	6.80	30.88

Year	Highest offer (buying) price (p)	Lowest bid (selling) price (p)	Net income per unit (p)	Net income per £1,000 invested at 17/10/12 (£)
Income				
2012	157.58	148.45	-	-
2013 (to 31.07)	187.14	157.09	4.79	30.70

LIONTRUST MACRO EQUITY INCOME FUND

Performance Record

Retail

Year	Highest offer (buying) price (p)	Lowest bid (selling) price (p)	Net income per unit (p)	Net income per £1,000 invested at 02/01/08 (£)
Accumulation				
2008	196.12	113.01	6.9530	35.63
2009	187.82	117.81	6.4344	32.97
2010	220.08	170.67	7.2131	36.96
2011	227.54	180.06	9.5507	48.94
2012	233.15	199.05	7.7181	39.55
2013 (to 31.07)	278.09	221.28	8.78	44.99

Year	Highest offer (buying) price (p)	Lowest bid (selling) price (p)	Net income per unit (p)	Net income per £1,000 invested at 02/01/08 (£)
Income				
2008	172.39	95.16	6.0502	35.27
2009	150.89	97.20	5.3527	31.20
2010	169.73	134.91	5.7382	33.45
2011	172.62	132.52	7.2873	42.48
2012	164.07	143.81	5.6261	32.80
2013 (to 31.07)	194.01	156.83	6.10	35.56

Distributions rates were historlcally calculated to 4 decimal places, going forward all distributions will now be calculated to 2 decimal places.

Each calendar year above comprises two dividend distributions. An interim distribution, which accounts for the income earned by your investment in the six months between 1 August and 31 January, is paid at the end of March. The annual distribution, which represents the income earned by your investment during the Fund's entire twelve month accounting period but predominantly between the previous 1 February and 31 July is paid on 30 September. The ex-dividend dates are 1 August and 1 February.

The institutional unit class was launched 17 October 2012.

The advised unit class was launched 17 December 2012.

Income can be reinvested to purchase units at no initial charge.

LIONTRUST MACRO EQUITY INCOME FUND

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.

Statement of the Manager's Responsibilities

in respect of the Report and Accounts of the Scheme:

The Financial Conduct Authority's Collective Investment Scheme Sourcebook ('the Regulations') require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Scheme and of its net income/expenses and the net gains/losses on the property of the Scheme for the period. In preparing the financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA) in October 2010;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the financial statements, as prepared, comply with the above requirements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Scheme will continue in operation.

The Manager is responsible for the management of the Scheme in accordance with its Trust Deed, Prospectus and the Regulations, and has taken all reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Trustee's Responsibilities

The Trustee is under a duty of care to take into its custody or under its control all of the property of the Scheme and to hold it in trust for the holders of units. Under the rules in the Financial Conduct Authority's Collective Investment Schemes Sourcebook relating to Reports, it is also the duty of the Trustee to enquire into the conduct of the Manager in the management of the Scheme in each annual accounting period and report thereon to unitholders in a report which shall contain the matters prescribed by the rules.

The Trustee's report is included below.

Trustee's Report

to the unitholders of the Liontrust Macro Equity Income Fund ("the Fund")

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustees of the Scheme it is our opinion, based on the information available to us and the explanations provided, that the Manager has in all material respects managed the Scheme during the period in accordance with the investment and borrowing powers and restrictions applicable to the Scheme, and otherwise in accordance with the provisions of the Trust Deed and the rules in the Financial Conduct Authority's Collective Investment Schemes Sourcebook.

State Street Trustees Limited
20 Churchill Place
London E14 5HJ

27 September 2013

LIONTRUST MACRO EQUITY INCOME FUND

Certification of Accounts by Directors 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.

John Ions
Chief Executive

Antony Morrison
Partner, Head of Finance

Liontrust Fund Partners LLP

27 September 2013

LIONTRUST MACRO EQUITY INCOME FUND

Independent Auditors' Report

to the unitholders of the Liontrust Macro Equity Income Fund ("the Fund")

We have audited the financial statements of the Liontrust Macro Equity Income Fund for the year ended 31 July 2013 which comprise the Statement of Total Return, the Statement of Change In Net Assets Attributable To Unitholders, the Balance Sheet, the related notes and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for Authorised Funds").

