

# LIONTRUST INVESTMENT FUNDS III

(formerly LF Majedie Asset Management Investment  
Fund Company)

Annual Report &  
Financial Statements

For the period:

**1 January 2022**

to

**31 December 2022**

LIONTRUST FUND PARTNERS LLP

**LIONTRUST** 

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

## Management and Administration

### Management and Administration

The Authorised Corporate Director ("ACD") of Liontrust Investment Funds III (formerly LF Majedie Asset Management Investment Fund Company) (the "Company") is:

*Since 30 September 2022*

#### **Liontrust Fund Partners LLP**

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

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

*Before 30 September 2022*

Link Fund Solutions Limited, 6th Floor, 65 Gresham Street, London, EC2V 7NQ

### Depository

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

*Since 30 September 2022*

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.

*Before 30 September 2022*

Link Fund Administrators Limited  
Customer Service Centre  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

## Management and Administration (continued)

### Company Information

The Company is an investment company with variable capital under regulation 12 of the Open-Ended Investment Company Regulations 2001, incorporated in England and Wales under registered number IC000216 and authorised by the Financial Conduct Authority on 12 March 2003. At the year end the Company offered 7 Sub-funds, the Liontrust UK Equity Fund, the Liontrust UK Focus Fund, the Liontrust Institutional UK Small Cap Fund, the Liontrust Tortoise Fund, the Liontrust UK Equity Income Fund, the Liontrust Global Equity Fund and the Liontrust Global Focus Fund (the "Sub-funds"). The Global Fundamental Team has taken the investment decision to reallocate away from UK small companies and therefore a strategic decision has been taken by the ACD to close the Liontrust Institutional UK Small Cap Fund within the next 12 months. As a result the financial statements for this Sub-fund have not been prepared on a going concern basis as disclosed in note 1a of the Notes applicable to the financial statements of all Sub-funds.

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

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

### Remuneration policy

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

The table below provides an overview of the following for the year ended 31 March 2022:

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

	Headcount	Total Remuneration (£'000)
ACD UK Staff <sup>1</sup>	83	18,744
of which		
Fixed remuneration	83	8,116
Variable remuneration	83	10,628
UCITS Remuneration Code Staff <sup>1, 2</sup>	21	3,047
of which		
Senior Management	2	1,180
Other control functions:		
Other code staff/risk takers	19	1,867

<sup>1</sup> The ACD's UK staff costs have been incurred by another Group entity and allocated to the ACD. The most appropriate measure of staff costs are those staff who are members of Liontrust Investment Partners LLP or Group staff who are employed by LAM but have their costs apportioned to the LLP. LAM became the ACD effective 30 September 2022 from Link Fund Solutions Limited and the aggregate remuneration disclosed above has been calculated based on the staff numbers and remuneration information at xxxxxxxx and has been disclosed on an annualised basis.

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

## Management and Administration (continued)

### Remuneration policy (continued)

Following the acquisition of the Majedie business and the significant reorganisation undertaken in the last year the remuneration methodology uses the information from the current ACD and extrapolates some additional information from internal sources where full year audited information is not available.

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

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

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

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

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

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

### Scope of the policy

#### By entity

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

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

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

#### By individual

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

# Management and Administration (continued)

### Scope of the policy (continued)

#### By individual (continued)

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

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

### Approach to the remuneration

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

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

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

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

### Securities Financing Transactions Regulation

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) or total return swaps are required on all reports & accounts published after 13 January 2017. During the period to 31 December 2022 and at the balance sheet date, the Sub-funds did not use SFT's or total return swaps, as such no disclosure is required.

### Assessment of Value

The regulator – the FCA – has asked every asset manager to assess the value of the funds they run. Assessing value goes beyond performance and costs and encompasses a minimum of seven criteria mandated by the FCA. The assessment of value of the Liontrust Investment Funds III ICVC conducted by Link Fund Solutions Limited, the previous ACD, as at 31 December 2021, is available to view at the Sub-fund pages on [www.liontrust.co.uk](http://www.liontrust.co.uk). The next assessment of the Liontrust Investment III Funds ICVC will be conducted as at 31 December 2022 and will be made available to investors on [www.liontrust.co.uk](http://www.liontrust.co.uk).

### Changes to the Prospectus

During the year to 31 December 2022, changes were made to the Company and therefore the following changes were reflected in the Prospectus and/or Instrument of Incorporation of the Company.

- Effective 1 October 2022, IA sector comparator benchmarks have been added for a number of Sub-funds. Please see the Prospectus for details.

## Management and Administration (continued)

### Changes to the Company

During the year to 31 December 2022, changes were made to the Company and therefore the following changes were reflected in the Prospectus and/or Instrument of Incorporation of the Company:

- The ACD changed from Link Funds Solutions Limited to Liontrust Fund Partners LLP on 30 September 2022.
- From 1 October 2022, the Sub-fund names changed:
  - LF Liontrust UK Equity Fund to Liontrust UK Equity Fund
  - LF Liontrust UK Focus Fund to Liontrust UK Focus Fund
  - LF Liontrust Institutional UK Small Cap Fund to Liontrust Institutional UK Small Cap Fund
  - LF Liontrust Tortoise Fund to Liontrust Tortoise Fund
  - LF Liontrust UK Equity Income Fund to Liontrust UK Equity Income Fund
  - LF Liontrust Global Equity Fund to Liontrust Global Equity Fund
  - LF Liontrust Global Focus Fund to Liontrust Global Focus Fund
- From 1 October 2022, the Registrar changed from Link Fund Solutions Limited to Bank of New York Mellon (International) Limited.

### Holdings in Other Funds of the Company

As at 31 December 2022, there were no shares in any Sub-fund held by other Sub-funds of the Company.

### Statement of the Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its Sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its Sub-funds or to cease operations, or have no realistic alternative but to do so. For the reasons stated in the Company Information, the financial statements of the Liontrust Institutional UK Small Cap Fund have not been prepared on a going concern basis;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

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

# Management and Administration (continued)

### Statement of the Authorised Corporate Director's Responsibilities (continued)

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

### Report of the ACD to the Shareholders

The ACD, as sole director, presents its report and the audited financial statements of the Company for the year from 1 January 2022 to 31 December 2022.

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

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

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

The ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Sub-funds consist predominantly of securities that are readily realisable and, accordingly, the Sub-funds have adequate financial resources to continue in operational existence for at least 12 months apart from Liontrust Institutional UK Small Cap Fund. The Global Fundamental Team has taken the investment decision to reallocate away from UK small companies and therefore a strategic decision has been taken by the ACD to close the Liontrust Institutional UK Small Cap Fund within the next 12 months. The Liontrust Institutional UK Small Cap Fund will be terminated at a later date once the residual assets and liabilities are settled. As a result the financial statements for this Sub-fund have not been prepared on going concern basis.

### Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist fund management company with £32.6 billion in assets under management as at 31 December 2022 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. As of 8 February 2023, 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.

## Management and Administration (continued)

### Liontrust Asset Management PLC (continued)

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 Sub-funds may also be negatively impacted even if they have no direct exposure to the regions involved in the conflict.

### Member's Statement

In accordance with COLL 4.5.8BR, we hereby certify the Annual Report and the Financial Statements were approved by the management committee of members of the ACD and authorised for issue on 27 April 2023.



**Antony Morrison**

Member

27 April 2023

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

### To the Shareholders of Liontrust Investment Funds III ("the Company") for the year ended 31 December 2022.

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

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

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

The Depositary must ensure that:

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

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

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

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

27 April 2023

# Independent Auditor's Report to the Shareholders of Liontrust Investment Funds III (the "Company")

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of the Company for the year ended 31 December 2022 which comprise the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for the each of the Company's Sub-funds listed on the Contents page and the accounting policies set out on pages 13 to 15.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of each of the Sub-funds as at 31 December 2022 and of the net revenue and the net capital gains/net capital losses on the property of each of the Sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

### Basis for opinion

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

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

### Emphasis of matter – non going concern basis of preparation

In respect of the Liontrust Institutional UK Small Cap Fund, we draw attention to the disclosure made note 1a of the Notes applicable to the financial statements of all Sub-funds which explains that the financial statements of the Sub-fund have not been prepared on going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

### Going Concern

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

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

Our conclusions based on this work:

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

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

# Independent Auditor's Report to the Shareholders of Liontrust Investment Funds III (the "Company") (continued)

### Report on the audit of the financial statements (continued)

#### **Fraud and breaches of laws and regulations – ability to detect**

##### *Identifying and responding to risks of material misstatement due to fraud*

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

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

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

We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

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

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

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

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

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

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

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

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

# Independent Auditor's Report to the Shareholders of Liontrust Investment Funds III (the "Company") (continued)

## Report on the audit of the financial statements (continued)

### Other information

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

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

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

### Matters on which we are required to report by exception

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

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

### Authorised Corporate Director's responsibilities

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

### Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

# Independent Auditor's Report to the Shareholders of Liontrust Investment Funds III (the "Company") (continued)

### Report on the audit of the financial statements (continued)

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

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



**Grant Archer**

**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

KPMG LLP

St Vincent Plaza

319 St Vincent Street

Glasgow

G2 5AS

27 April 2023

# Notes applicable to the financial statements of all Sub-funds

for the year ended 31 December 2022

## 1 Accounting Policies

### a) Basis of accounting

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

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

The ACD has taken the decision to close the Liontrust Institutional UK Small Cap Fund within the next 12 months and the Sub-fund will be terminated at a later date once the residual assets and liabilities are settled. As a result the financial statements for this Sub-fund have not been prepared on a going concern basis. No adjustments were made to the financial statements of this Sub-fund to adjust assets or liabilities to their realisable values or to provide for liabilities arising from the decision to terminate the Sub-fund.

### b) Valuation of investments

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

For Collective Investment Schemes (CIS) managed by other management groups, investments are valued at the bid price for dual priced funds and at the single price for single priced funds.

### c) Revenue

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

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

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

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

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

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

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

for the year ended 31 December 2022

### 1 Accounting Policies (continued)

#### d) Expenses

All expenses are recognised on an accruals basis and are charged against revenue except for costs associated with the purchase and sale of investments, the ACD charge for the Liontrust UK Equity Fund and the Performance Fee for the Liontrust Tortoise Fund which are allocated to the capital of the Sub-funds.

For the Liontrust Tortoise Fund, the ACD is entitled to a performance related fee of 20% of outperformance of the relevant index by each share class and is calculated to the end of the accounting year in December each year. The full amount of any performance fee is calculated on an accruals basis and is chargeable against capital in determining distribution. Further details of the calculation can be found in the Prospectus.

#### e) Allocation of income and expenses

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

#### f) Taxation

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

#### g) Exchange rates

For all Sub-funds except Liontrust Global Focus Fund and Liontrust Global Equity Fund, transactions in foreign currencies are translated into Sterling at the rate of exchange ruling on the date of the transaction. Investments and other assets and liabilities denominated in foreign currencies are translated into Sterling at the exchange rates applicable at the end of the accounting period.

For Liontrust Global Focus Fund and Liontrust Global Equity Fund, transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transaction. Investments and other assets and liabilities denominated in foreign currencies are translated into US Dollars at the exchange rates applicable at the end of the accounting period.

#### h) Financial instruments

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

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

for the year ended 31 December 2022

### **1 Accounting Policies (continued)**

#### **h) Financial instruments (continued)**

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

#### **Distribution Policies**

#### **i) Basis of distribution**

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

Any revenue attributable to accumulation shareholders is retained within a Sub-fund at the end of the distribution period and represents a reinvestment of income on behalf of the accumulation shareholders.

The ACD's charge and expenses are charged against revenue in respect of all the Sub-funds except for Liontrust UK Equity Income Fund where the ACD's charge is charged against capital.

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

#### **j) Special dividends**

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

#### **k) Functional currency**

For all Sub-funds except Liontrust Global Focus Fund and Liontrust Global Equity Fund, the base currency of the Sub-funds is Sterling and is taken to be the 'functional currency' of the Sub-funds. For Liontrust Global Equity Fund and Liontrust Global Focus Fund, the base currency of the Sub-funds is US Dollars and is taken to be the 'functional currency' of the Sub-funds.

# Liontrust UK Equity Fund

Report for the year from 1 January 2022 to 31 December 2022

## Investment Objective

To deliver a total return (the combination of income and capital growth) that at the end of any five year period is in excess of achieving a total return of the FTSE All-Share Total Return Index, after all costs and charges have been deducted. There is no guarantee that the objective will be achieved over any time period and capital is at risk.

## Investment Policy

The Sub-fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of UK companies. These are companies that are:

- listed or traded in the UK, and
- domiciled or incorporated in the UK.

The Sub-fund may also invest up to 20% of its scheme property by value in the shares of non-UK companies (which may include both companies in developed markets and companies in emerging markets), cash, deposits and money market instruments.

The Sub-fund may invest in these asset classes directly and indirectly. It may invest indirectly through other transferable securities (such as depositary receipts) or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Sub-fund does not have any restrictions on the industry sectors it can invest in.

## Investment Strategy

The Sub-fund is actively managed by a team of individual investment managers each of whom has responsibility for managing a portion of the Sub-fund. The Sub-fund does not have any particular style bias. The investment managers are flexible investors who will aim to outperform the market by investing in a combination of companies that are judged to be undervalued by the market. The characteristics of these companies could vary and may include growth companies, lowly valued out of favour companies and companies that are undertaking a restructuring perhaps within an industry undergoing significant change. The investment managers may also invest in companies where there is a catalyst for recovery such as management change or an improving business environment as well as seeking out the most attractive investments that are exposed to specific themes (for example consolidating industries or demographics) that are identified as being long term areas for structural growth. The multi-manager structure allows individual accountability as well as harnessing teamwork, together with providing natural diversification of manager risk.

The investment managers typically take a long-term time horizon of 3-5 years when selecting investments.

## Liontrust UK Equity Fund (continued)

### Investment review

#### Market review

During the 12 months to 31 December 2022, the Liontrust UK Equity Fund fell -10.0% (Class 'X' Accumulation shares, net of fees GBP) against a rise in the FTSE All Share Total Return Index of 0.3%.

We entered 2022 believing inflationary pressures were building from rising energy costs and that supply chain issues, which had caused shortages of goods and services, would gradually ease and mitigate the impact of the higher energy prices. Central banks were intent on raising interest rates to give themselves some flexibility ahead of shrinking their balance sheets through quantitative tightening. The global economy was also "normalising", with consumers having accumulated substantial savings post the pandemic and corporate balance sheets that were generally strong by historic standards.

The Russian invasion of Ukraine dramatically changed the economic outlook over the near to long terms. Food and energy prices surged, causing a cost-of-living crisis in many parts of the world. This included the UK, which faced the added pressure of a sharp rise in mortgage rates caused by the failed mini-Budget in late September and the subsequent weakness in sterling. Investors no longer saw inflation as transitory but instead as likely to be more permanent and accompanied by interest rates higher than those enjoyed over the last decade. The significant interest rate hikes instigated by central banks in 2022 to control inflation reduced risk appetite throughout financial markets.

Despite the slew of "bad news" during this tumultuous year, the UK stock market managed a small gain, which was respectable compared with many other markets. However, this headline return masked a considerable dispersion between large and smaller companies. The FTSE 100 Index, which comprises 80% of the FTSE All Share, advanced 4.7% and the FTSE 250 Index fell 17.4%. This was an uncharacteristically large divergence in performance over such a short period. The UK market's overweight exposure to the resources sectors, and to defensive sectors such as tobacco and pharmaceuticals, were key contributors to a positive benchmark return.

#### Analysis of portfolio return

In terms of performance drivers over the year, the Sub-fund's underweights in the resources, tobacco and pharmaceutical sectors were headwinds, together with its exposure to consumer businesses and the material overweight in medium-sized companies. **Fevertree**, the premium drink mixers producer, was particularly disappointing after freight, energy and glass costs pressured profit margins. **Ascential**, the media company, also disappointed. The strong progress made in two of its three businesses over the year was offset by the margin fall seen in its digital commerce business after investing heavily into this global-leading data analytics platform. We are confident though that the board's recent decision to break up the group will unlock its inherent material value. We saw the highly regarded CEO leave **RS**, the industrial products and services provider, which negatively impacted the share price, although we maintain the Sub-fund's position given the strength of the business, its broader management and the growth opportunities we see ahead of it.

In terms of positive contributors, **4imprint**, the largest US-based company providing branded promotional products, performed strongly. Its decision through the pandemic to retain all its staff and invest in national brand advertising resulted in a sharp recovery well beyond the revenue and profit levels achieved pre-pandemic. Profit expectations for the company more than doubled during the year. **Qinetiq**, the UK defence company, advanced as operational performance improved and investors appreciated the importance of defence spending by governments in maintaining world peace. **Natwest** also performed strongly in response to rising interest rates.