Respective responsibilities of the Manager and Auditors

As explained more fully in the Authorised Fund Manager's Responsibilities Statement, the Authorised Fund Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit and the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Authorised Fund Manager; and the overall presentation of the financial statements.In addition, we read all the financial and non-financial information in the Liontrust Macro Equity Income Fund Long Final Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust at 31 July 2013 and of the net revenue and the net capital gains of the property of the Trust for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes Sourcebook and the Trust Deed.

Opinion on other matters prescribed by the Collective Investment Schemes sourcebook

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Authorised Fund Manager’s Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes sourcebook requires us to report to you if, in our opinion:

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

PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
Edinburgh

27 September 2013

(a) The maintenance and integrity of the Liontrust website is the responsibility of the Manager; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

LIONTRUST MACRO EQUITY INCOME FUND

Portfolio Statement

as at 31 July 2013 (Ordinary shares except where otherwise stated)

	Holdings	Market Value £'000	Percentage of total net assets %
UNITED KINGDOM (85.83%*)		**257,714**	**80.75**
BASIC MATERIALS (8.10%*)		**28,973**	**9.08**
Anglo Pacific	4,899,436	9,088	2.85
BHP Billiton	732,498	13,852	4.34
Rio Tinto	202,480	6,033	1.89
CONSUMER GOODS (18.90%*)		**20,157**	**6.31**
Reckitt Benckiser	237,646	11,074	3.47
Telford Homes	922,074	2,785	0.87
Unilever	236,252	6,298	1.97
CONSUMER SERVICES (8.48%*)		**30,311**	**9.49**
Bloomsbury Publishing	5,205,955	7,132	2.23
J Sainsbury	1,428,018	5,569	1.74
Millennium & Copthorne Hotel	432,232	2,388	0.75
Moneysupermarket.com	4,777,860	8,543	2.68
Pearson	441,817	5,898	1.85
Reed Elsevier	92,661	781	0.24
FINANCIALS (7.70%*)		**54,879**	**17.21**
Aberdeen Asset Management	3,146,325	12,245	3.84
City of London Investment	171,747	408	0.13
Close Brothers	832,830	8,661	2.71
Henderson	2,519,887	4,188	1.31
IG	1,384,525	7,968	2.5
Integrated Asset Management	357,306	71	0.02
Investec	998,059	4,358	1.37
Jupiter Fund Management	1,353,907	4,407	1.38
Paragon	1,119,996	3,562	1.12
Polar Capital	2,189,892	8,803	2.76
RSM Tenon	3,537,232	57	0.02
Walker Crips	471,936	151	0.05
FIXED INCOME (0.51%*)			**-**
HEALTH CARE (14.12%*)		**30,871**	**9.67**
AstraZeneca	275,153	9,120	2.86
GlaxoSmithKline	846,307	14,226	4.46
Shire	225,930	5,436	1.7
Vectura	2,198,842	2,089	0.65
INDUSTRIALS (7.24%*)		**42,673**	**13.37**
Braemar Shipping Services	512,532	2,178	0.68
Clarkson	96,507	1,815	0.57
DS Smith	2,732,156	6,959	2.18
Fenner	1,049,324	3,568	1.12
Galliford Try	59,908	595	0.19
James Latham	1,997	7	
PayPoint	1,046,431	11,406	3.57
Rexam	958,444	4,743	1.49
Smiths	674,159	9,189	2.88
Weir	102,729	2,213	0.69

LIONTRUST MACRO EQUITY INCOME FUND

Portfolio Statement

as at 31 July 2013 (Ordinary shares except where otherwise stated)

	Holdings	Market Value £'000	Percentage of total net assets %
OIL & GAS (12.98%*)		**20,182**	**6.32**
BG	486,711	5,753	1.8
Royal Dutch Shell 'B' Shares	623,678	14,429	4.52
TECHNOLOGY (0.16%*)		**57**	**0.02**
BATM Advanced Communications	378,237	57	0.02
TELECOMMUNICATIONS (7.44%*)		**29,611**	**9.28**
BT	4,565,968	15,593	4.89
Vodafone	7,135,536	14,018	4.39
UNITED STATES (11.82%*)		**58,361**	**18.28**
AbbVie	129,187	3,799	1.19
AT&T	353,138	8,236	2.58
Bristol-Myers Squibb	364,659	10,400	3.26
Eli Lilly	68,195	2,392	0.75
Merck	358,795	11,347	3.55
Pfizer	709,613	13,864	4.34
Verizon Communications	250,840	8,323	2.61
IRELAND (0.00%*)		**7,653**	**2.40**
Cash Deposits (0.00%*)		7,653	2.40
SSgA Cash Management Fund**		7,653	2.40
Portfolio of investments		**323,728**	**101.43**
Net other assets		**(4,565)**	**(1.43)**
Total net assets		**319,163**	**100.00**

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

* Comparative figures shown in brackets relate to 31 July 2012.

** In order to maintain appropriate levels of interest received on any large cash balances held by the Fund, cash balances are reviewed on a daily basis and any excess cash is transferred into the SSgA Cash Management Fund. The units in the SSgA Cash Management Fund are readily transferable back into cash at any time as required for the operation of the Fund. This investment is a related party, as disclosed in note 14.

LIONTRUST MACRO EQUITY INCOME FUND

Statement of Total Return

for the year ended 31 July 2013

	Notes	01/08/12 to 31/07/13		01/08/11 to 31/07/12	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		54,354		(1,231)
Revenue	5	11,589		8,860	
Expenses	6	(4,519)		(3,563)	
Finance costs: Interest	8	(1)		(1)	
Net revenue before taxation		7,069		5,296	
Taxation	7	(281)		(133)	
Net revenue after taxation			6,788		5,163
Total return before distribution			61,142		3,932
Finance costs: Distribution	8		(10,750)		(8,602)
Change in net assets attributable to unitholders from investment activities			50,392		(4,670)

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 July 2013

	01/08/12 to 31/07/13		01/08/11 to 31/07/12	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		260,583		203,471
Assets transferred from Unit Trust*	8,047		-	
Amounts receivable on issue of units	48,783		81,825	
Amounts payable on cancellation of units	(49,705)		(21,020)	
		7,125		60,805
Stamp duty reserve tax		(193)		(135)
Change in net assets attributable to unitholders from investment activities		50,392		(4,670)
Retained distributions on Accumulation units		1,256		1,112
Closing net assets attributable to unitholders		319,163		260,583

*Relating to the transfer of assets from Liontrust Macro UK Growth Fund

LIONTRUST MACRO EQUITY INCOME FUND

Balance Sheet

as at 31 July 2013

	Notes	31/07/2013		31/07/2012	
		£'000	£'000	£'000	£'000
Assets					
Investment assets			323,728		253,941
Debtors	9	1,866		8,634	
Cash and bank balances		196		6,137	
Total other assets			2,062		14,771
Total assets			325,790		268,712
Liabilities					
Creditors	10	1,087		3,619	
Distribution payable on income units		5,540		4,510	
Total liabilities			6,627		8,129
Net assets attributable to unitholders			319,163		260,583

LIONTRUST MACRO EQUITY INCOME FUND

Notes to the Financial Statements

1. Accounting and distribution policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the IMA in October 2010.

(b) Recognition of revenue

(i) UK dividends classified as franked investment income are shown net of attributable tax credits when the securities are quoted ex-dividend.

(ii) Bank interest is recognised on an accruals basis.

(iii) Overseas revenue that is received after the deduction of witholding tax is shown gross of taxation.

(iv) Nominal interest on interest-bearing securities is recognised on an accruals basis.

(v) Accrued interest purchased and sold on interest-bearing securities is excluded from the capital cost of these securities and dealt with as part of the income of the Fund.

(c) Expenses

The management charge, dealing charges and stamp duty reserve tax are deducted from capital. All other expenses are charged against income. All expenses are accounted for on an accruals basis.

(d) Distribution

Income produced by the Fund's investments accumulates during each accounting period. If at the end of the accounting period income exceeds expenses, the net income of the Fund is available to be distributed to unitholders. The Manager will seek to distribute this income in a manner that will maximise the total returns to holders of the majority of units.

(e) Basis of valuation of investments

All investments have been valued at 12 midday, on 31 July 2013. Listed investments have been valued at bid-market value, net of any accrued income.