Over the course of 2022, the Sub-fund's exposure to cyclical stocks was increased as valuation opportunities arose. In particular, we increased the Sub-fund's exposure to businesses that we believe are competitively advantaged such as **Ashtead** (equipment rental), **Diploma** (distributor of scientific and building products), **Centrica** (integrated energy business), **Dunelm** (home furnishings retailer), **Howden** (kitchen supplier) and **Rentokil** (pest control and hygiene). Some of the more defensive positions were reduced such as **Reckitt Benckiser**, **RELX**, **Serco**, **Diageo** and **AstraZeneca**. We also exited positions in **NXP Semiconductors** and **AP Moller-Maersk** given their share price strength and the weaker trading outlook for these businesses.

## Liontrust UK Equity Fund (continued)

### Investment review (continued)

#### Outlook

Ever since the Global Financial Crisis (GFC), markets have been dominated and largely driven by macro-economic factors, central bank policies, politics and geopolitics. Overlay an environment of free money for a decade, which has facilitated the introduction of disruptive business models, plus the advances in technology, and there has been a lot for investors to process and navigate. Corporate Darwinism has, however, for many years remained a key theme in our investment selections. Those companies with strong competitive powers post the GFC have, in many cases, exploited their strategic strengths and the weaknesses of their competitors to grow market share. We are beginning to sense that for some of these companies, the pandemic has created a competitive landscape that is now meaningfully better for them. This can be seen in the operational performances of businesses such as **4imprint, RS, 3i, Relx and Fair Isaac**. We believe this competitive advantage should endure for many other companies in the Sub-fund even when it is not reflected in either profit forecasts or valuations. Such opportunities are prevalent within the Sub-fund and are exciting investments that we believe will power positive investment performance for the future.

January 2023

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

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

#### Material portfolio changes by value

##### Purchases

GSK  
Rentokil Initial  
Shell  
Travis Perkins  
Standard Chartered  
Grafton  
Diploma  
Howden Joinery  
Hays  
Newmont

##### Sales

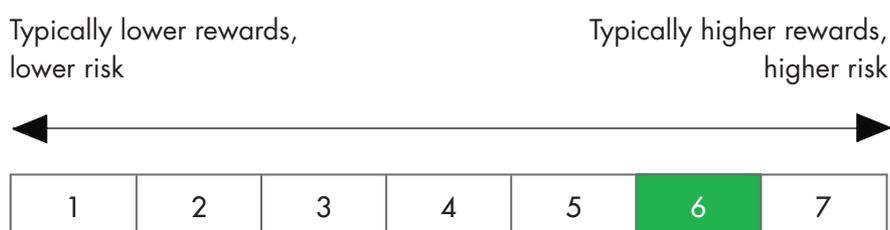
Shell  
AstraZeneca  
HSBC  
Compass  
QinetiQ  
RELX  
Serco  
Unilever  
Tesco  
Reckitt Benckiser

## Liontrust UK Equity Fund (continued)

### Investment review (continued)

#### Risk and Reward profile

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



- This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.
- The Sub-fund has been classed as 6 because its volatility has been measured as above average to high.
- The indicator is based on historical data and may not be a reliable indication for the future.
- The risk and reward profile shown is not guaranteed to remain the same and may shift over time. The lowest number on the scale does not mean that a fund is risk free.
- Market Risk: the investments of the Sub-fund are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.
- Equity Risk: the value of equities may fall as well as rise and as a class of investment, equities are typically more volatile than other common investment types such as bonds or cash.
- Currency Risk: As the Sub-fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment
- Counterparty Risk: The failure of a firm involved in a transaction with the Sub-fund or providing services to the Sub-fund may expose the Sub-fund to financial loss.
- Emerging Markets Risk: The Sub-fund may invest in emerging markets, which are markets in countries that are developing. Emerging markets may have more political and economic risks than developed markets, which may result in large and frequent price movements that may cause a loss to the Sub-fund.

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

## Liontrust UK Equity Fund (continued)

### Comparative Tables

for the year ended 31 December 2022

<b>B Accumulation</b>			
<b>Accounting year ended</b>	<b>31 December 2022</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>per share (p)</b>	<b>per share (p)</b>	<b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	783.07	656.71	702.58
Return before operating charges	(73.52)	126.36	(45.87)
Operating charges	0.00	0.00	0.00
Return after operating charges	(73.52)	126.36	(45.87)
Distributions	(20.70)	(17.93)	(13.46)
Retained distributions on accumulation shares	20.70	17.93	13.46
<b>Closing net asset value per share</b>	<b>709.55</b>	<b>783.07</b>	<b>656.71</b>
After direct transaction costs of*, #	(1.26)	(1.16)	(2.10)
<b>Performance</b>			
Return after charges	(9.39%)	19.24%	(6.53%)
<b>Other information</b>			
Closing net asset value (£'000)	130,419	257,728	342,892
Closing number of shares	18,380,476	32,912,606	52,213,697
Operating charges**	0.00%	0.00%	0.00%
Direct transaction costs*	0.18%	0.16%	0.35%
<b>Prices</b>			
Highest share price	802.40	789.31	710.14
Lowest share price	635.99	651.29	454.58

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust UK Equity Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

B Income Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	599.96	515.10	563.20
Return before operating charges	(56.73)	98.85	(37.39)
Operating charges	0.00	0.00	0.00
Return after operating charges	(56.73)	98.85	(37.39)
Distributions	(15.72)	(13.99)	(10.71)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>527.51</b>	<b>599.96</b>	<b>515.10</b>
After direct transaction costs of*, #	(0.96)	(0.91)	(1.68)
<b>Performance</b>			
Return after charges	(9.46%)	19.19%	(6.64%)
<b>Other information</b>			
Closing net asset value (£'000)	38,095	65,003	70,708
Closing number of shares	7,221,654	10,834,426	13,726,953
Operating charges**	0.00%	0.00%	0.00%
Direct transaction costs*	0.18%	0.16%	0.35%
<b>Prices</b>			
Highest share price	614.89	611.80	569.38
Lowest share price	479.09	510.94	364.46

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust UK Equity Fund (continued)

### Comparative Tables (continued)

for the year ended 31 December 2022

X Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	204.57	172.68	185.94
Return before operating charges	(19.21)	33.14	(12.23)
Operating charges	(1.20)	(1.25)	(1.03)
Return after operating charges	(20.41)	31.89	(13.26)
Distributions	(4.19)	(3.46)	(2.52)
Retained distributions on accumulation shares	4.19	3.46	2.52
<b>Closing net asset value per share</b>	<b>184.16</b>	<b>204.57</b>	<b>172.68</b>
After direct transaction costs of*, #	(0.33)	(0.31)	(0.55)
<b>Performance</b>			
Return after charges	(9.98%)	18.47%	(7.13%)
<b>Other information</b>			
Closing net asset value (£'000)	262,716	391,644	556,844
Closing number of shares	142,653,043	191,446,336	322,476,015
Operating charges**	0.65%	0.65%	0.65%
Direct transaction costs*	0.18%	0.16%	0.35%
<b>Prices</b>			
Highest share price	209.60	206.21	187.94
Lowest share price	165.30	171.16	120.13

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust UK Equity Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

X Income Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	161.89	139.03	152.02
Return before operating charges	(15.28)	26.63	(10.12)
Operating charges	(0.94)	(1.00)	(0.84)
Return after operating charges	(16.22)	25.63	(10.96)
Distributions	(3.30)	(2.77)	(2.03)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>142.37</b>	<b>161.89</b>	<b>139.03</b>
After direct transaction costs of*, #	(0.26)	(0.24)	(0.45)
<b>Performance</b>			
Return after charges	(10.02%)	18.43%	(7.21%)
<b>Other information</b>			
Closing net asset value (£'000)	106,460	269,885	261,133
Closing number of shares	74,778,523	166,710,272	187,826,858
Operating charges**	0.65%	0.65%	0.65%
Direct transaction costs*	0.18%	0.16%	0.35%
<b>Prices</b>			
Highest share price	165.89	164.56	153.68
Lowest share price	129.07	137.83	98.23

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust UK Equity Fund (continued)

## Portfolio Statement

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (97.73%)</b>	<b>532,397</b>	<b>99.02</b>
	<b>UNITED KINGDOM (90.26%)</b>	<b>486,988</b>	<b>90.59</b>
	<b>Advertising (3.00%)</b>	<b>15,796</b>	<b>2.93</b>
3,824,864	Ascential	7,696	1.43
137,052	Next Fifteen Communications	1,357	0.25
628,003	Pebble	553	0.10
754,706	WPP	6,190	1.15
	<b>Aerospace &amp; Defence (0.82%)</b>	<b>8,083</b>	<b>1.50</b>
901,079	BAE Systems	7,713	1.43
124,594	Chemring	370	0.07
	<b>Airlines (1.49%)</b>	<b>4,826</b>	<b>0.90</b>
1,486,836	easyjet	4,826	0.90
	<b>Alternative Energy Sources (0.08%)</b>		
	<b>Apparel (0.65%)</b>	<b>3,411</b>	<b>0.63</b>
3,220,968	boohoo	1,141	0.21
1,191,818	Dr Martens	2,270	0.42
	<b>Banks (5.36%)</b>	<b>37,985</b>	<b>7.06</b>
1,856,874	HSBC	9,574	1.78
3,366,912	Lloyds Banking	1,529	0.28
7,048,400	NatWest	18,692	3.48
1,315,797	Standard Chartered	8,190	1.52
	<b>Beverages (3.29%)</b>	<b>5,914</b>	<b>1.10</b>
573,591	Fevertree Drinks	5,914	1.10
	<b>Biotechnology (0.47%)</b>	<b>1,263</b>	<b>0.23</b>
512,213	Oxford Nanopore Technologies	1,263	0.23
	<b>Building Materials (0.07%)</b>	<b>8,475</b>	<b>1.58</b>
101,726	Eneraqua Technologies	315	0.06
1,515,335	Genuit	4,258	0.79
1,428,295	Marshalls	3,902	0.73

## Liontrust UK Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
<b>EQUITIES (continued)</b>			
<b>UNITED KINGDOM (continued)</b>			
<b>Chemicals (0.09%)</b>		<b>357</b>	<b>0.06</b>
21,449	Treatt	134	0.02
66,482	Zotefoams	223	0.04
<b>Commercial Services (7.16%)</b>		<b>78,483</b>	<b>14.61</b>
243,876	4imprint	10,426	1.94
212,308	Alpha Financial Markets Consulting	1,008	0.19
295,573	Ashtead	13,951	2.59
1,126,829	DWF	901	0.17
136,355	Elixir International	682	0.13
8,135,462	Hays	9,413	1.75
1,949,100	Mears	3,976	0.74
5,259,458	Mitie	3,903	0.73
1,900,444	QinetiQ	6,777	1.26
550,088	RELX	12,586	2.34
2,497,823	Rentokil Initial	12,689	2.36
159,062	Restore	517	0.10
279,840	Wilmington	845	0.16
80,124	YouGov	809	0.15
<b>Computers (2.05%)</b>		<b>9,642</b>	<b>1.79</b>
167,044	Bytes Technology	645	0.12
64,952	D4t4 Solutions	155	0.03
188,752	Kin & Carta	404	0.08
78,470	Midwich	325	0.06
309,644	NCC	619	0.11
4,825,367	Serco	7,494	1.39
<b>Cosmetics &amp; Personal Care (3.28%)</b>		<b>22,797</b>	<b>4.24</b>
853,776	Haleon	2,794	0.52
2,063,729	PZ Cussons	4,324	0.80
374,926	Unilever	15,679	2.92
<b>Distribution &amp; Wholesale (3.19%)</b>		<b>18,029</b>	<b>3.36</b>
1,558,507	RS	13,956	2.60
457,989	Travis Perkins	4,073	0.76

## Liontrust UK Equity Fund (continued)

### Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
<b>EQUITIES (continued)</b>			
<b>UNITED KINGDOM (continued)</b>			
<b>Diversified Financial Services (5.73%)</b>		<b>26,682</b>	<b>4.97</b>
2,247,977	AJ Bell	8,052	1.50
174,241	FRP Advisory	275	0.05
107,976	Impax Asset Management	781	0.15
43,335	K3 Capital	148	0.03
80,695	London Stock Exchange	5,758	1.07
106,600	Mattioli Woods	650	0.12
1,006,171	St James's Place	11,018	2.05
<b>Electricity (0.03%)</b>		<b>36</b>	<b>0.01</b>
1,127,741	Eenergy	36	0.01
<b>Electronics (0.46%)</b>		<b>1,475</b>	<b>0.28</b>
96,011	DiscoverIE	701	0.13
25,916	Oxford Instruments	582	0.11
110,586	TT Electronics	192	0.04
<b>Engineering &amp; Construction (0.96%)</b>		<b>1,361</b>	<b>0.25</b>
45,694	Renew	334	0.06
214,685	Ricardo	1,027	0.19
<b>Food Producers (5.31%)</b>		<b>18,411</b>	<b>3.43</b>
205,889	Greggs	4,826	0.90
34,212	Hilton Food	191	0.04
346,427	Kitwave	656	0.12
1,768,800	Marks & Spencer	2,181	0.41
4,708,670	Tesco	10,557	1.96
<b>Food Services (2.65%)</b>		<b>14,584</b>	<b>2.71</b>
760,574	Compass	14,584	2.71
<b>Forest Products &amp; Paper (0.75%)</b>		<b>3,403</b>	<b>0.63</b>
241,401	Mondi	3,403	0.63

## Liontrust UK Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Gas (1.35%)</b>	<b>11,499</b>	<b>2.14</b>
11,913,727	Centrica	11,499	2.14
	<b>Healthcare Products (1.03%)</b>	<b>8,806</b>	<b>1.64</b>
128,311	Advanced Medical Solutions	332	0.06
2,042,343	ConvaTec	4,751	0.88
73,389	Inspects	31	0.01
332,787	Smith & Nephew	3,686	0.69
2,111,690	Yourgene Health	6	0.00
	<b>Healthcare Services (0.11%)</b>	<b>962</b>	<b>0.18</b>
696,888	Medica	962	0.18
	<b>Home Builders (2.15%)</b>	<b>4,864</b>	<b>0.90</b>
166,929	Bellway	3,184	0.59
51,126	MJ Gleeson	175	0.03
1,480,846	Taylor Wimpey	1,505	0.28
	<b>Home Furnishings (0.00%)</b>	<b>3,908</b>	<b>0.73</b>
695,924	Howden Joinery	3,908	0.73
	<b>Household Products (1.83%)</b>	<b>5,115</b>	<b>0.95</b>
88,887	Reckitt Benckiser	5,115	0.95
	<b>Insurance (1.67%)</b>	<b>3,308</b>	<b>0.62</b>
154,887	Admiral	3,308	0.62
	<b>Internet (2.77%)</b>	<b>6,401</b>	<b>1.19</b>
49,297	Auction Technology	370	0.07
849,277	Auto Trader	4,379	0.81
201,078	Baltic Classifieds	283	0.05
192,921	Kooth	262	0.05
1,003,285	Moonpig	1,107	0.21

## Liontrust UK Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Investment Companies (0.13%)</b>	<b>629</b>	<b>0.12</b>
83,887	Gresham House	629	0.12
	<b>Leisure Time (0.18%)</b>	<b>249</b>	<b>0.05</b>
100,047	Hollywood Bowl	249	0.05
	<b>Lodging (0.29%)</b>	<b>2,741</b>	<b>0.51</b>
106,657	Whitbread	2,741	0.51
	<b>Machinery Construction &amp; Mining (1.93%)</b>	<b>10,176</b>	<b>1.89</b>
610,234	Weir	10,176	1.89
	<b>Machinery Diversified (0.05%)</b>	<b>3,845</b>	<b>0.71</b>
122,795	CNH Industrial	1,630	0.30
57,446	Mpac	155	0.03
19,411	Spirax-Sarco Engineering	2,060	0.38
	<b>Media (3.73%)</b>	<b>73</b>	<b>0.01</b>
26,862	STV	73	0.01
	<b>UK Metal &amp; Hardware (0.08%)</b>		
	<b>Mining (1.35%)</b>	<b>7,067</b>	<b>1.31</b>
218,587	Anglo American	7,067	1.31
	<b>Miscellaneous Manufacturing (1.54%)</b>	<b>9,338</b>	<b>1.74</b>
224,538	Diploma	6,229	1.16
96,813	Hill & Smith	1,135	0.21
60,200	Porvair	367	0.07
94,192	Videndum	1,012	0.19
162,999	Volution	595	0.11
	<b>Oil &amp; Gas Producers (4.17%)</b>	<b>39,216</b>	<b>7.29</b>
1,685,998	Shell	39,216	7.29