(f) Taxation

Provision is made for taxation at current rates on the excess of investment income over expenses, with relief taken for overseas taxation where appropriate.

(g) Deferred taxation

Deferred tax is provided for in respect of all timing differences that have originated but not reversed by the Balance Sheet date. Deferred tax is not recognised on permanent differences.

Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

(h) Foreign exchange

All transactions in foreign currencies are translated into sterling at the rate of exchange ruling on the date of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates applicable at the end of the accounting period at the appropriate valuation point.

(i) Equalisation

Equalisation is the accrued income included in the price of units purchased during the distribution period (Group 2 Units) which is refunded as a part of a unitholder's first distribution, so as to provide the same distribution for all units of the same type. As a repayment of capital it is not liable to Income Tax and should be deducted from the cost of units for Capital Gains Tax purposes.

2. Risk Management Policies

In accordance with the investment objectives and policies the Fund holds certain financial instruments. These comprise:

- equity shares;
- cash and short-term debtors and creditors that arise directly from its operations;
- units in SSgA Management Fund; and
- unitholders' funds which represent investors' monies which are invested on their behalf.

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

Notes to the Financial Statements

The main risks arising from the Fund's financial instruments are market price risk, interest rate risk, foreign currency risk, liquidity risk and credit and counterparty risk. The Manager's policies for managing these risks are summarised below. 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 arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager 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 Fund's investment objective. An individual fund manager 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.

Interest rate risk

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 linked to LIBOR.

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. The floating rate financial assets and liabilities comprise sterling denominated bank balances and overdrafts that bear interest based on LIBOR.

The floating rate financial assets and liabilities comprise bank balances and overdrafts that bear interest based on LIBOR (sterling denominated).

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

Foreign currency risk

The Manager has identified three principle areas where foreign currency risk could impact the Fund;

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

The 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. When the Fund enters into such a transaction which will involve the buying or selling of foreign currency in order to complete, a foreign exchange contract is entered into as soon as possible after the initial transaction in order to minimise exchange rate risk.

The 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 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.

However, in line with the Fund's objectives of investing primarily in the UK and Ireland, the Fund is expected to have only minimal foreign currency exposures.

Liquidity risk

The Fund's assets mainly comprise securities that can be readily sold. The main liability of the Fund is the redemption of any units that investors wish to sell.

In general, the Investment Adviser manages the Fund's cash to ensure it can meet its liabilities. Where investments cannot be realised in time to meet any potential liability, the fund may borrow up to 10% of its value to ensure settlement.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities.

The Fund only buys and sells investments through brokers which have been approved by the Manager as an acceptable counter-party. This list is reviewed annually.

3. Unit classes

The Trust has three unit classes in issue.

The total net asset value, net asset value per unit and number of units in issue for the class are given in the Performance Record on page 9.

LIONTRUST MACRO EQUITY INCOME FUND

Notes to the Financial Statements

4. Net capital gains/(losses)

	01/08/12 to 31/07/13 £'000	01/08/11 to 31/07/12 £'000
Non-derivative securities	54,354	(1,206)
Currency gains/(losses)	25	(16)
Transaction charges	(25)	(9)
Net capital gains/(losses)	54,354	(1,231)

5. Revenue

	01/08/12 to 31/07/13 £'000	01/08/11 to 31/07/12 £'000
Overseas taxable revenue	1	-
Overseas non-taxable revenue	2,054	1,046
UK dividends	9,511	7,774
Distributions from Regulated Collective Investment Schemes:		
Offshore investment revenue*	10	-
Interest on debt securities	1	36
Bank interest	6	4
Stocklending income	6	-
	11,589	8,860

*This is revenue received from investment in the SSgA Cash Management Fund as disclosed in note 14. The Fund Manager and Trustee are related to the Fund as defined by Financial Reporting Standard 8, Related Party Disclosures, and are named on page 1.