## Liontrust UK Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Oil &amp; Gas Producers (continued)</b>		
	<b>Oil &amp; Gas Services (0.02%)</b>		
	<b>Packaging &amp; Containers (1.28%)</b>	<b>5,580</b>	<b>1.04</b>
2,359,449	Essentra	5,580	1.04
	<b>Pharmaceuticals (3.53%)</b>	<b>32,043</b>	<b>5.96</b>
205,741	AstraZeneca	23,080	4.29
44,075	CVS	853	0.16
93,884	Eco Animal Health	92	0.02
76,252	Ergomed	968	0.18
490,377	GSK	7,050	1.31
	<b>Private Equity (3.00%)</b>	<b>16,798</b>	<b>3.13</b>
1,166,568	3i	15,638	2.91
660,406	Forward Partners	251	0.05
256,732	Molton Ventures	909	0.17
	<b>Real Estate Investment &amp; Services (0.12%)</b>	<b>233</b>	<b>0.05</b>
15,867	Lok'nStore	149	0.03
84,472	Watkin Jones	84	0.02
	<b>Retail (5.69%)</b>	<b>16,249</b>	<b>3.02</b>
1,359,743	Card Factory	1,047	0.19
362,732	City Pub	254	0.05
5,621,658	Currys	3,013	0.56
586,552	Dunelm	5,742	1.07
328,947	Loungers	586	0.11
78,862	Next	4,577	0.85
996,819	Patisserie Holdings~	0	0.00
20,291	Watches of Switzerland	166	0.03
58,220	WH Smith	864	0.16
	<b>Software (2.84%)</b>	<b>15,567</b>	<b>2.89</b>
364,190	AVEVA	11,701	2.18

## Liontrust UK Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Software (continued)</b>		
118,905	Bango	214	0.04
247,470	Big Technologies	656	0.12
290,128	Blancco Technology	508	0.09
242,149	Essensys	116	0.02
281,136	Gresham Technologies	492	0.09
47,850	Instem	330	0.06
208,751	Microlise	271	0.05
131,327	Team17	584	0.11
72,414	Tracsis	695	0.13
	<b>Telecommunications (0.10%)</b>	<b>1,226</b>	<b>0.23</b>
49,447	Gamma Communications	535	0.10
60,073	GlobalData	691	0.13
	<b>Textiles (0.07%)</b>	<b>82</b>	<b>0.02</b>
154,518	HeiQ	82	0.02
	<b>Transportation (2.36%)</b>		
	<b>UNITED STATES OF AMERICA (2.63%)</b>	<b>14,416</b>	<b>2.68</b>
	<b>Commercial Services (1.20%)</b>	<b>6,558</b>	<b>1.22</b>
35,416	Equifax	5,723	1.06
5,700	Verisk Analytics	835	0.16
	<b>Distribution &amp; Wholesale (0.09%)</b>		
	<b>Machinery Construction &amp; Mining (0.00%)</b>	<b>69</b>	<b>0.01</b>
18,616	Somero Enterprises	69	0.01
	<b>Mining (0.49%)</b>	<b>3,596</b>	<b>0.67</b>
91,645	Newmont	3,596	0.67
	<b>Software (0.84%)</b>	<b>3,969</b>	<b>0.74</b>
404,468	Boku	554	0.10

## Liontrust UK Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

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>Software (continued)</b>		
6,380	Fair Isaac	3,169	0.59
227,565	Tinybuild	246	0.05
	<b>Water (0.01%)</b>	<b>224</b>	<b>0.04</b>
34,921	Water Intelligence	224	0.04
	<b>SWITZERLAND (0.99%)</b>	<b>8,403</b>	<b>1.56</b>
	<b>Pharmaceuticals (0.99%)</b>	<b>8,403</b>	<b>1.56</b>
36,002	Novartis	2,704	0.50
21,835	Roche	5,699	1.06
	<b>IRELAND (0.47%)</b>	<b>6,070</b>	<b>1.13</b>
	<b>Airlines (0.47%)</b>	<b>2,595</b>	<b>0.48</b>
239,528	Ryanair	2,595	0.48
	<b>Retail (0.00%)</b>	<b>3,475</b>	<b>0.65</b>
440,649	Grafton	3,475	0.65
	<b>FRANCE (0.55%)</b>	<b>5,879</b>	<b>1.09</b>
	<b>Aerospace &amp; Defence (0.00%)</b>	<b>1,908</b>	<b>0.35</b>
18,024	Thales	1,908	0.35
	<b>Oil &amp; Gas Producers (0.55%)</b>	<b>3,971</b>	<b>0.74</b>
76,304	TOTAL	3,971	0.74
	<b>CANADA (0.40%)</b>	<b>5,226</b>	<b>0.97</b>
	<b>Mining (0.40%)</b>	<b>5,226</b>	<b>0.97</b>
366,310	Barrick Gold	5,226	0.97
	<b>NETHERLANDS (1.40%)</b>	<b>4,340</b>	<b>0.80</b>
	<b>Healthcare Products (0.56%)</b>	<b>1,639</b>	<b>0.30</b>
131,893	Koninklijke Philips	1,639	0.30

## Liontrust UK Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>NETHERLANDS (continued)</b>		
	<b>Healthcare Products (continued)</b>		
	<b>Semiconductors (0.32%)</b>		
	<b>Telecommunications (0.52%)</b>	<b>2,701</b>	<b>0.50</b>
1,053,331	Koninklijke KPN	2,701	0.50
	<b>DENMARK (0.68%)</b>		
	<b>Transportation (0.68%)</b>		
	<b>JERSEY (0.23%)</b>	<b>1,075</b>	<b>0.20</b>
	<b>Diversified Financial Services (0.23%)</b>	<b>1,075</b>	<b>0.20</b>
143,771	JTC	1,075	0.20
	<b>SINGAPORE (0.10%)</b>		
	<b>Electrical Components &amp; Equipment (0.10%)</b>		
	<b>ISLE OF MAN (0.02%)</b>		
	<b>Electrical Components &amp; Equipment (0.02%)</b>		
	<b>AUSTRALIA (0.00%)</b>	<b>0</b>	<b>0.00</b>
	<b>Mining (0.00%)</b>	<b>0</b>	<b>0.00</b>
12,853	Tulla Resources~	0	0.00
	<b>COLLECTIVE INVESTMENT SCHEMES (2.56%)</b>	<b>5,706</b>	<b>1.06</b>
	<b>GERMANY (0.00%)</b>	<b>0</b>	<b>0.00</b>
4,576,733	Speymill Deutsche Immobilien~	0	0.00
	<b>UNITED KINGDOM (2.56%)</b>	<b>5,706</b>	<b>1.06</b>
5,705,555	Goldman Sachs Sterling Liquid Reserves Fund	5,706	1.06
	<b>Portfolio of investments</b>	<b>538,103</b>	<b>100.08</b>
	<b>Net other liabilities</b>	<b>(413)</b>	<b>(0.08)</b>
	<b>Total net assets</b>	<b>537,690</b>	<b>100.00</b>

## Liontrust UK Equity Fund (continued)

### Portfolio Statement (continued)

as at 31 December 2022

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 2021 and have been re-stated in line with current year presentation.

~ Delisted securities.

## Liontrust UK Equity Fund (continued)

**Statement of Total Return**

for the year ended 31 December 2022

	Notes	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
Income					
Net capital (losses)/gains	2		(119,733)		154,232
Revenue	3	22,377		24,693	
Expenses	4	(3,287)		(4,324)	
Interest payable and similar charges	6	(2)		–	
Net revenue before taxation		19,088		20,369	
Taxation	5	(358)		(269)	
Net revenue after taxation			18,730		20,100
<b>Total return before distributions</b>			<b>(101,003)</b>		<b>174,332</b>
Distributions	7		(18,730)		(20,100)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(119,733)</b>		<b>154,232</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31 December 2022

	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>984,260</b>		<b>1,231,577</b>
Amounts received on issue of shares	54,089		39,429	
In-specie transfer	–		(151,950)	
Amounts paid on cancellation of shares	(393,633)		(302,299)	
		(339,544)		(414,820)
Dilution adjustment		914		488
Stamp duty reserve tax refund		5		–
Change in net assets attributable to shareholders from investment activities		(119,733)		154,232
Retained distributions on accumulation shares		11,788		12,783
<b>Closing net assets attributable to shareholders</b>		<b>537,690</b>		<b>984,260</b>

## Liontrust UK Equity Fund (continued)

**Balance Sheet**

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		538,103	987,146
<b>Current assets:</b>			
Debtors	8	1,209	1,854
Cash and bank balances	9	201	–
<b>Total assets</b>		<b>539,513</b>	<b>989,000</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Distribution payable		(1,573)	(3,032)
Other creditors	10	(250)	(1,708)
<b>Total liabilities</b>		<b>(1,823)</b>	<b>(4,740)</b>
<b>Net assets attributable to shareholders</b>		<b>537,690</b>	<b>984,260</b>

## Liontrust UK Equity Fund (continued)

**Notes to the financial statements**

for the year ended 31 December 2022

**1 Accounting policies**

The accounting policies for the Sub-fund are set out on pages 13 to 15.

**2 Net capital (losses)/gains**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities	(119,700)	154,318
Foreign currency losses	(33)	(86)
<b>Net capital (losses)/gains</b>	<b>(119,733)</b>	<b>154,232</b>

**3 Revenue**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Bank interest	2	–
Interest distributions on CIS holdings	190	–
Non-taxable overseas dividends	2,291	–
UK dividends	19,894	24,693
<b>Total revenue</b>	<b>22,377</b>	<b>24,693</b>

**4 Expenses**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge*	3,287	4,324
<b>Total expenses</b>	<b>3,287</b>	<b>4,324</b>

\* The audit fee for the year (borne out of the ACD's charge), excluding VAT, was £9,200 (2021: £8,550). Where the fee exceeds the ACD's charge, the shortfall will be met by the ACD.

## Liontrust UK Equity Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**5 Taxation**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>a) Analysis of charge in year</b>		
Overseas tax	358	269
<b>Total tax charge [see note(b)]</b>	<b>358</b>	<b>269</b>

**b) Factors affecting tax charge for the year**

The taxation assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Net revenue before taxation	19,088	20,369
Corporation tax at 20% (2021 - 20%)	3,818	4,074
Effects of:		
Movement in unrecognised tax losses	619	865
Overseas tax	358	269
Revenue not subject to tax	(4,437)	(4,939)
<b>Total tax charge [see note(a)]</b>	<b>358</b>	<b>269</b>

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

**c) Deferred tax**

At the year end there is a potential deferred tax asset of £30,065,000 (2021: £29,446,000) due to tax losses of £150,324,000 (2021: £147,230,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

**6 Interest payable and similar charges**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Overdraft interest	2	–
<b>Total interest payable and similar charges</b>	<b>2</b>	<b>–</b>

## Liontrust UK Equity Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 7 Distributions

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Interim distribution	11,141	9,935
Final distribution	5,895	9,273
	<b>17,036</b>	<b>19,208</b>
Amounts deducted on cancellation of shares	2,124	1,056
Equalisation on In-specie transfer	–	52
Amounts received on issue of shares	(430)	(216)
<b>Distributions</b>	<b>18,730</b>	<b>20,100</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	18,730	20,100
<b>Distributions</b>	<b>18,730</b>	<b>20,100</b>

The distribution per share is set out in the tables on page 48.

## 8 Debtors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued revenue	893	1,509
Amounts receivable for issue of shares	98	144
Overseas withholding tax	121	104
Sales awaiting settlement	97	97
<b>Total debtors</b>	<b>1,209</b>	<b>1,854</b>

## 9 Cash and bank balances

	31.12.2022 (£'000)	31.12.2021 (£'000)
Cash and bank balances	201	–
<b>Total cash and bank balances</b>	<b>201</b>	<b>–</b>

## Liontrust UK Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 10 Creditors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued ACD's charge	207	361
Amounts payable for cancellation of shares	43	103
Purchases awaiting settlement	–	1,244
<b>Total other creditors</b>	<b>250</b>	<b>1,708</b>

#### 11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: £nil).

#### 12 Related party transactions

From 30 September 2022, Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company. Prior to 30 September 2022, the ACD of the fund was Link Fund Solutions Limited.

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

All balances due to the ACD at the current year end in respect of transactions in shares are due to Liontrust Fund Partners LLP and all balances due to the ACD at the prior year end in respect of transactions in shares are due to Link Fund Solutions Limited.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £207,000 (2021: n/a). The balance due to Link Fund Solutions Limited and its associates at the year end in respect of expenses was £nil (2021: £361,000)

The total expense due to Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was £606,000 (2021: n/a). The total expense due to Link Fund Solutions Limited and its associates for the period to 29 September 2022 was £2,681,000 (2021: £4,324,000).

The total shares issued by Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was £1,986,000 (2021: n/a) and the total shares cancelled by Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was £34,174,000 (2021: n/a).

The total shares issued by Link Fund Solutions Limited and its associates for the period from 30 September 2022 was £52,103,000 (2021: £39,429,000) and the total shares cancelled by Link Fund Solutions Limited and its associates for the period from 30 September 2022 was £359,459,000 (2021: £302,299,000).

### Liontrust UK Equity Fund (continued)

#### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies

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

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

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

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

#### Market price risk

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

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

As at 31 December 2022 and 31 December 2021 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

## Liontrust UK Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

As at 31 December 2022, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 11.0%.

As at 31 December 2021, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.4%.

Some limitations of sensitivity analysis are;

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

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

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

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

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

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

##### Currency risk

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

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

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

### Liontrust UK Equity Fund (continued)

#### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Currency risk (continued)

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

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

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

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

##### Interest rate risk

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

As a result, the Sub fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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

##### Liquidity risk

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

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-fund may not be able to sell a position for full value or at all in the short-term. This may affect performance and could cause the Sub-fund to defer or suspend redemptions of its shares. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

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

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

## Liontrust UK Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Counterparty credit risk

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

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

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

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan. The Sub-fund currently does not engage in stock lending. The ACD is required to provide shareholder 60 days' prior written notice.

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

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2022 was A (Standard & Poor's rating).

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

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

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

##### Maturity profile of financial liabilities

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

##### Fair value of financial assets and liabilities

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

## Liontrust UK Equity Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 13 Risk management policies (continued)

## Valuation of financial investments

	Assets (£'000)	Liabilities (£'000)
<b>31.12.2022</b>		
Level 1: Quoted prices	532,397	—
Level 2: Observable market data	5,706	—
	<b>538,103</b>	<b>—</b>
<b>31.12.2021</b>		
Level 1: Quoted prices	961,905	—
Level 2: Observable market data	25,241	—
	<b>987,146</b>	<b>—</b>

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

## 14 Share movement

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
B Accumulation	32,912,606	—	(14,532,130)	—	18,380,476
B Income	10,834,426	—	(3,612,772)	—	7,221,654
X Accumulation	191,446,336	23,503,796	(72,287,488)	(9,601)	142,653,043
X Income	166,710,272	7,437,122	(99,381,002)	12,131	74,778,523

## 15 Portfolio transaction costs

for the year ending 31 December 2022

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	232,399	113	0.05	975	0.42
<b>Total purchases</b>	<b>232,399</b>	<b>113</b>		<b>975</b>	
<b>Total purchases including transaction costs</b>	<b>233,487</b>				

## Liontrust UK Equity Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	547,040	227	0.04	3	–
<b>Total sales</b>	<b>547,040</b>	<b>227</b>		<b>3</b>	
<b>Total sales net of transaction costs</b>	<b>546,810</b>				
<b>Total transaction costs</b>		<b>340</b>		<b>978</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.05%</b>		<b>0.13%</b>	

## Liontrust UK Equity Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	340,990	144	0.04	1,215	0.36
<b>Total purchases</b>	<b>340,990</b>	<b>144</b>		<b>1,215</b>	
<b>Total purchases including transaction costs</b>	<b>342,349</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	579,604	230	0.04	3	-
<b>Total sales</b>	<b>579,604</b>	<b>230</b>		<b>3</b>	
<b>Total sales net of transaction costs</b>	<b>579,371</b>				
<b>Total transaction costs</b>		<b>374</b>		<b>1,218</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.02%</b>		<b>0.12%</b>	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.31% (2021: 0.30%).

## Liontrust UK Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 16 Post balance sheet events

The Fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility.