6. Expenses

	01/08/12 to 31/07/13 £'000	01/08/11 to 31/07/12 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	4,206	3,438
Registration fees	138	17
	4,344	3,455
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee's fees	81	66
Safe custody fees	41	27
Stocklending charges	20	-
	142	93
Other expenses		
Other expenses	26	5
Audit fee	7	10
	33	15
Total expenses	4,519	3,563

Notes to the Financial Statements

7. Taxation

	01/08/12 to 31/07/13 £'000	01/08/11 to 31/07/12 £'000
(i) Analysis of charge for the year:		
There is no corporation tax charge in the current period or prior period.		
Irrecoverable overseas tax	281	133

(ii) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for authorised unit trusts of 20% (2012: 20%). The differences are explained below:

Net revenue before taxation	7,069	5,297
Corporation tax at 20%	1,414	1,059
Effects of:		
UK dividends*	(1,902)	(1,555)
Other non taxable income	(411)	(209)
Movement in excess management expenses	899	705
Irrecoverable overseas tax	281	133
	(1,133)	(926)
Current tax charge for the year (see note 7(i))	281	133

* As an authorised Unit Trust, these items are not subject to corporation tax.

Authorised Unit Trusts are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

(iii) Deferred tax

At the year end, there is a potential deferred tax asset of £2,694,511 (31/07/12: £1,795,237) in relation to excess management expenses. It is unlikely that the 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.

8. Finance costs

Distributions and interest

The takes account of income received on the creation of units and income deducted on the cancellation of units, and comprises:

	01/08/12 to 31/07/13 £'000	01/08/11 to 31/07/12 £'000
Interim	4,459	4,171
Final	6,292	5,053
Amounts deducted on cancellation of units	501	192
Amounts received on issue of units	(502)	(814)
Net distribution for the year	10,750	8,602
Finance costs: Interest	1	1
Total finance costs	10,751	8,603
Reconciliation of net revenue after taxation to :		
Net revenue after taxation	6,788	5,164
Fees paid from capital	4,206	3,438
Equalisation on conversions	(238)	-
Less: Income carried forward	(5)	-
Net distribution for the year	10,751	8,602

Details of the distribution per unit are set out in the table on page 27.

Notes to the Financial Statements

9. Debtors

	31/07/13 £'000	31/07/12 £'000
Accrued revenue	1,542	871
Sales awaiting settlement	-	1,875
Amounts receivable on creation of units	324	5,880
Income tax recoverable	-	8
	1,866	8,634

10. Creditors

	31/07/13 £'000	31/07/12 £'000
Accrued expenses	451	389
Purchases awaiting settlement	187	3,217
Amounts payable on cancellation of units	449	13
	1,087	3,619

11. Capital commitments and contingent liabilities

On 31 July 2013, the Fund had no capital commitments (31/07/12: £nil) and no contingent liabilities (31/07/12: £nil).

12. Securities on loan

The aggregate value of securities on loan at 31 July 2013 is £2,111,891 (31/07/12: £nil). Securities on loan are included in the Portfolio Statement and no account is taken of any collateral held. The aggregate value of collateral held at 31 July 2013 is £2,224,646 (31/07/12: £nil). This collateral is in the form of cash and equities (31/07/12: nil).

The gross earnings and fees paid for the year are £10,231 (31/07/12: £nil) and £4,093 (31/07/12 : £nil).

The stock lending is carried out by SSgA which is a related party. The stocklending counterparties are: Deutsche Bank and ING Bank.

13. Post balance sheet events

There are no post balance sheet events which have a bearing on the interpretation of the financial statements.

14. Related parties

The Fund Manager and Trustee are related to the Fund as defined by Financial Reporting Standard 8, Related Party Disclosures, and are named on page 1.

SSgA (State Street Global Advisors) are the investment management arm of State Street Corporation. The SSgA Cash Management Fund, an investment company with variable capital incorporated with limited liability in Ireland, listed on the Dublin stock exchange, invests in at least A-rated rated sterling denominated securities. The investment strategy of the fund is primarily capital preservation and liquidity while maximising current income.

The income outstanding at 31 July 2013 on the SSgA Cash Fund Deposit was £2,549 (31/07/12: £nil).

The Fund received interest on deposits held with the Trustee during the year as disclosed in note 5 on page 23 of which £32 was outstanding at 31 July 2013 (31/07/12: £1,246). At 31 July 2013 the Fund held cash balances with the Trustee as disclosed in the Balance Sheet on page 19.

The charges made by the Manager, Trustee and the Registrar during the period are disclosed in note 6. At 31 July 2013 £381,396, £7,646 and £22,627 were due to the Manager, Trustee and Registrar respectively (31/07/12: £329,877, £5,891 & £1,364). These amounts are included under 'Accrued expenses' in note 10.

At 31 July 2013 there were creation monies due from the Manager of £323,870 (31/07/12: £5,879,973). There were cancellation monies due to the Manager of £448,254 at 31 July 2013 (31/07/12: £13,445).

15. Risk disclosures

The policies applied in the management of financial instruments are set out in note 2.

Notes to the Financial Statements

Interest rate risk

The interest rate risk profile of the Fund's financial assets and liabilities at 31 July 2013 was:

The Fund receives revenue from holdings in equities. The cashflow from these investments may fluctuate depending upon the particular decisions made by each company. Given that the Fund's objective is to seek capital growth, these cashflows are considered to be of secondary importance and are not actively managed.

Currency 31/07/13	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Financial liabilities not carrying interest £'000	Total financial assets £'000
Sterling	196	-	260,336	-	260,532
US dollar	-	-	58,631	-	58,631
Total	196	-	318,967	-	319,163

Currency 31/07/12	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Financial liabilities not carrying interest £'000	Total financial assets £'000
Sterling	7,233	-	221,091	(7,334)	220,990
US dollar	3	-	40,385	(795)	39,593
Total	7,236	-	261,476	(8,129)	260,583

Foreign currency risk

The Portfolio Statement on page 16 shows the countries in which the Fund is invested. The securities in the portfolio are priced in local currency.An analysis of monetary assets and liabilities in foreign currencies at the period end (including cash and outstanding income) is shown below.

	Net foreign currency assets 31/07/13			Net foreign currency assets 31/07/12		
Currency	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Sterling	(4,835)	265,367	260,532	(2,138)	223128	220,990
US dollar	270	58,361	58,631	8,780	30813	39,593
	(4,565)	323,728	319,163	6,642	253,941	260,583

Maturity profile of financial liabilities

All financial liabilities of the Fund at the year end are due to settle in one year or less, or on demand.

Short-term debtors and creditors

Other short-term debtors and creditors have been excluded from disclosures of financial instruments.

Securities held by the Fund are valued at bid-price. The difference between this value and the fair value of the securities is immaterial. There is also no material difference between the value of other financial assets and liabilities of the Fund included in the balance sheet and their fair value.

Securities are valued at bid and offer prices for calculating the cancellation and creation prices at the Fund's daily valuation point.

Notes to the Financial Statements

16. Purchases, sales and transaction costs

	01/08/12 to 31/07/13		01/08/11 to 31/07/12	
	£'000	£'000	£'000	£'000
Purchases excluding transaction costs		191,435		154,257
Commissions	187		267	
Taxes	621		608	
Total purchase transaction costs		808		875
Purchases including transaction costs		192,243		155,132

	01/08/12 to 31/07/13		01/08/11 to 31/07/12	
	£'000	£'000	£'000	£'000
Sales excluding transaction costs		175,889		100,638
Commissions	(165)		(173)	
Taxes	(1)		-	
Total sales transaction costs		(166)		(173)
Sales net of transaction costs		175,723		100,465

LIONTRUST MACRO EQUITY INCOME FUND

Distribution Tables

for the year ended 31 July 2013:

Group 1: First interim units purchased prior to 1 August 2012
Final units purchased prior to 1 February 2013

Group 2: First interim units purchased between 1 August 2012 and 31 January 2013
Final units purchased between 1 February 2013 and 31 July 2013

Income units - Advised		Net revenue Pence per unit	Equalisation Pence per unit	Distributions paid/payable 31/07/13 Pence per unit	Distributions paid 31/07/12 Pence per unit
Group 1	First interim	0.24	-	0.24	-
	Final	3.64	-	3.64	-
Group 2	First interim	0.24	-	0.24	-
	Final	2.51	1.13	3.64	-

Information for Corporate Unitholders

For corporate unitholders, of the distribution payable on 30 September 2013:

100.00% of the total income distribution together with the tax credit is received as franked investment.

0.00% of the income distribution is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is unfranked investment income.

0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue and Customs.

The Fund's net liability to corporation tax is £nil.