Since the year-end, the NAV per share of the X Accumulation share class has increased by 8.28% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

## Liontrust UK Equity Fund (continued)

### Distribution Tables

for the year ended 31 December 2022

#### Final distribution

Group 1 - Shares purchased prior to 1 July 2022

Group 2 - Shares purchased 1 July 2022 to 31 December 2022

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2023 Pence per share	Distribution paid 28.2.2022 Pence per share
B Accumulation - Group 1	9.3041	—	9.3041	9.0219
B Accumulation - Group 2	9.3041	—	9.3041	9.0219
B Income - Group 1	6.9886	—	6.9886	6.9962
B Income - Group 2	6.9886	—	6.9886	6.9962
X Accumulation - Group 1	1.8306	—	1.8306	1.7087
X Accumulation - Group 2	0.7207	1.1099	1.8306	1.7087
X Income - Group 1	1.4287	—	1.4287	1.3641
X Income - Group 2	0.9675	0.4612	1.4287	1.3641

#### Interim distribution

Group 1 - Shares purchased prior to 1 January 2022

Group 2 - Shares purchased 1 January 2022 to 30 June 2022

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2022 Pence per share	Distribution paid 31.8.2021 Pence per share
B Accumulation - Group 1	11.3986	—	11.3986	8.9105
B Accumulation - Group 2	11.3986	—	11.3986	8.9105
B Income - Group 1	8.7277	—	8.7277	6.9898
B Income - Group 2	8.7277	—	8.7277	6.9898
X Accumulation - Group 1	2.3596	—	2.3596	1.7471
X Accumulation - Group 2	0.8562	1.5034	2.3596	1.7471
X Income - Group 1	1.8669	—	1.8669	1.4052
X Income - Group 2	1.1094	0.7575	1.8669	1.4052

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

# Liontrust UK Focus Fund

Report for the year from 1 January 2022 to 31 December 2022

## Investment Objective

To deliver a total return (the combination of income and capital growth) that at the end of any five year period is in excess of achieving a total return of the FTSE All-Share Total Return Index, after all costs and charges have been deducted. There is no guarantee that the objective will be achieved over any time period and capital is at risk.

## Investment Policy

The Sub-fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of UK companies. These are companies that are:

- listed or traded in the UK, and
- domiciled or, incorporated in the UK.

The Sub-fund will be focused and will have holdings in no more than 60 companies.

The Sub-fund may also invest up to 20% of its scheme property by value in the shares of non-UK companies (which may include companies in emerging markets), cash, deposits and money market instruments.

The Sub-fund may invest in these asset classes directly and indirectly. It may invest indirectly through transferable securities (such as depositary receipts) or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Sub-fund does not have any restrictions on the industry sectors or the size of companies it can invest in.

## Investment Strategy

The Sub-fund is actively managed and does not have any particular style bias. The investment managers are flexible investors who will aim to outperform the market by investing in a combination of companies that are judged to be undervalued by the market. The characteristics of these companies could vary and may include growth companies, lowly valued out of favour companies and companies that are undertaking a restructuring perhaps within an industry undergoing significant change. The investment managers may also invest in companies where there is a catalyst for recovery such as management change or an improving business environment as well as seeking out the most attractive investments that are exposed to specific themes (for example consolidating industries or demographics) that are identified as being long term area for structural growth.

The investment managers typically take a long-term time horizon of 3-5 years when selecting investments.

### Liontrust UK Focus Fund (continued)

#### Investment review

##### Market review

During the 12 months to 31 December 2022, the Sub-fund fell -20.6% (Class 'X' Accumulation shares, net of fees GBP) against a rise in the FTSE All Share Total Return Index of 0.3%.

We entered the year believing inflationary pressures were building from rising energy costs and that supply chain issues, which had caused shortages of goods and services, would gradually ease and mitigate the impact of the higher energy prices. Central banks were intent on raising interest rates to give themselves some flexibility ahead of shrinking their balance sheets through Quantitative Tightening. The global economy was also "normalising", with consumers having accumulated substantial savings post the pandemic and corporate balance sheets that were generally strong by historic standards.

The Russian invasion of Ukraine dramatically changed the economic outlook over the near to long terms. Food and energy prices surged, causing a cost-of-living crisis in many parts of the world. This included the UK, which faced the added pressure of a sharp rise in mortgage rates caused by the failed mini-Budget in late September and the subsequent weakness in sterling. Investors no longer saw inflation as transitory but instead as likely to be more permanent and accompanied by interest rates higher than those enjoyed over the last decade. The significant interest rate hikes instigated by central banks in 2022 to control inflation reduced risk appetite throughout financial markets.

Despite the slew of "bad news" during this tumultuous year, the UK stock market managed a small gain, which was respectable compared with many other markets. However, this headline return masked a considerable dispersion between large and smaller companies. The FTSE 100 Index, which comprises 80% of the FTSE All Share, advanced 4.7% and the FTSE 250 Index fell 17.4%. This was an uncharacteristically large divergence in performance over such a short period. The UK market's overweight exposure to the resources sectors, and to defensive sectors such as tobacco and pharmaceuticals, were key contributors to a positive benchmark return.

##### Analysis of portfolio return

In terms of performance drivers over the year, the Sub-fund's underweights in the resources, tobacco and pharmaceutical sectors were headwinds, together with its exposure to consumer businesses and the material overweight in medium-sized companies. **Ascential**, the media company, was particularly disappointing. The strong progress made in two of its three businesses over the year was offset by the margin fall seen in its digital commerce business after investing heavily into this global-leading data analytics platform. We are confident though that the board's recent decision to break up the group will unlock its inherent material value. **Fevertree**, the premium drink mixers producer, also suffered after freight, energy and glass costs pressured profit margins. Supply chain disruptions also impacted **Made**, the online furniture retailer, which we sold. This sale crystallised a loss after the company burnt through its significant cash balance by building inventory at a time when trading became more difficult.

In terms of positive contributors, **Fair Isaac**, the credit scoring business, performed strongly, thanks to good results demonstrating its pricing power and a positive regulatory development. **Serco**, the outsourcing platform, continued to trade well and the shares responded accordingly. **4imprint**, the largest US-based company providing branded promotional products, performed strongly. Its decision through the pandemic to not only retain all its staff but also to invest in national brand advertising resulted in a sharp recovery well beyond the revenue and profit levels it achieved pre-pandemic. Profit expectations for the company more than doubled during the year.

We added to positions in Rentokil, Natwest and Ashtead, which are all well positioned to grow earnings over the next few years and are examples of businesses that are taking market share.

We sold the position in Aveva, the software company, following the bid from Schneider and trimmed the holding in 3i, the private equity business, into strength.

##### Outlook

Ever since the Global Financial Crisis (GFC), markets have been dominated and largely driven by macro-economic factors, central bank policies, politics and geopolitics. Overlay an environment of free money for a decade, which has facilitated the introduction of

## Liontrust UK Focus Fund (continued)

### Investment review (continued)

#### Outlook (continued)

disruptive business models, plus the advances in technology, and there has been a lot for investors to process and navigate. Corporate Darwinism has, however, for many years remained a key theme in our investment selections. Those companies with strong competitive powers post the GFC have, in many cases, exploited their strategic strengths and the weaknesses of their competitors to grow market share. We are beginning to sense that for some of these companies, the pandemic has created a competitive landscape that is now meaningfully better for them. This can be seen in the operational performances of businesses such as **4imprint, RS, 3i, Relx and Fair Isaac**. We believe this competitive advantage should endure for many other companies in the Sub-fund even when it is not reflected in either profit forecasts or valuations. Such opportunities are prevalent within the Sub-fund and are exciting investments that we believe will power positive investment performance for the future.

January 2023

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

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

#### Material portfolio changes by value

##### Purchases

Rentokil Initial  
Shell  
Ashtead  
NatWest  
Tesco  
Newmont  
Barrick Gold  
AstraZeneca  
Standard Chartered  
Roche

##### Sales

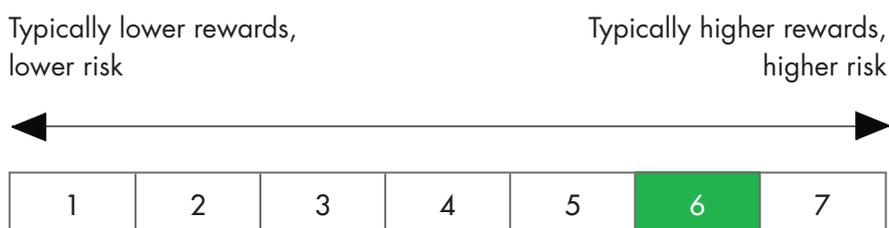
3i  
AVEVA  
Shell  
RELX  
Ascential  
London Stock Exchange  
St James's Place  
Auto Trader  
Serco  
Fiserv

## Liontrust UK Focus Fund (continued)

### Investment review (continued)

#### Risk and Reward profile

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



- This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.
- The Sub-fund has been classed as 6 because its volatility has been measured as above average to high.
- The indicator is based on historical data and may not be a reliable indication for the future.
- The risk and reward profile shown is not guaranteed to remain the same and may shift over time. The lowest number on the scale does not mean that a fund is risk free.
- Market Risk: the investments of the Sub-fund are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.
- Equity Risk: the value of equities may fall as well as rise and as a class of investment, equities are typically more volatile than other common investment types such as bonds or cash.
- Currency Risk: As the Sub-fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.
- Counterparty Risk: The failure of a firm involved in a transaction with the Sub-fund or providing services to the Sub-fund may expose the Sub-fund to financial loss.
- Emerging Markets Risk: The Sub-fund may invest in emerging markets, which are markets in countries that are developing. Emerging markets may have more political and economic risks than developed markets, which may result in large and frequent price movements that may cause a loss to the Sub-fund.
- Concentration Risk: The Sub-fund intentionally holds a small number of investments and so will be more concentrated than many other funds. The Sub-fund may also invest in stocks with a particular industry, sector or geographical focus. This means that the performance of a single stock, industry, sector or geographical region within the Sub-fund may have a greater effect (loss or gain) on the value of the Sub-fund.

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

## Liontrust UK Focus Fund (continued)

**Comparative Tables**

for the year ended 31 December 2022

<b>B Accumulation</b> <b>Accounting year ended</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>	<b>31 December 2020</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	1,163.50	1,006.24	1,040.86
Return before operating charges	(233.95)	157.26	(34.62)
Operating charges	0.00	0.00	0.00
Return after operating charges	(233.95)	157.26	(34.62)
Distributions	(20.00)	(22.29)	(19.96)
Retained distributions on accumulation shares	20.00	22.29	19.96
<b>Closing net asset value per share</b>	<b>929.55</b>	<b>1,163.50</b>	<b>1,006.24</b>
After direct transaction costs of*, #	(2.53)	(3.11)	(4.91)
<b>Performance</b>			
Return after charges	(20.11%)	15.63%	(3.33%)
<b>Other information</b>			
Closing net asset value (£'000)	881	296,590	420,953
Closing number of shares	94,803	25,491,307	41,834,238
Operating charges**	0.00%	0.00%	0.00%
Direct transaction costs*	0.26%	0.28%	0.54%
<b>Prices</b>			
Highest share price	1,187.92	1,184.77	1,051.02
Lowest share price	854.58	1,003.97	661.03

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust UK Focus Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

B Income Accounting year ended	31 December 2022+ per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	1,079.19	951.53	1,005.18
Return before operating charges	(187.11)	148.65	(34.48)
Operating charges	0.00	0.00	0.00
Return after operating charges	(187.11)	148.65	(34.48)
Distributions	(10.38)	(20.99)	(19.17)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>881.70</b>	<b>1,079.19</b>	<b>951.53</b>
After direct transaction costs of *, #	(1.47)	(2.92)	(4.72)
<b>Performance</b>			
Return after charges	(17.34%)	15.62%	(3.43%)
<b>Other information</b>			
Closing net asset value (£'000)	—	16,592	19,250
Closing number of shares	—	1,537,481	2,023,051
Operating charges **	0.00%	0.00%	0.00%
Direct transaction costs *	0.26%	0.28%	0.54%
<b>Prices</b>			
Highest share price	1,094.88	1,108.70	1,015.14
Lowest share price	819.94	949.59	638.46

+ Closed on 12 August 2022

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust UK Focus Fund (continued)

**Comparative Tables (continued)**

for the year ended 31 December 2022

<b>X Accumulation</b> <b>Accounting year ended</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>	<b>31 December 2020</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	241.80	210.89	220.05
Return before operating charges	(48.56)	32.87	(7.53)
Operating charges	(1.70)	(1.96)	(1.63)
Return after operating charges	(50.26)	30.91	(9.16)
Distributions	(2.43)	(2.70)	(2.57)
Retained distributions on accumulation shares	2.43	2.70	2.57
<b>Closing net asset value per share</b>	<b>191.54</b>	<b>241.80</b>	<b>210.89</b>
After direct transaction costs of*, #	(0.52)	(0.65)	(1.03)
<b>Performance</b>			
Return after charges	(20.79%)	14.66%	(4.16%)
<b>Other information</b>			
Closing net asset value (£'000)	21,124	127,050	313,554
Closing number of shares	11,028,642	52,544,130	148,680,700
Operating charges**	0.85%	0.85%	0.85%
Direct transaction costs*	0.26%	0.28%	0.54%
<b>Prices</b>			
Highest share price	246.85	246.91	222.18
Lowest share price	176.41	210.27	139.47

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust UK Focus Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

X Income Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	205.20	180.94	191.19
Return before operating charges	(41.25)	28.19	(6.60)
Operating charges	(1.44)	(1.67)	(1.42)
Return after operating charges	(42.69)	26.52	(8.02)
Distributions	(2.06)	(2.26)	(2.23)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>160.45</b>	<b>205.20</b>	<b>180.94</b>
After direct transaction costs of*, #	(0.44)	(0.55)	(0.89)
<b>Performance</b>			
Return after charges	(20.80%)	14.65%	(4.19%)
<b>Other information</b>			
Closing net asset value (£'000)	5,625	72,862	234,056
Closing number of shares	3,505,683	35,508,432	129,357,878
Operating charges**	0.85%	0.85%	0.85%
Direct transaction costs*	0.26%	0.28%	0.54%
<b>Prices</b>			
Highest share price	209.50	210.51	193.07
Lowest share price	148.56	180.43	121.20

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust UK Focus Fund (continued)

## Portfolio Statement

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (95.30%)</b>	<b>26,719</b>	<b>96.70</b>
	<b>UNITED KINGDOM (86.22%)</b>	<b>23,355</b>	<b>84.52</b>
	<b>Advertising (0.00%)</b>	<b>1,184</b>	<b>4.29</b>
588,265	Ascential	1,184	4.29
	<b>Airlines (1.80%)</b>	<b>246</b>	<b>0.89</b>
75,822	easyJet	246	0.89
	<b>Apparel (2.77%)</b>	<b>305</b>	<b>1.10</b>
159,879	Dr Martens	305	1.10
	<b>Banks (0.83%)</b>	<b>661</b>	<b>2.39</b>
249,188	NatWest	661	2.39
	<b>Beverages (3.67%)</b>	<b>502</b>	<b>1.82</b>
48,655	Fevertree Drinks	502	1.82
	<b>Biotechnology (0.89%)</b>		
	<b>Commercial Services (6.08%)</b>	<b>4,773</b>	<b>17.27</b>
18,136	4imprint	775	2.80
20,018	Ashtead	945	3.42
70,381	RELX	1,610	5.83
284,044	Rentokil Initial	1,443	5.22
	<b>Computers (9.72%)</b>	<b>877</b>	<b>3.17</b>
564,469	Serco	877	3.17
	<b>Distribution &amp; Wholesale (3.32%)</b>	<b>1,179</b>	<b>4.27</b>
131,659	RS	1,179	4.27
	<b>Diversified Financial Services (5.49%)</b>	<b>2,324</b>	<b>8.41</b>
122,625	AJ Bell	439	1.59
10,627	London Stock Exchange	758	2.74
102,966	St James's Place	1,127	4.08

## Liontrust UK Focus Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Food Producers (2.49%)</b>	<b>820</b>	<b>2.97</b>
14,812	Greggs	347	1.26
211,063	Tesco	473	1.71
	<b>Food Services (0.00%)</b>	<b>502</b>	<b>1.82</b>
26,159	Compass	502	1.82
	<b>Gas (0.00%)</b>	<b>328</b>	<b>1.19</b>
339,988	Centrica	328	1.19
	<b>Home Builders (1.00%)</b>		
	<b>Insurance (7.85%)</b>		
	<b>Internet (8.88%)</b>	<b>904</b>	<b>3.27</b>
126,045	Auto Trader	650	2.35
230,542	Moonpig	254	0.92
	<b>Machinery Diversified (0.00%)</b>	<b>384</b>	<b>1.39</b>
3,616	Spirax-Sarco Engineering	384	1.39
	<b>Mining (0.75%)</b>		
	<b>Miscellaneous Manufacturing (0.00%)</b>	<b>525</b>	<b>1.90</b>
18,917	Diploma	525	1.90
	<b>Oil &amp; Gas Producers (2.93%)</b>	<b>1,987</b>	<b>7.19</b>
85,443	Shell	1,987	7.19
	<b>Packaging &amp; Containers (3.97%)</b>	<b>502</b>	<b>1.82</b>
212,375	Essentra	502	1.82
	<b>Pharmaceuticals (0.00%)</b>	<b>620</b>	<b>2.24</b>
5,527	AstraZeneca	620	2.24

## Liontrust UK Focus Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Private Equity (9.08%)</b>	<b>2,076</b>	<b>7.51</b>
154,882	3i	2,076	7.51
	<b>Retail (7.31%)</b>	<b>974</b>	<b>3.52</b>
1,145,101	Currys	614	2.22
6,199	Next	360	1.30
	<b>Software (7.39%)</b>	<b>1,682</b>	<b>6.09</b>
52,353	AVEVA	1,682	6.09
	<b>UNITED STATES OF AMERICA (9.08%)</b>	<b>2,592</b>	<b>9.38</b>
	<b>Commercial Services (3.79%)</b>	<b>1,387</b>	<b>5.02</b>
5,681	Equifax	918	3.32
3,200	Verisk Analytics	469	1.70
	<b>Distribution &amp; Wholesale (0.56%)</b>		
	<b>Mining (0.00%)</b>	<b>493</b>	<b>1.78</b>
12,578	Newmont	493	1.78
	<b>Software (4.73%)</b>	<b>712</b>	<b>2.58</b>
1,433	Fair Isaac	712	2.58
	<b>CANADA (0.00%)</b>	<b>402</b>	<b>1.46</b>
	<b>Mining (0.00%)</b>	<b>402</b>	<b>1.46</b>
28,159	Barrick Gold	402	1.46
	<b>SWITZERLAND (0.00%)</b>	<b>370</b>	<b>1.34</b>
	<b>Pharmaceuticals (0.00%)</b>	<b>370</b>	<b>1.34</b>
1,418	Roche	370	1.34
	<b>COLLECTIVE INVESTMENT SCHEMES (4.74%)</b>	<b>765</b>	<b>2.77</b>
	<b>GERMANY (0.00%)</b>	<b>0</b>	<b>0.00</b>
4,060,044	Speymill Deutsche Immobilien~	0	0.00

## Liontrust UK Focus Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>COLLECTIVE INVESTMENT SCHEMES (continued)</b>		
	<b>UNITED KINGDOM (4.74%)</b>	<b>765</b>	<b>2.77</b>
764,599	Goldman Sachs Sterling Liquid Reserves Fund	765	2.77
	<b>Portfolio of investments</b>	<b>27,484</b>	<b>99.47</b>
	<b>Net other assets</b>	<b>146</b>	<b>0.53</b>
	<b>Total net assets</b>	<b>27,630</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 2021 and have been re-stated in line with current year presentation.

~ Delisted securities.

## Liontrust UK Focus Fund (continued)

**Statement of Total Return**

for the year ended 31 December 2022

	Notes	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
Income					
Net capital (losses)/gains	2		(102,509)		105,888
Revenue	3	5,939		16,098	
Expenses	4	(758)		(3,322)	
Interest payable and similar charges	6	–		(1)	
Net revenue before taxation		5,181		12,775	
Taxation	5	(108)		34	
Net revenue after taxation			5,073		12,809
<b>Total return before distributions</b>			<b>(97,436)</b>		<b>118,697</b>
Distributions	7		(5,073)		(12,809)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(102,509)</b>		<b>105,888</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31 December 2022

	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>513,094</b>		<b>987,813</b>
Amounts received on issue of shares	1,362		52,213	
Amounts paid on cancellation of shares	(388,147)		(642,582)	
		(386,785)		(590,369)
Dilution adjustment		434		1,046
Change in net assets attributable to shareholders from investment activities		(102,509)		105,888
Retained distributions on accumulation shares		3,396		8,716
<b>Closing net assets attributable to shareholders</b>		<b>27,630</b>		<b>513,094</b>

## Liontrust UK Focus Fund (continued)

**Balance Sheet**

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		27,484	513,309
<b>Current assets:</b>			
Debtors	8	115	1,392
Cash and bank balances	9	80	–
<b>Total assets</b>		<b>27,679</b>	<b>514,701</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Distribution payable		(29)	(486)
Other creditors	10	(20)	(1,121)
<b>Total liabilities</b>		<b>(49)</b>	<b>(1,607)</b>
<b>Net assets attributable to shareholders</b>		<b>27,630</b>	<b>513,094</b>

## Liontrust UK Focus Fund (continued)

**Notes to the financial statements**

for the year ended 31 December 2022

**1 Accounting policies**

The accounting policies for the Sub-fund are set out on pages 13 to 15.

**2 Net capital (losses)/gains**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities	(102,476)	106,004
Foreign currency losses	(33)	(116)
<b>Net capital (losses)/gains</b>	<b>(102,509)</b>	<b>105,888</b>

**3 Revenue**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Bank interest	2	–
Interest distributions on CIS holdings	65	–
Non-taxable overseas dividends	427	282
UK dividends	5,445	15,816
<b>Total revenue</b>	<b>5,939</b>	<b>16,098</b>

**4 Expenses**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge*	758	3,322
<b>Total expenses</b>	<b>758</b>	<b>3,322</b>

\* The audit fee for the year (borne out of the ACD's charge), excluding VAT, was £9,200 (2021: £7,700). Where the fee exceeds the ACD's charge, the shortfall will be met by the ACD.

## Liontrust UK Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**5 Taxation**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>a) Analysis of charge in year</b>		
Overseas tax	108	(34)
<b>Total tax charge/(credit) [see note(b)]</b>	<b>108</b>	<b>(34)</b>

**b) Factors affecting tax charge for the year**

The taxation assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Net revenue before taxation	5,181	12,775
Corporation tax at 20% (2021 - 20%)	1,036	2,555
Effects of:		
Movement in unrecognised tax losses	138	664
Overseas tax	108	(34)
Revenue not subject to tax	(1,174)	(3,219)
<b>Total tax charge/(credit) [see note(a)]</b>	<b>108</b>	<b>(34)</b>

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

**c) Deferred tax**

At the year end there is a potential deferred tax asset of £5,696,000 (2021: £5,558,000) due to tax losses of £28,479,000 (2021: £27,790,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

**6 Interest payable and similar charges**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Overdraft interest	-	1
<b>Total interest payable and similar charges</b>	<b>-</b>	<b>1</b>

## Liontrust UK Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**7 Distributions**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Interim distribution	3,504	6,348
Final distribution	147	3,684
	<b>3,651</b>	<b>10,032</b>
Amounts deducted on cancellation of shares	1,424	2,853
Amounts received on issue of shares	(2)	(76)
<b>Distributions</b>	<b>5,073</b>	<b>12,809</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	5,073	12,809
<b>Distributions</b>	<b>5,073</b>	<b>12,809</b>

The distribution per share is set out in the tables on page 75.

**8 Debtors**

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued revenue	114	1,272
Overseas withholding tax	1	45
Sales awaiting settlement	–	75
<b>Total debtors</b>	<b>115</b>	<b>1,392</b>

**9 Cash and bank balances**

	31.12.2022 (£'000)	31.12.2021 (£'000)
Cash and bank balances	80	–
<b>Total cash and bank balances</b>	<b>80</b>	<b>–</b>

## Liontrust UK Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**10 Creditors**

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued ACD's charge	20	148
Amounts payable for cancellation of shares	–	277
Purchases awaiting settlement	–	696
<b>Total other creditors</b>	<b>20</b>	<b>1,121</b>

**11 Contingent liabilities and outstanding commitments**

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: £nil).

**12 Related party transactions**

From 30 September 2022, Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company. Prior to 30 September 2022, the ACD of the fund was Link Fund Solutions Limited.

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

All balances due to the ACD at the current year end in respect of transactions in shares are due to Liontrust Fund Partners LLP and all balances due to the ACD at the prior year end in respect of transactions in shares are due to Link Fund Solutions Limited.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £20,000 (2021: n/a). The balance due to Link Fund Solutions Limited and its associates at the year end in respect of expenses was £nil (2021: £148,000)

The total expense due to Liontrust Fund Partners LLP and its associates for the period from 1 October 2022 was £62,000 (2021: n/a). The total expense due to Link Fund Solutions Limited and its associates for the period to 29 September 2022 was £696,000 (2021: £3,322,000).

The total shares issued by Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was £23,000 (2021: n/a) and the total shares cancelled by Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was £101,128,000 (2021: n/a).

The total shares issued by Link Fund Solutions Limited and its associates for the period to 29 September 2022 was £1,339,000 (2021: £52,213,000) and the total shares cancelled by Link Fund Solutions Limited and its associates for the period to 29 September 2022 was £287,018,000 (2021: £642,582,000)

## Liontrust UK Focus Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies

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

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

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

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

#### Market price risk

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

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

As at 31 December 2022 and 31 December 2021 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

## Liontrust UK Focus Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

As at 31 December 2022, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 11.0%.

As at 31 December 2021, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.3%.

Some limitations of sensitivity analysis are;

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

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

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

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

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

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

##### Currency risk

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

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

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

## Liontrust UK Focus Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Currency risk (continued)

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

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

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

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

##### Interest rate risk

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

As a result, the Sub fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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

##### Liquidity risk

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

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-fund may not be able to sell a position for full value or at all in the short-term. This may affect performance and could cause the Sub-fund to defer or suspend redemptions of its shares. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

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

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

### Liontrust UK Focus Fund (continued)

#### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Counterparty credit risk

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

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

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

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan. The Sub-fund currently does not engage in stock lending. The ACD is required to provide shareholder 60 days' prior written notice.

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

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2022 was A (Standard & Poor's rating).

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

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

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

##### Maturity profile of financial liabilities

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

##### Fair value of financial assets and liabilities

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

## Liontrust UK Focus Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 13 Risk management policies (continued)

## Valuation of financial investments

	Assets (£'000)	Liabilities (£'000)
<b>31.12.2022</b>		
Level 1: Quoted prices	26,719	—
Level 2: Observable market data	765	—
	<b>27,484</b>	<b>—</b>
<b>31.12.2021</b>		
Level 1: Quoted prices	488,992	—
Level 2: Observable market data	24,317	—
	<b>513,309</b>	<b>—</b>

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

## 14 Share movement

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
B Accumulation	25,491,307	—	(25,396,504)	—	94,803
B Income	1,537,481	—	(1,537,481)	—	—
X Accumulation	52,544,130	636,179	(42,151,667)	—	11,028,642
X Income	35,508,432	21,940	(32,024,689)	—	3,505,683

## 15 Portfolio transaction costs

for the year ending 31 December 2022

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	108,314	49	0.05	439	0.41
<b>Total purchases</b>	<b>108,314</b>	<b>49</b>		<b>439</b>	
<b>Total purchases including transaction costs</b>	<b>108,802</b>				

## Liontrust UK Focus Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	473,045	201	0.04	2	–
<b>Total sales</b>	<b>473,045</b>	<b>201</b>		<b>2</b>	
<b>Total sales net of transaction costs</b>	<b>472,842</b>				
<b>Total transaction costs</b>		<b>250</b>		<b>441</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.09%</b>		<b>0.17%</b>	

## Liontrust UK Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**15 Portfolio transaction costs (continued)**  
for the year ending 31 December 2021

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	421,211	185	0.04	1,550	0.37
<b>Total purchases</b>	<b>421,211</b>	<b>185</b>		<b>1,550</b>	
<b>Total purchases including transaction costs</b>	<b>422,946</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	992,889	390	0.04	3	-
<b>Total sales</b>	<b>992,889</b>	<b>390</b>		<b>3</b>	
<b>Total sales net of transaction costs</b>	<b>992,496</b>				
<b>Total transaction costs</b>		<b>575</b>		<b>1,553</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.07%</b>		<b>0.21%</b>	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.20% (2021: 0.16%).

### Liontrust UK Focus Fund (continued)

#### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 16 Post balance sheet events

The Fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the X Accumulation share class has increased by 11.71% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

## Liontrust UK Focus Fund (continued)

### Distribution Tables

for the year ended 31 December 2022

#### Final distribution

Group 1 - Shares purchased prior to 1 July 2022

Group 2 - Shares purchased 1 July 2022 to 31 December 2022

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2023 Pence per share	Distribution paid 28.2.2022 Pence per share
B Accumulation - Group 1	8.7753	—	8.7753	10.2445
B Accumulation - Group 2	8.7753	—	8.7753	10.2445
B Income - Group 1 +	—	—	—	9.5949
B Income - Group 2 +	—	—	—	9.5949
X Accumulation - Group 1	0.9896	—	0.9896	1.1163
X Accumulation - Group 2	0.1881	0.8015	0.9896	1.1163
X Income - Group 1	0.8358	—	0.8358	0.9528
X Income - Group 2	—	0.8358	0.8358	0.9528

+ Closed on 12 August 2022

#### Interim distribution

Group 1 - Shares purchased prior to 1 January 2022

Group 2 - Shares purchased 1 January 2022 to 30 June 2022

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2022 Pence per share	Distribution paid 31.8.2021 Pence per share
B Accumulation - Group 1	11.2281	—	11.2281	12.0449
B Accumulation - Group 2	11.2281	—	11.2281	12.0449
B Income - Group 1	10.3840	—	10.3840	11.3936
B Income - Group 2	10.3840	—	10.3840	11.3936
X Accumulation - Group 1	1.4450	—	1.4450	1.5819
X Accumulation - Group 2	1.1947	0.2503	1.4450	1.5819
X Income - Group 1	1.2264	—	1.2264	1.3028
X Income - Group 2	0.9159	0.3105	1.2264	1.3028

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

# Liontrust Institutional UK Small Cap Fund

Report for the year from 1 January 2022 to 31 December 2022

## Investment Objective

To deliver a total return (the combination of income and capital growth) that at the end of any five year period is in excess of achieving a total return of the Numis Smaller Companies plus AIM (ex Investment Companies) Total Return Index, after all costs and charges have been deducted. There is no guarantee that the objective will be achieved over any time period and capital is at risk.

## Investment Policy

The Sub-fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of UK smaller companies. These are companies that are:

- listed or traded in the UK, and
- domiciled or incorporated in the UK
- and have a market capitalisation of less than £2bn.

The Sub-fund may also invest up to 20% of its scheme property by value in the shares of UK companies with a market capitalisation greater than £2bn and in non-UK companies of any size, cash, deposits and money market instruments.

The Sub-fund may invest in these asset classes directly and indirectly. It may invest indirectly through transferable securities (such as depositary receipts) or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Sub-fund does not have any restrictions on the industry sectors it can invest in.

## Investment Strategy

The investment manager pursues a flexible stockpicking investment approach to identify companies judged to be undervalued by the market and, in their opinion, are quality growing companies. These companies will typically have favourable company specific prospects where the outcomes are judged to be more within the management's control, than dependent on broader external macroeconomic factors. Investment ideas are generated by detailed fundamental research and analysis of companies. The investment manager's criteria include strength of management teams, secular trends, sustainable business models with predictability, robust balance sheets, potential for improving margins and returns, and good cash generation.

## Liontrust Institutional UK Small Cap Fund (continued)

### Investment review

#### Market overview

During the twelve months to 31 December 2022, the Liontrust Institutional UK Small Cap Fund returned -26.7%, compared to the Numis Smaller Companies plus AIM (ex-Investment Companies) Total Return Index of -21.9% (class B shares, gross of fees, GBP).

From a macro perspective, conditions could hardly have been tougher for smaller companies than they were in 2022. The uncertainty derived from weakening economic indicators, socio-political turmoil and central bank actions created a risk-off environment and investors became averse to higher-risk smaller companies. Capital outflows mean stock valuations can de-rate quickly, accelerated by low liquidity. Some of our favourite holdings de-rated by 30-45% in 2022, even though in many cases they were fine financially and operationally. But a step-change in the macro environment impacted shareholder returns.

#### Analysis of portfolio return

The Sub-fund seeks to invest in businesses that evolve over time to be better aligned with secular trends, with enhanced business models, and more favourable market positioning. A management team that can execute on this evolution should deliver improving growth, margins, cashflow and compounding returns over the longer term. This philosophy and our investment process is aimed at paying a reasonable price today for the quality and growth names of tomorrow.

While some of our more premium-rated, quality-growth names suffered valuation de-ratings, including electronics components business **DiscoverIE** and pharmaceutical services business **Ergomed**, our 'improving quality' investments in stocks such as **Ricardo** (consulting) and **Wilmington** (governance, risk, and compliance) expanded their multiples. These are good examples of where we expect delivery around key corporate goals to improve alignment towards stronger secular trends and improve business models and market positioning, boosting returns for shareholders.

Some of the main performance detractors in the year included initial public offerings (IPOs) from 2021, which won't be remembered as a vintage year for new listings. Building merchant platform **CMO** exemplified how a darkening economic backdrop trumped the business's potential to continue taking market share, and venture capital firm **Forward Partners**, where concerns around potential down-rounds and credit risk came to the fore, was another example. There was some good news for our IPOs: a top performer in 2022 was wholesaler **Kitwave**, which delivered a series of upgrades to analysts' forecasts and remains a top holding for the Sub-fund.