Group 1: First interim units purchased prior to 1 August 2012
Final units purchased prior to 1 February 2013

Group 2: First interim units purchased between 1 August 2012 and 31 January 2013
Final units purchased between 1 February 2013 and 31 July 2013

Income units - Institutional		Net revenue Pence per unit	Equalisation Pence per unit	Distributions paid/payable 31/07/13 Pence per unit	Distributions paid 31/07/12 Pence per unit
Group 1	First interim	1.25	-	1.25	-
	Final	3.54	-	3.54	-
Group 2	First interim	0.39	0.86	1.25	-
	Final	1.77	1.77	3.54	-

Information for Corporate Unitholders

For corporate unitholders, of the distribution payable on 30 September 2013:

100.00% of the total income distribution together with the tax credit is received as franked investment.

0.00% of the income distribution is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is unfranked investment income.

0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue and Customs.

The Fund's net liability to corporation tax is £nil.

LIONTRUST MACRO EQUITY INCOME FUND

Distribution Tables

for the year ended 31 July 2013:

Group 1: First interim units purchased prior to 1 August 2012
Final units purchased prior to 1 February 2013

Group 2: First interim units purchased between 1 August 2012 and 31 January 2013
Final units purchased between 1 February 2013 and 31 July 2013

Income units - Retail		Net revenue Pence per unit	Equalisation Pence per unit	Distributions paid/payable 31/07/13 Pence per unit	Distributions paid 31/07/12 Pence per unit
Group 1	First interim	2.60	-	2.60	2.73
	Final	3.50	-	3.50	2.90
Group 2	First interim	1.85	0.75	2.60	2.73
	Final	1.66	1.84	3.50	2.90

Information for Corporate Unitholders
For corporate unitholders, of the distribution payable on 30 September 2013:

100.00% of the total income distribution together with the tax credit is received as franked investment.

0.00% of the income distribution is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is unfranked investment income.

0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue and Customs.
The Fund's net liability to corporation tax is £nil.

Group 1: First interim units purchased prior to 1 August 2012
Final units purchased prior to 1 February 2013

Group 2: First interim units purchased between 1 August 2012 and 31 January 2013
Final units purchased between 1 February 2013 and 31 July 2013

Accumulation units - Advised		Net revenue Pence per unit	Equalisation Pence per unit	Distributions paid/payable 31/07/13 Pence per unit	Distributions paid 31/07/12 Pence per unit
	First interim	0.34	-	0.34	-
Group 1	Final	5.01	-	5.01	-
	First interim	0.34	-	0.34	-
Group 2	Final	5.01	-	5.01	-

Information for Corporate Unitholders
For corporate unitholders, of the distribution payable on 30 September 2013:

100.00% of the total income distribution together with the tax credit is received as franked investment.

0.00% of the income distribution is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is unfranked investment income.

0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue and Customs.
The Fund's net liability to corporation tax is £nil.

LIONTRUST MACRO EQUITY INCOME FUND

Distribution Tables

for the year ended 31 July 2013:

Group 1:	First interim units purchased prior to 1 August 2012 Final units purchased prior to 1 February 2013
Group 2:	First interim units purchased between 1 August 2012 and 31 January 2013 Final units purchased between 1 February 2013 and 31 July 2013

Accumulation units - Institutional		Net revenue Pence per unit	Equalisation Pence per unit	Distributions payable 31/07/13 Pence per unit	Distributions paid 31/07/12 Pence per unit
	First interim	1.77	-	1.77	-
Group 1	Final	5.03	-	5.03	-
	First interim	0.16	1.61	1.77	-
Group 2	Final	1.49	3.54	5.03	-

Information for Corporate Unitholders

For corporate unitholders, of the distribution payable on 30 September 2013:

100.00% of the total income distribution together with the tax credit is received as franked investment.

0.00% of the income distribution is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is unfranked investment income.

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The Fund's net liability to corporation tax is £nil.

Group 1:	First interim units purchased prior to 1 August 2012 Final units purchased prior to 1 February 2013
Group 2:	First interim units purchased between 1 August 2012 and 31 January 2013 Final units purchased between 1 February 2013 and 31 July 2013

Accumulation units - Retail		Net revenue Pence per unit	Equalisation Pence per unit	Distributions paid/payable 31/07/13 Pence per unit	Distributions paid 31/07/12 Pence per unit
Group 1	First interim	3.77	-	3.77	3.71
	Final	5.01	-	5.01	4.01
Group 2	First interim	2.26	1.51	3.77	3.71
	Final	2.31	2.70	5.01	4.01

Information for Corporate Unitholders

For corporate unitholders, of the distribution payable on 30 September 2013:

100.00% of the total income distribution together with the tax credit is received as franked investment.