A further source of downside to performance was not having direct exposure to the energy sector, where smaller companies are generally early stage and therefore consume cash, so they do not meet our investment criteria. We also tend to avoid loss-makers, and two of the performance detractors, **Yourgene** (genomics) and **Kooth** (MedTech), both struggled to drive profitable growth. In the case of Yourgene, some Covid-related headwinds, over-promising and under-delivering, led us to exit it, while we retained our holding in Kooth because of its prospects to break into the US market.

We have been encouraged by the level of corporate activity seen in terms of our companies deploying capital for merger and acquisition (M&A) and our holdings being the subject of bids. Our businesses typically have net-cash balance sheets or convert a high percentage of their profits to cash, affording them the luxury of where to deploy that cash to deliver the best return. Near term, a higher cost of capital might slow the pace of corporate M&A but should then give way to more favourable valuation metrics and thus better returns. We received several bids during the year, with consulting business **RPS**, financial services business **K3 Capital** and software business **Ideagen** all receiving third party interest, among others.

Despite the headwinds facing consumers, it was pleasing to see vet care business **CVS** and retailer **WH Smith** as two strong performers. While Covid led to a surge in pet ownership, the underlying trends of humanisation and premiumisation continue for CVS. Conversely, WH Smith is still recovering from restricted travel during Covid, but the combination of a growing pipeline of US airport locations and management actions around average order values gives promise to that recovery continuing strongly.

#### Portfolio activity

In 2022, we introduced **Videndum**, **Bango**, and **Wilmington**, where the corporate evolution taking place appeals. We also took advantage of lower valuations in quality growth businesses **AJ Bell**, **Blanco**, and **Impax Asset Management**. Other significant

## Liontrust Institutional UK Small Cap Fund (continued)

### Investment review (continued)

#### Portfolio activity (continued)

purchases included **Ergomed**, **Hill & Smith** and **Tracsis**. We exited lower margin cyclical companies, including **Eurocell**, **Speedy Hire** and **James Fisher**. Other significant sales included **Next Fifteen Communications**, **Marlowe**, **Ideagen**, **Essentra** and **K3 Capital**.

#### Outlook

Looking ahead, the unwinding of the tough macro backdrop that undermined small caps in 2022 could lead them up as the economic headwinds are worked through. But we will not rely on this. The Sub-fund will continue to identify and invest in businesses executing on their strategic goals as they evolve into the quality growth names of tomorrow.

Our investment process remains the same: bottom-up analysis and ongoing engagement with our management teams. Just as our holdings have demonstrated resilience in 2022, we expect them to manage risks and capitalise on opportunities in 2023.

The last few years have been a great test of corporate strategy and the ability of our holdings to adapt to change. The dynamism shown in dealing with supply chain issues, managing cost inflation, and reorientating to a 'new normal' are now a given for any of our investments to demonstrate the resilience needed to navigate changes that lie ahead.

January 2023

The Global Fundamental Team has taken the investment decision to reallocate away from UK small companies and therefore a strategic decision has been taken by the ACD to close the Liontrust Institutional UK Small Cap Fund within the next 12 months.

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

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

#### Material portfolio changes by value

##### Purchases

Videndum  
Ergomed  
Alpha Financial Markets Consulting  
WH Smith  
AJ Bell  
CVS  
Hill & Smith  
Inspecs  
Hilton Food  
Blancco Technology

##### Sales

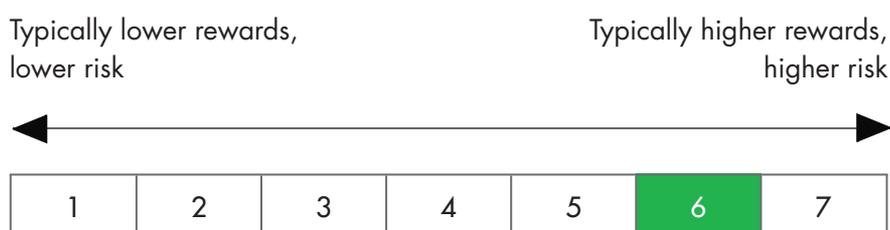
Next Fifteen Communications  
Marlowe  
DiscoverE  
Ideagen  
Essentra  
JTC  
K3 Capital  
Bloomsbury Publishing  
Watkin Jones  
Speedy Hire

## Liontrust Institutional UK Small Cap Fund (continued)

### Investment review (continued)

#### Risk and Reward profile

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



- This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.
- The Sub-fund has been classes as 6 because its volatility has been measured as above average to high.
- The indicator is based on historical data and may not be a reliable indication for the future.
- The risk and reward profile shown is not guaranteed to remain the same and may shift over time. The lowest number on the scale does not mean that a fund is risk free.
- Market Risk: the investments of the Sub-fund are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.
- Equity Risk: the value of equities may fall as well as rise and as a class of investment, equities are typically more volatile than other common investment types such as bonds or cash.
- Liquidity Risk: The Sub-fund may invest in assets where, in difficult market conditions, there is an increased risk that a position cannot be bought or sold in a timely manner or at a reasonable price.
- Counterparty Risk: The failure of a firm involved in a transaction with the Sub-fund or providing services to the Sub-fund may expose the Sub-fund to financial loss.
- For full details of the Sub-fund's risks, please see the Prospectus which may be obtained from Liontrust (address page 1) or online at [www.liontrust.co.uk](http://www.liontrust.co.uk).

## Liontrust Institutional UK Small Cap Fund (continued)

**Comparative Tables**

for the year ended 31 December 2022

<b>A Accumulation</b> <b>Accounting year ended</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>	<b>31 December 2020</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	383.14	315.05	300.57
Return before operating charges	(100.90)	71.16	17.06
Operating charges	(3.05)	(3.07)	(2.58)
Return after operating charges	(103.95)	68.09	14.48
Distributions	(2.87)	(2.89)	(0.60)
Retained distributions on accumulation shares	2.87	2.89	0.60
<b>Closing net asset value per share</b>	<b>279.19</b>	<b>383.14</b>	<b>315.05</b>
After direct transaction costs of*, #	(0.93)	(0.84)	(0.94)
<b>Performance</b>			
Return after charges	(27.13%)	21.61%	4.82%
<b>Other information</b>			
Closing net asset value (£'000)	10	117	99
Closing number of shares	3,594	30,472	31,416
Operating charges**	1.00%	0.85%	0.95%
Direct transaction costs*	0.31%	0.23%	0.34%
<b>Prices</b>			
Highest share price	394.00	401.21	319.52
Lowest share price	255.22	310.96	194.83

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust Institutional UK Small Cap Fund (continued)

**Comparative Tables (continued)**

for the year ended 31 December 2022

<b>B Accumulation</b> <b>Accounting year ended</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>	<b>31 December 2020</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	443.63	362.28	343.03
Return before operating charges	(118.16)	81.35	19.25
Operating charges	0.00	0.00	0.00
Return after operating charges	(118.16)	81.35	19.25
Distributions	(5.77)	(6.17)	(3.04)
Retained distributions on accumulation shares	5.77	6.17	3.04
<b>Closing net asset value per share</b>	<b>325.47</b>	<b>443.63</b>	<b>362.28</b>
After direct transaction costs of*, #	(1.08)	(0.97)	(1.07)
<b>Performance</b>			
Return after charges	(26.63%)	22.46%	5.61%
<b>Other information</b>			
Closing net asset value (£'000)	49,951	119,051	132,739
Closing number of shares	15,347,186	26,835,769	36,639,466
Operating charges**	0.00%	0.00%	0.00%
Direct transaction costs*	0.31%	0.23%	0.34%
<b>Prices</b>			
Highest share price	456.25	463.54	367.41
Lowest share price	297.03	357.79	222.74

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust Institutional UK Small Cap Fund (continued)

## Portfolio Statement

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (99.57%)</b>	<b>47,660</b>	<b>95.39</b>
	<b>UNITED KINGDOM (91.42%)</b>	<b>44,774</b>	<b>89.62</b>
	<b>Advertising (5.26%)</b>	<b>2,645</b>	<b>5.30</b>
48,400	Ascential	97	0.19
182,982	Next Fifteen Communications	1,811	3.63
837,452	Pebble	737	1.48
	<b>Aerospace &amp; Defence (0.29%)</b>	<b>492</b>	<b>0.99</b>
165,508	Chemring	492	0.99
	<b>Alternative Energy Sources (0.51%)</b>		
	<b>Building Materials (0.90%)</b>	<b>440</b>	<b>0.88</b>
141,823	Eneraqua Technologies	440	0.88
	<b>Chemicals (1.15%)</b>	<b>475</b>	<b>0.95</b>
28,538	Treatt	178	0.36
88,695	Zotefoams	297	0.59
	<b>Commercial Services (8.28%)</b>	<b>7,561</b>	<b>15.14</b>
12,759	4imprint	545	1.09
283,341	Alpha Financial Markets Consulting	1,346	2.69
1,503,358	DWF	1,203	2.41
181,919	Elixirr International	910	1.82
899,173	Mitie	667	1.34
211,615	Restore	688	1.38
371,542	Wilmington	1,122	2.25
106,898	YouGov	1,080	2.16
	<b>Computers (2.33%)</b>	<b>2,868</b>	<b>5.74</b>
226,011	Bytes Technology	873	1.75
84,042	D4t4 Solutions	200	0.40
250,656	Kin & Carta	536	1.07
106,169	Midwich	440	0.88
410,103	NCC	819	1.64
	<b>Construction &amp; Materials (1.14%)</b>		
	<b>Consumer Discretionary (1.04%)</b>		

## Liontrust Institutional UK Small Cap Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Cosmetics &amp; Personal Care (0.00%)</b>	<b>342</b>	<b>0.68</b>
163,500	PZ Cussons	342	0.68
	<b>Diversified Financial Services (3.48%)</b>	<b>3,363</b>	<b>6.72</b>
238,693	AJ Bell	855	1.71
235,747	FRP Advisory	372	0.74
146,004	Impax Asset Management	1,056	2.11
58,631	K3 Capital	200	0.40
144,227	Mattioli Woods	880	1.76
	<b>Electricity (0.43%)</b>	<b>47</b>	<b>0.09</b>
1,454,348	Eenergy	47	0.09
	<b>Electronics (6.06%)</b>	<b>1,977</b>	<b>3.96</b>
129,898	DiscoverIE	948	1.90
34,434	Oxford Instruments	773	1.55
147,536	TT Electronics	256	0.51
	<b>Energy (0.29%)</b>		
	<b>Engineering &amp; Construction (1.20%)</b>	<b>1,811</b>	<b>3.62</b>
61,822	Renew	452	0.90
283,956	Ricardo	1,359	2.72
	<b>Food Producers (2.77%)</b>	<b>1,104</b>	<b>2.21</b>
45,942	Hilton Food	256	0.51
447,768	Kitwave	848	1.70
	<b>Healthcare Products (1.78%)</b>	<b>491</b>	<b>0.98</b>
170,498	Advanced Medical Solutions	442	0.88
97,383	Inspecc	41	0.08
2,752,580	Yourgene Health	8	0.02
	<b>Healthcare Services (1.50%)</b>	<b>1,283</b>	<b>2.57</b>
929,750	Medica	1,283	2.57

## Liontrust Institutional UK Small Cap Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Home Builders (2.10%)</b>	<b>233</b>	<b>0.47</b>
67,930	MJ Gleeson	233	0.47
	<b>Industrial Metals &amp; Mining (1.18%)</b>		
	<b>Industrial Support Services (5.74%)</b>		
	<b>Internet (4.33%)</b>	<b>835</b>	<b>1.67</b>
65,769	Auction Technology	493	0.99
251,270	Kooth	342	0.68
	<b>Investment Companies (1.74%)</b>	<b>838</b>	<b>1.68</b>
111,791	Gresham House	838	1.68
	<b>Investment Banking and Brokerage (0.87%)</b>		
	<b>Leisure Goods (0.82%)</b>		
	<b>Leisure Time (1.11%)</b>	<b>337</b>	<b>0.67</b>
135,282	Hollywood Bowl	337	0.67
	<b>Machinery Diversified (0.63%)</b>	<b>215</b>	<b>0.43</b>
79,805	Mpac	215	0.43
	<b>Media (2.26%)</b>	<b>101</b>	<b>0.20</b>
37,452	STV	101	0.20
	<b>Miscellaneous Manufacturing (2.91%)</b>	<b>4,201</b>	<b>8.41</b>
132,953	Hill & Smith	1,558	3.12
79,984	Porvair	488	0.98
125,666	Videndum	1,350	2.70
220,538	Volution	805	1.61
	<b>Packaging &amp; Containers (2.76%)</b>	<b>423</b>	<b>0.85</b>
178,711	Essentra	423	0.85
	<b>Personal Goods (1.05%)</b>		

## Liontrust Institutional UK Small Cap Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Pharmaceuticals (1.64%)</b>	<b>2,548</b>	<b>5.10</b>
58,845	CVS	1,139	2.28
120,803	Eco Animal Health	118	0.24
101,668	Ergomed	1,291	2.58
	<b>Private Equity (1.10%)</b>	<b>420</b>	<b>0.84</b>
1,104,905	Forward Partners	420	0.84
	<b>Real Estate Investment &amp; Services (1.59%)</b>	<b>308</b>	<b>0.62</b>
21,180	Lok'nStore	199	0.40
108,687	Watkin Jones	109	0.22
	<b>Retail (8.95%)</b>	<b>2,501</b>	<b>5.01</b>
476,493	City Pub	334	0.67
445,065	Loungers	792	1.59
1,335,970	Patisserie Holdings~	0	0.00
27,091	Watches of Switzerland	222	0.44
77,699	WH Smith	1,153	2.31
	<b>Software (7.84%)</b>	<b>5,191</b>	<b>10.39</b>
157,775	Bango	284	0.57
330,158	Big Technologies	875	1.75
385,366	Blancco Technology	674	1.35
312,276	Essensys	150	0.30
386,715	Gresham Technologies	677	1.36
63,563	Instem	439	0.88
277,293	Microlise	360	0.72
177,666	Team17	791	1.58
97,973	Tracsis	941	1.88
	<b>Telecommunications (1.43%)</b>	<b>1,615</b>	<b>3.23</b>
65,700	Gamma Communications	711	1.42
78,633	GlobalData	904	1.81

## Liontrust Institutional UK Small Cap Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Textiles (1.02%)</b>	<b>109</b>	<b>0.22</b>
205,706	HeiQ	109	0.22
	<b>Travel &amp; Leisure (1.94%)</b>		
	<b>UNITED STATES OF AMERICA (3.11%)</b>	<b>1,451</b>	<b>2.90</b>
	<b>Communication services (0.98%)</b>		
	<b>Machinery Construction &amp; Mining (0.00%)</b>	<b>96</b>	<b>0.19</b>
25,876	Somero Enterprises	96	0.19
	<b>Software (1.99%)</b>	<b>1,058</b>	<b>2.12</b>
539,622	Boku	739	1.48
295,074	Tinybuild	319	0.64
	<b>Water (0.14%)</b>	<b>297</b>	<b>0.59</b>
46,403	Water Intelligence	297	0.59
	<b>JERSEY (2.98%)</b>	<b>1,435</b>	<b>2.87</b>
	<b>Diversified Financial Services (2.98%)</b>	<b>1,435</b>	<b>2.87</b>
191,804	JTC	1,435	2.87
	<b>AUSTRALIA (0.00%)</b>	<b>0</b>	<b>0.00</b>
	<b>Mining (0.00%)</b>	<b>0</b>	<b>0.00</b>
38,053	Tulla Resources~	0	0.00
	<b>IRELAND (0.57%)</b>		
	<b>Alternative Energy Sources (0.57%)</b>		
	<b>ISLE OF MAN (0.32%)</b>		
	<b>Electronic &amp; Electrical Equipment (0.32%)</b>		
	<b>SINGAPORE (1.17%)</b>		
	<b>Electronic &amp; Electrical Equipment (1.17%)</b>		

## Liontrust Institutional UK Small Cap Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>COLLECTIVE INVESTMENT SCHEMES (0.76%)</b>	<b>2,143</b>	<b>4.29</b>
	<b>GERMANY (0.00%)</b>	<b>0</b>	<b>0.00</b>
9,023,019	Speymill Deutsche Immobilien~	0	0.00
	<b>IRELAND (0.00%)</b>	<b>2</b>	<b>0.00</b>
2,231	Goldman Sachs Sterling Liquid Reserves Fund - Institutional	2	0.00
	<b>UNITED KINGDOM (0.76%)</b>	<b>2,141</b>	<b>4.29</b>
2,141,346	Goldman Sachs Sterling Liquid Reserves Fund	2,141	4.29
	<b>Portfolio of investments</b>	<b>49,803</b>	<b>99.68</b>
	<b>Net other assets</b>	<b>158</b>	<b>0.32</b>
	<b>Total net assets</b>	<b>49,961</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 2021 and have been re-stated in line with current year presentation.

~ Delisted securities.

## Liontrust Institutional UK Small Cap Fund (continued)

**Statement of Total Return**

for the year ended 31 December 2022

	Notes	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
Income					
Net capital (losses)/gains	2		(29,622)		23,025
Revenue	3	1,134		1,898	
Expenses	4	–		(1)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation		1,134		1,897	
Taxation	5	(13)		(2)	
Net revenue after taxation			1,121		1,895
<b>Total return before distributions</b>			<b>(28,501)</b>		<b>24,920</b>
Distributions	7		(1,121)		(1,895)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(29,622)</b>		<b>23,025</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31 December 2022

	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>119,168</b>		<b>132,838</b>
Amounts received on issue of shares	2,021		3,678	
Amounts paid on cancellation of shares	(43,033)		(42,558)	
		(41,012)		(38,880)
Dilution adjustment		463		424
Stamp duty reserve tax refund		8		–
Change in net assets attributable to shareholders from investment activities		(29,622)		23,025
Retained distributions on accumulation shares		956		1,761
<b>Closing net assets attributable to shareholders</b>		<b>49,961</b>		<b>119,168</b>

## Liontrust Institutional UK Small Cap Fund (continued)

**Balance Sheet**

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		49,803	119,556
<b>Current assets:</b>			
Debtors	8	161	156
Cash and bank balances	9	5	–
<b>Total assets</b>		<b>49,969</b>	<b>119,712</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	10	(8)	(544)
<b>Total liabilities</b>		<b>(8)</b>	<b>(544)</b>
<b>Net assets attributable to shareholders</b>		<b>49,961</b>	<b>119,168</b>

## Liontrust Institutional UK Small Cap Fund (continued)

**Notes to the financial statements**

for the year ended 31 December 2022

**1 Accounting policies**

The accounting policies for the Sub-fund are set out on pages 13 to 15.

**2 Net capital (losses)/gains**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities	(29,624)	23,025
Foreign currency gains	2	–
<b>Net capital (losses)/gains</b>	<b>(29,622)</b>	<b>23,025</b>

**3 Revenue**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Bank interest	7	–
Interest distributions on CIS holdings	34	–
Non-taxable overseas dividends	58	81
UK dividends	1,035	1,806
UK REIT dividends	–	11
<b>Total revenue</b>	<b>1,134</b>	<b>1,898</b>

**4 Expenses**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge*	–	1
<b>Total expenses</b>	<b>–</b>	<b>1</b>

\* The audit fee for the year (borne out of the ACD's charge), excluding VAT, was £9,200 (2021 : £7,700). Where the fee exceeds the ACD's charge, the shortfall will be met by the ACD.

## Liontrust Institutional UK Small Cap Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**5 Taxation**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>a) Analysis of charge in year</b>		
Corporation tax	8	2
Overseas tax	5	–
<b>Total tax charge [see note(b)]</b>	<b>13</b>	<b>2</b>

**b) Factors affecting tax charge for the year**

The taxation assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Net revenue before taxation	1,134	1,897
Corporation tax at 20% (2021 - 20%)	227	379
Effects of:		
Overseas tax	5	–
Revenue not subject to tax	(219)	(377)
<b>Total tax charge [see note(a)]</b>	<b>13</b>	<b>2</b>

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

**6 Interest payable and similar charges**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Overdraft interest	–	–
<b>Total interest payable and similar charges</b>	<b>–</b>	<b>–</b>

## Liontrust Institutional UK Small Cap Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 7 Distributions

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Interim distribution	464	1,006
Final distribution	492	755
	<b>956</b>	<b>1,761</b>
Amounts deducted on cancellation of shares	167	146
Amounts received on issue of shares	(2)	(12)
<b>Distributions</b>	<b>1,121</b>	<b>1,895</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	1,121	1,895
<b>Distributions</b>	<b>1,121</b>	<b>1,895</b>

The distribution per share is set out in the tables on page 102.

## 8 Debtors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued revenue	32	103
Overseas withholding tax	–	53
Sales awaiting settlement	129	–
<b>Total debtors</b>	<b>161</b>	<b>156</b>

## 9 Cash and bank balances

	31.12.2022 (£'000)	31.12.2021 (£'000)
Cash and bank balances	5	–
<b>Total cash and bank balances</b>	<b>5</b>	<b>–</b>

## Liontrust Institutional UK Small Cap Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 10 Creditors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Corporation tax	8	2
Purchases awaiting settlement	–	542
<b>Total other creditors</b>	<b>8</b>	<b>544</b>

#### 11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: £nil).

#### 12 Related party transactions

From 30 September 2022, Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company. Prior to 30 September 2022, the ACD of the fund was Link Fund Solutions Limited.

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

All balances due to the ACD at the current year end in respect of transactions in shares are due to Liontrust Fund Partners LLP and all balances due to the ACD at the prior year end in respect of transactions in shares are due to Link Fund Solutions Limited.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £Nil (2021: n/a). The balance due to Link Fund Solutions Limited and its associates at the year end in respect of expenses was £nil (2021: £nil)

The total expense due to Liontrust Fund Partners LLP and its associates for the period from 1 October 2022 was £Nil (2021: n/a). The total expense due to Link Fund Solutions Limited and its associates for the period to 29 September 2022 was £nil (2021: £1,000).

The total shares issued by Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was £nil (2021: n/a) and the total shares cancelled by Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was £876,000 (2021: n/a).

The total shares issued by Link Fund Solutions Limited and its associates for the period to 29 September 2022 was £2,021,000 (2021: £3,678,000) and the total shares cancelled by Link Fund Solutions Limited and its associates for the period to 29 September 2022 was £42,157,000 (2021: £42,558,000).

## Liontrust Institutional UK Small Cap Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies

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

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

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

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

#### Market price risk

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

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

As at 31 December 2022 and 31 December 2021 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic

## Liontrust Institutional UK Small Cap Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 December 2022, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 9.3%.

As at 31 December 2021, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 8.8%.

Some limitations of sensitivity analysis are;

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

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

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

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

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

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

##### Currency risk

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

# Liontrust Institutional UK Small Cap Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Currency risk (continued)

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

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

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

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

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

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

##### Interest rate risk

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

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

##### Liquidity risk

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

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-fund may not be able to sell a position for full value or at all in the short-term. This may affect performance and could cause the Sub-fund to defer or suspend redemptions of its shares. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

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

## Liontrust Institutional UK Small Cap Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Liquidity risk (continued)

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

##### Counterparty credit risk

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

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

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

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan. The Sub-fund currently does not engage in stock lending. The ACD is required to provide shareholder 60 days' prior written notice.

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

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2022 was A (Standard & Poor's rating).

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

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

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

##### Maturity profile of financial liabilities

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

## Liontrust Institutional UK Small Cap Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**13 Risk management policies (continued)****Fair value of financial assets and liabilities****Valuation of financial investments**

<b>31.12.2022</b>	<b>Assets (£'000)</b>	<b>Liabilities (£'000)</b>
Level 1: Quoted prices	47,660	—
Level 2: Observable market data	2,143	—
	<b>49,803</b>	<b>—</b>

<b>31.12.2021</b>	<b>Assets (£'000)</b>	<b>Liabilities (£'000)</b>
Level 1: Quoted prices	118,652	—
Level 2: Observable market data	904	—
	<b>119,556</b>	<b>—</b>

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

**14 Share movement**

For the year ending 31 December 2022

	<b>Opening shares</b>	<b>Shares issued</b>	<b>Shares redeemed</b>	<b>Shares converted</b>	<b>Closing shares</b>
A Accumulation	30,472	—	(26,878)	—	3,594
B Accumulation	26,835,769	584,416	(12,072,999)	—	15,347,186

**15 Portfolio transaction costs**

for the year ending 31 December 2022

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	48,480	34	0.07	122	0.25
<b>Total purchases</b>	<b>48,480</b>	<b>34</b>		<b>122</b>	
<b>Total purchases including transaction costs</b>	<b>48,636</b>				

## Liontrust Institutional UK Small Cap Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	90,070	66	0.07	1	–
<b>Total sales</b>	<b>90,070</b>	<b>66</b>		<b>1</b>	
<b>Total sales net of transaction costs</b>	<b>90,003</b>				
<b>Total transaction costs</b>		<b>100</b>		<b>123</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.14%</b>		<b>0.17%</b>	

## Liontrust Institutional UK Small Cap Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	85,140	48	0.06	160	0.19
<b>Total purchases</b>	<b>85,140</b>	<b>48</b>		<b>160</b>	
<b>Total purchases including transaction costs</b>	<b>85,348</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	120,405	83	0.07	1	-
<b>Total sales</b>	<b>120,405</b>	<b>83</b>		<b>1</b>	
<b>Total sales net of transaction costs</b>	<b>120,321</b>				
<b>Total transaction costs</b>		<b>131</b>		<b>161</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.10%</b>		<b>0.13%</b>	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 1.76% (2021: 1.97%).

## Liontrust Institutional UK Small Cap Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 16 Post balance sheet events

The Fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the A Accumulation share class has decreased by 0.64% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

The Global Fundamental Team has taken the investment decision to reallocate away from UK small companies and therefore a strategic decision has been taken by the ACD to close the Liontrust Institutional UK Small Cap Fund within the next 12 months.

## Liontrust Institutional UK Small Cap Fund (continued)

**Distribution Tables**

for the year ended 31 December 2022

**Final distribution**

Group 1 - Shares purchased prior to 1 July 2022

Group 2 - Shares purchased 1 July 2022 to 31 December 2022

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2023 Pence per share	Distribution paid 28.2.2022 Pence per share
A Accumulation - Group 1	1.8015	—	1.8015	1.1289
A Accumulation - Group 2	1.8015	—	1.8015	1.1289
B Accumulation - Group 1	3.2109	—	3.2109	2.8149
B Accumulation - Group 2	3.0513	0.1596	3.2109	2.8149

**Interim distribution**

Group 1 - Shares purchased prior to 1 January 2022

Group 2 - Shares purchased 1 January 2022 to 30 June 2022

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2022 Pence per share	Distribution paid 31.8.2021 Pence per share
A Accumulation - Group 1	1.0728	—	1.0728	1.7649
A Accumulation - Group 2	1.0728	—	1.0728	1.7649
B Accumulation - Group 1	2.5574	—	2.5574	3.3543
B Accumulation - Group 2	2.0341	0.5233	2.5574	3.3543

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

# Liontrust Tortoise Fund

Report for the year from 1 January 2022 to 31 December 2022

## Investment Objective

To produce a return in excess of SONIA (Sterling Overnight Index Average) in all market conditions, over any three-year period after all costs and charges have been deducted and with less volatility than the MSCI World Net Total Return Index. There is no guarantee that a positive return will be achieved over any time period and capital is at risk.

## Investment Policy

The Sub-fund aims to achieve its objective by investment in a portfolio of long equity positions and uses derivatives to take synthetic short equity positions. At least 70% by value of the aggregate of these long and short positions will be in companies listed in EEA Member States, Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United Kingdom or the United States of America. It may also invest in the shares of companies throughout the world (including emerging markets).

The Sub-fund will hold a maximum of 60 long positions, representing an overall net position of up to 100% of Net Asset Value (where "net position" means the position once synthetic short positions have been subtracted from long positions). The long positions will be achieved by direct purchases of securities.

The maximum number of synthetic short positions is 60, which may represent up to 100% of the Sub-fund's Net Asset Value, and each synthetic short position will not exceed 10% of the Sub-fund's Net Asset Value. The synthetic short positions will ordinarily be achieved by the use of contracts for differences (CFDs) placed with approved counterparties, but other derivatives may also be used to achieve synthetic short positions. Where index derivatives are used for efficient portfolio management, those derivatives positions will not be counted towards the maximum of long positions nor the maximum of synthetic short positions.

The Sub-fund may also hold and invest up to 100% of its NAV in near cash assets, which include government and public securities.

The total exposure (under the commitment approach) of the Sub-fund will not exceed 200% of NAV and will be monitored on a daily basis to ensure that the total exposure does not exceed this stated maximum.

The Sub-fund does not have any restrictions on the industry sectors or the economic sectors it can invest in. At times the portfolio may be concentrated.

The Sub-fund may also hold and invest in cash, deposits, government and public securities and/or money market instruments where the Investment Manager considers that there are not sufficient suitable investment opportunities; to facilitate the Sub-fund's ability to meet redemption requests; and where the Sub-fund has received subscriptions that are awaiting investment. The Sub-fund may also hold and invest up to 100% of its NAV in cash, deposits, government and public securities and/or money market instruments to protect the value of the Sub-fund and maintain liquidity at times in falling or volatile markets.

The Sub-fund may invest in these asset classes directly or indirectly via other transferable securities and collective investment schemes. These may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the Sub-fund Property may be invested in other collective investment schemes.

## Investment Strategy

The Sub-fund is actively managed. The investment manager uses a combination of macro analysis of the credit, industrial and consumer cycles and micro analysis of individual company's operational performance and valuation to make investment decisions. The investment manager aims to invest in long equity position in companies they believe to be undervalued, where operational performance is improving and which are in the low end of their historical price range. The investment manager aims to take short positions in companies they believe to be overvalued, where operational performance is deteriorating, and which are in the high end of their historical price range. This strategy is designed to limit overall portfolio downside while offering medium term (which the investment manager defines as 3 years) appreciation.

### Liontrust Tortoise Fund (continued)

#### **Investment Strategy (continued)**

In terms of portfolio construction the gross and net exposure are arrived at by a combination of both macro views in terms of likely direction and volatility of equity markets together with micro views on the relative attractiveness of long and short positions given current market pricing. Positions are sized according to risk. Risk is defined as the range of potential outcomes. Higher risk shares with a wider range of potential outcomes have smaller weightings and lower risk shares have higher weightings. The investment manager assesses risk by looking at the volatility of revenues and the amount of fixed costs which together drive profit volatility. They then consider the company's balance sheet and the scope for the valuation of the shares to change in the future.

## Liontrust Tortoise Fund (continued)

### Investment review

#### Market review

The Tortoise Fund returned 21.5% in 2022 (Class C shares, net of fees). It does not have a benchmark.

2022 was generally a difficult year for financial markets, with most equity markets down. In particular, there were pronounced sell-offs in the shares of many growth technology companies, along with cyclicals and concept stocks. This appeared to be driven by a combination of central banks increasing rates, inflation (particularly energy price inflation) hurting consumers, and investors worrying about the potential for a slowdown/recession in many major economies.

However, the Sub-fund produced decent performance in a challenging environment through a combination of macro and micro analysis. We started the year fairly cautious and became more bearish into the spring. As markets fell we shifted the portfolio towards a more balanced footing over the summer. In the second half of the year, as evidence mounted that inflation was peaking and cyclicals became very cheap, we shifted the portfolio to be more optimistic. This path allowed us to make reasonable returns in Q1, Q2 and Q4, with Q3 as the only negative quarter.

#### Analysis of portfolio return

In terms of stock contributors, the Sub-fund benefitted from long positions in **Shell** and **TotalEnergies**, which rallied as energy prices increased. Defence companies such as **Thales**, **BAE Systems**, **Leonardo** and **Huntingdon Ingalls** also performed strongly as the West entered a new era of conflict. Banks such as **Unicredit** and **Standard Chartered** performed well as interest rates increased. Staples such as **Kraft Heinz** and **Molson Coors** contributed positively, thanks to their economically defensive qualities. Healthcare stocks such as Cardinal Health and **Alnylam** were also positive contributors. Our short position in **Coinbase**, the crypto exchange, was a positive contributor as its share price fell in the crypto sell-off. Short positions in **AMD** and **Nvidia** were also positive contributors.

On the negative side, our long position in **THG** was a detractor as the shares fell due to a weak consumer environment and various stumbling blocks in its self-help journey. Our long position in **Intel** was also a notable detractor as its plan to catch up with **TSMC** on manufacturing technology proved to be more expensive than initially thought, while the PC market suffered from demand weakness. Long positions in **BT** and **Telecom Italia** were both detractors over the year and we opted to close both positions to focus on higher conviction ideas. **Micron** was a detractor as the shares fell due to a weak memory market.

#### Portfolio activity

Throughout the year, our most significant purchases on the long side included **Meta Platforms**, **Alibaba**, **Alphabet**, **BMW** and **Baidu**. Sales included **Sanofi**, **GSK**, **Orange**, **Vornado Realty Trust** and **Koninklijke KPN**.

On the short side, we opened and closed positions in **Nvidia**, **Advanced Micro Devices** and **Pool Corp**; we also closed an existing position in **Coinbase Global**.

#### Market outlook

We enter 2023 seeing many reasons for optimism, and have positioned the Sub-fund to be reasonably bullish, with a fairly high net, a gross quite close to our historic average, and a mix of ideas in the long book skewed towards cyclicals. The Sub-fund remains very liquid, and we are monitoring market risks closely in case we need to rotate to a more defensive stance at some point later in the year. As ever, we are focused on value opportunities.