0.00% of the income distribution is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is unfranked investment income.

0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue and Customs.

The Fund's net liability to corporation tax is £nil.

LIONTRUST MACRO EQUITY INCOME FUND

Additional Information

Liontrust Macro Equity Income Fund is a unit trust authorised by the Financial Conduct Authority with effect from 17 October 2003. The first issue of units was on 30 October 2003.

Prospectus: Copies of the Fund's Prospectus are available free of charge from the Manager upon request, and from our website, www.liontrust.co.uk.

Unit type: The Fund issues income units only. 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 08.30 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.

In the case of large deals of £15,000 and over, the Manager has the discretion to quote a special price within limits laid down under the Regulations.

The minimum initial lump sum investment in the Fund is £1,000, the minimum additional investment is £1,000 and the amount you may sell back to the Manager at any one time is £500, providing you maintain a balance of £2,500. 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 Customer Services Team, PO Box 11061, Chelmsford CM99 2YA. 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.

Management charges, spreads and yields: The initial charge and annual management fees per unit class are detailed below. The difference between the bid and the offer prices is currently 6% which includes the initial charge.

Initial Charge	%	Annual Management Charge	%
Advised class	2.00	Advised class	1.00
Institutional class	nil	Institutional class	0.75
Retail class	5.00	Retail class	1.50

The net estimated yields on the classes are shown below, these are calculated and published daily.

Yield	%		%
Advised class	3.35	Institutional class	3.35
Retail class	3.35		

Certain other expenses are met by the Fund, all of which are detailed in the Prospectus.

Commission: Commission is payable to authorised intermediaries on purchases of units in the Fund at a rate of up to 3%. A discount is available when switching between Liontrust's range of unit trusts.

Publication of prices: The price of units in the Fund is quoted on our website, www.liontrust.co.uk, other industry websites such as www.trustnet.com, and the website of the Investment Management Association (the industry trade body), www.investmentuk.org. Daily and historic Fund prices are available from our Dealing and Administration team on 0844 892 1007.

Stamp Duty Reserve Tax: Stamp Duty Reserve Tax ("SDRT") is a 0.5% tax that is payable by the Trustee of a unit trust when unitholders sell their units in that unit trust. This may have an affect on you as the unitholder depending on how the unit trust manager treats this particular charge. Any SDRT liability incurred by the Trustee on Liontrust European Absolute Return Fund is charged to the Fund, which could mean that less of your money will be invested for potential capital and income growth.

Capital Gains Tax: As an authorised unit trust, the Fund is exempt from UK Capital Gains Tax. An individual's first £10,900 of net gains on disposals in the 2013-2014 tax year are exempt from tax.

LIONTRUST MACRO EQUITY INCOME FUND

Additional Information

Income Tax: UK tax resident individuals are entitled to tax credits in respect of dividend distributions received and are subject to income tax on the aggregate of the distribution and the tax credit. In the case of a distribution the current value of the tax credit is equal to one ninth of the net dividend received and the distribution plus tax credits are treated as the top slice of an individual's 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 to the HM Revenue and Customs. In the case of a higher rate tax payer, 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.

Corporate Unitholders: Ordinary dividends distributed by the Fund to corporate unitholders will be treated as part-franked investment income and part unfranked investment income, in the corporate unitholders' hands. The precise split will be calculated by the Manager and will be detailed on the distribution vouchers accompanying the distribution.

For unitholders chargeable to UK corporation tax, income allocations representing the UK dividends received by the Fund will not be subject to corporation tax in the unitholders' hands. Income allocations representing other types of income received by the Fund will be taxable as if they were annual payments received after the deduction of tax at the rate of 20 per cent of the gross distribution.

Important information: It is important to remember that the price of units, and the income from them, can fall as well as rise and is not guaranteed and that investors may not get back the amount originally invested. Past performance is not a guide to future performance. 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. The annual management fee of the Fund is 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.

LIONTRUST

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