For more detailed comments and analysis, please see the monthly newsletters, the quarterly reports, and the quarterly videos.

January 2023

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The

## Liontrust Tortoise Fund (continued)

### Investment review (continued)

#### Market outlook (continued)

investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested.

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

#### Material portfolio changes by value

##### Purchases

Alibaba  
 Baidu  
 United Kingdom Treasury Bill 0.00000% 14/11/2022  
 Zimmer Biomet  
 Novartis ADR  
 Meta Platforms  
 Walgreens Boots Alliance  
 Siemens  
 Intel  
 Omnicom

##### Sales

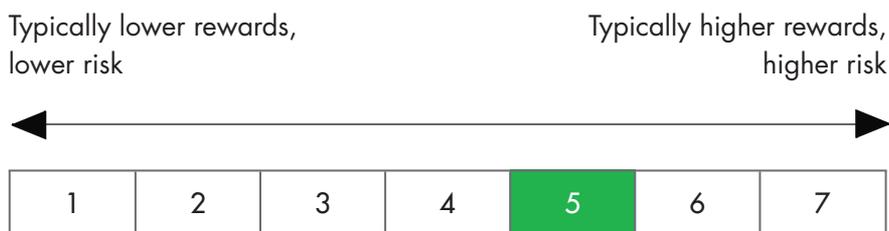
United Kingdom Treasury Bill 0.00000% 14/11/2022  
 Sanofi  
 Shell ADR  
 Pfizer  
 GlaxoSmithKline ADR  
 Orange  
 Walgreens Boots Alliance  
 TotalEnergies  
 Newmont Mining  
 International Business Machines

## Liontrust Tortoise Fund (continued)

### Investment review (continued)

#### Risk and Reward profile

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



- This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.
- The Sub-fund has been classed as 5 because its volatility has been measured as above average to high.
- The indicator is based on historical data and may not be a reliable indication for the future.
- The risk and reward profile shown is not guaranteed to remain the same and may shift over time. The lowest number on the scale does not mean that a Sub-fund is risk free.
- Market Risk: the investments of the Sub-fund are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.
- Equity Risk: the value of equities may fall as well as rise and as a class of investment, equities are typically more volatile than other common investment types such as bonds or cash.
- Currency Risk: As the Sub-fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.
- Counterparty Risk: The failure of a firm involved in a transaction with the fund or providing services to the Sub-fund may expose the fund to financial loss.
- Derivative Risk: the use of derivatives (complex instruments) by the Sub-fund will result in it being leveraged. This could increase volatility and reduce liquidity. Leverage occurs when the economic exposure is greater than the amount invested, resulting in the Sub-fund being exposed to a greater loss (or gain) than the original investment. Risk factors associated with using derivatives may cause the Sub-fund not to achieve its investment objectives, but their use is supported by a risk management process to ensure alignment with the Sub-fund's investment objectives.
- Concentration Risk: The Sub-fund may at times intentionally hold a small number of investments and so will be more concentrated than many other funds. The Sub-fund may also invest in stocks with a particular industry, sector or geographical focus. This means that the performance of a single stock, industry, sector or geographical region within the Sub-fund has a greater effect (loss or gain) on the value of the Sub-fund.

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

## Liontrust Tortoise Fund (continued)

## Comparative Tables

for the year ended 31 December 2022

C Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	204.77	185.63	161.33
Return before operating charges	48.44	21.21	26.35
Operating charges	(4.55)	(2.07)	(2.05)
Return after operating charges	43.89	19.14	24.30
Distributions	(3.29)	(2.18)	(0.57)
Retained distributions on accumulation shares	3.29	2.18	0.57
<b>Closing net asset value per share</b>	<b>248.66</b>	<b>204.77</b>	<b>185.63</b>
After direct transaction costs of*, #	(0.42)	(0.30)	(0.16)
<b>Performance</b>			
Return after charges	21.43%	10.31%	15.06%
<b>Other information</b>			
Closing net asset value (£'000)	29,426	28,157	30,563
Closing number of shares	11,833,886	13,750,611	16,464,250
Operating charges**	1.00%	1.00%	1.32%
Direct transaction costs*	0.18%	0.14%	0.10%
Performance fee	0.96%	0%	0%
<b>Prices</b>			
Highest share price	251.04	222.49	187.07
Lowest share price	209.40	185.97	128.72

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust Tortoise Fund (continued)

## Portfolio Statement

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (89.67%)</b>	<b>27,322</b>	<b>92.85</b>
	<b>CANADA (1.93%)</b>	<b>488</b>	<b>1.66</b>
34,195	Barrick Gold	488	1.66
	<b>CHINA (0.00%)</b>	<b>1,513</b>	<b>5.14</b>
63,450	Alibaba ADR	583	1.98
48,250	Baidu	573	1.95
505,000	China Feihe	357	1.21
	<b>DENMARK (0.54%)</b>		
	<b>FINLAND (2.03%)</b>	<b>481</b>	<b>1.63</b>
124,931	Nokia	481	1.63
	<b>FRANCE (15.29%)</b>	<b>3,726</b>	<b>12.67</b>
16,473	Cie de Saint-Gobain	667	2.27
5,721	Danone	250	0.85
13,155	Publicis Groupe	693	2.36
25,279	Societe Generale	527	1.79
4,257	Thales	451	1.53
13,357	TotalEnergies	689	2.34
21,072	Veolia Environnement	449	1.53
	<b>GERMANY (5.15%)</b>	<b>3,317</b>	<b>11.28</b>
8,000	Bayerische Motoren Werke	591	2.01
11,230	Daimler	612	2.08
24,685	Daimler Truck	635	2.16
6,307	HeidelbergCement	299	1.02
19,618	KION	467	1.59
6,217	Siemens	713	2.42
	<b>ITALY (5.91%)</b>	<b>1,329</b>	<b>4.52</b>
33,079	Autogrill	190	0.65
76,048	Leonardo	544	1.85
50,619	UniCredit	595	2.02

## Liontrust Tortoise Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>JAPAN (0.87%)</b>	<b>587</b>	<b>2.00</b>
16,300	Asahi	423	1.44
5,550	Bridgestone	164	0.56
	<b>NETHERLANDS (1.57%)</b>		
	<b>SOUTH AFRICA (2.54%)</b>	<b>889</b>	<b>3.02</b>
59,446	Gold Fields ADR	512	1.74
42,547	Sibanye Stillwater ADR	377	1.28
	<b>SPAIN (1.77%)</b>	<b>512</b>	<b>1.74</b>
205,793	Banco Santander	512	1.74
	<b>SWITZERLAND (0.00%)</b>	<b>295</b>	<b>1.00</b>
3,908	Novartis ADR	295	1.00
	<b>UNITED KINGDOM (16.37%)</b>	<b>5,203</b>	<b>17.68</b>
55,724	BAE Systems	477	1.62
331,607	Centrica	320	1.09
45,202	CNH Industrial	600	2.04
112,842	easyJet	366	1.24
105,467	Haleon	701	2.38
227,433	NatWest	603	2.05
546,015	Rolls-Royce	508	1.73
13,855	Shell ADR	656	2.23
92,357	Standard Chartered	575	1.95
134,228	Tesco	301	1.02
218,714	THG	96	0.33
	<b>UNITED STATES OF AMERICA (35.70%)</b>	<b>8,982</b>	<b>30.51</b>
1,604	Alnylam Pharmaceuticals	316	1.07
7,658	Alphabet 'A'	562	1.91
6,867	Cardinal Health	439	1.49
12,772	Citigroup	480	1.63
16,484	Delta Air Lines	450	1.53
15,138	Freeport-McMoRan	478	1.62
17,163	Host Hotels & Resorts	229	0.78
2,067	Huntington Ingalls Industries	396	1.35

## Liontrust Tortoise Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Notional value (£'000)	Market value (£'000)	Percentage of total net assets (%)
<b>EQUITIES (continued)</b>				
<b>UNITED STATES OF AMERICA (continued)</b>				
19,751	Intel		434	1.48
4,109	International Business Machines		481	1.63
15,669	Kraft Heinz Foods		530	1.80
1,783	L3Harris Technologies		309	1.05
6,371	Meta Platforms		637	2.16
10,386	Micron Technology		431	1.46
7,111	Molson Coors Beverage		304	1.03
9,300	Omnicom		631	2.14
6,460	Pfizer		275	0.93
159,050	Samsonite International		347	1.18
4,582	Universal Health Services 'B'		537	1.83
37,382	Viatis		346	1.18
3,495	Zimmer Biomet		370	1.26
<b>DERIVATIVES (0.48%)</b>			<b>(511)</b>	<b>(1.74)</b>
<b>CFDs ((0.28%))</b>			<b>12</b>	<b>0.04</b>
(1,332)	Union Pacific Corporation	(243)	12	0.04
<b>Forward Currency Contracts (1.50%)</b>			<b>(753)</b>	<b>(2.56)</b>
CA\$ 818,983	Canadian dollar 818,983 vs UK sterling 491,975		10	0.02
€ 216,880	Euro 216,880 vs UK sterling 189,469		3	0.01
HK\$ 1,378,252	Hong Kong dollar 1,378,252 vs UK sterling 146,166		0	0.00
¥ 2,943,600	Japanese yen 2,943,600 vs UK sterling 18,472		0	0.00
£ 487,707	UK sterling 487,707 vs Canadian dollar 818,983		(14)	(0.05)
£ 9,291,310	UK sterling 9,291,310 vs Euro 10,790,195		(287)	(0.97)
£ 1,936,057	UK sterling 1,936,057 vs Hong Kong dollar 18,683,568		(54)	(0.18)
£ 585,396	UK sterling 585,396 vs Japanese yen 97,738,450		(31)	(0.10)
£ 12,084,012	UK sterling 12,084,012 vs US dollar 15,001,038		(382)	(1.30)
US\$ 301,342	US dollar 301,342 vs UK sterling 248,258		2	0.01

## Liontrust Tortoise Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>DERIVATIVES (continued)</b>		
	<b>Futures ((0.74%))</b>	<b>230</b>	<b>0.78</b>
(49)	S&P 500 E-Mini March 2023	219	0.74
(1)	NASDAQ 100 E-Mini March 2023	11	0.04
	<b>Portfolio of investments</b>	<b>26,811</b>	<b>91.11</b>
	<b>Net other assets</b>	<b>2,615</b>	<b>8.89</b>
	<b>Total net assets</b>	<b>29,426</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 2021 and have been re-stated in line with current year presentation.

Stocks shown as ADRs represent American Depositary Receipts.

## Liontrust Tortoise Fund (continued)

**Statement of Total Return**

for the year ended 31 December 2022

	Notes	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
Income					
Net capital gains	2		4,772		3,019
Revenue	3	634		721	
Expenses	4	(478)		(307)	
Interest payable and similar charges	6	(9)		(25)	
Net revenue before taxation		147		389	
Taxation	5	(70)		(67)	
Net revenue after taxation			77		322
<b>Total return before distributions</b>			<b>4,849</b>		<b>3,341</b>
Distributions	7		(312)		(322)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>4,537</b>		<b>3,019</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31 December 2022

	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>28,157</b>		<b>30,563</b>
Amounts received on issue of shares	8,404		1,285	
Amounts paid on cancellation of shares	(12,013)		(7,031)	
			(3,609)	(5,746)
Dilution adjustment		21		6
Change in net assets attributable to shareholders from investment activities		4,537		3,019
Retained distributions on accumulation shares		320		315
<b>Closing net assets attributable to shareholders</b>		<b>29,426</b>		<b>28,157</b>

## Liontrust Tortoise Fund (continued)

**Balance Sheet**

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		27,579	25,697
<b>Current assets:</b>			
Debtors	8	131	52
Cash and bank balances	9	2,750	2,751
<b>Total assets</b>		<b>30,460</b>	<b>28,500</b>
<b>Liabilities</b>			
Investment liabilities		(768)	(314)
<b>Creditors:</b>			
Other creditors	10	(266)	(29)
<b>Total liabilities</b>		<b>(1,034)</b>	<b>(343)</b>
<b>Net assets attributable to shareholders</b>		<b>29,426</b>	<b>28,157</b>

## Liontrust Tortoise Fund (continued)

**Notes to the financial statements**

for the year ended 31 December 2022

**1 Accounting policies**

The accounting policies for the Sub-fund are set out on pages 13 to 15.

**2 Net capital gains**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
The net capital gains comprise:		
Non-derivative securities	2,152	5,945
Derivative contracts	4,167	(3,481)
Forward currency contracts	(2,350)	724
Foreign currency gains/(losses)	803	(169)
<b>Net capital gains</b>	<b>4,772</b>	<b>3,019</b>

**3 Revenue**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Bank interest	9	–
Interest from UK fixed income securities	3	–
Non-taxable overseas dividends	516	557
Revenue from Contracts for Differences	5	–
UK dividends	88	148
US REIT dividends	13	16
<b>Total revenue</b>	<b>634</b>	<b>721</b>

**4 Expenses**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge*	243	307
Performance fees	235	–
	<b>478</b>	<b>307</b>
<b>Total expenses</b>	<b>478</b>	<b>307</b>

\* The audit fee for the year (borne out of the ACD's charge), excluding VAT, was £9,200 (2021: £8,500). Where the fee exceeds the ACD's charge, the shortfall will be met by the ACD.

## Liontrust Tortoise Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**5 Taxation**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>a) Analysis of charge in year</b>		
Overseas tax	70	67
<b>Total tax charge [see note(b)]</b>	<b>70</b>	<b>67</b>

**b) Factors affecting tax charge for the year**

The taxation assessed for the year is higher (2021: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Net revenue before taxation	147	389
Corporation tax at 20% (2021 - 20%)	29	78
Effects of:		
Movement in unrecognised tax losses	91	61
Overseas tax	70	67
Prior year adjustment to unrecognised tax losses	-	2
Revenue not subject to tax	(120)	(141)
<b>Total tax charge [see note(a)]</b>	<b>70</b>	<b>67</b>

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

**c) Deferred tax**

At the year end there is a potential deferred tax asset of £1,821,000 (2021: £1,730,000) due to tax losses of £9,107,000 (2021: £8,650,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

**6 Interest payable and similar charges**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Interest on contracts for difference	7	9
Overdraft interest	2	16
<b>Total interest payable and similar charges</b>	<b>9</b>	<b>25</b>

## Liontrust Tortoise Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**7 Distributions**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Interim distribution	266	221
Final distribution	54	94
	<b>320</b>	<b>315</b>
Amounts deducted on cancellation of shares	20	9
Amounts received on issue of shares	(28)	(2)
<b>Distributions</b>	<b>312</b>	<b>322</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	77	322
Add: Performance fees reimbursed by capital	235	–
<b>Distributions</b>	<b>312</b>	<b>322</b>

The distribution per share is set out in the tables on page 128.

**8 Debtors**

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued revenue	29	30
Amounts receivable for issue of shares	88	–
Overseas withholding tax	14	22
<b>Total debtors</b>	<b>131</b>	<b>52</b>

**9 Cash and bank balances**

	31.12.2022 (£'000)	31.12.2021 (£'000)
Amount held at futures clearing houses and brokers	402	1,418
Cash and bank balances	2,348	1,333
<b>Total cash and bank balances</b>	<b>2,750</b>	<b>2,751</b>

## Liontrust Tortoise Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**10 Creditors**

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued ACD's charge	31	29
Accrued performance fee	235	–
<b>Total other creditors</b>	<b>266</b>	<b>29</b>

**11 Contingent liabilities and outstanding commitments**

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: £nil).

**12 Related party transactions**

From 30 September 2022, Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company. Prior to 30 September 2022, the ACD of the fund was Link Fund Solutions Limited.

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

All balances due to the ACD at the current year end in respect of transactions in shares are due to Liontrust Fund Partners LLP and all balances due to the ACD at the prior year end in respect of transactions in shares are due to Link Fund Solutions Limited.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £266,000 (2021: n/a). The balance due to Link Fund Solutions Limited and its associates at the year end in respect of expenses was £nil (2021: £29,000)

The total expense due to Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was £303,000 (2021: n/a). The total expense due to Link Fund Solutions Limited and its associates for the period to 29 September 2022 was £175,000 (2021: £307,000).

The total shares issued by Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was £6,154,000 (2021: n/a) and the total shares cancelled by Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was £93,000 (2021: n/a).

The total shares issued by Link Fund Solutions Limited and its associates for the period to 29 September 2022 was £2,250,000 (2021: £1,285,000) and the total shares cancelled by Link Fund Solutions Limited and its associates for the period to 29 September 2022 was £11,920,000 (2021: £7,031,000)

## Liontrust Tortoise Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies

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

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

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

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

#### Market price risk

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

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

As at 31 December 2022 and 31 December 2021 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to

## Liontrust Tortoise Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 December 2022, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 4.8%.

As at 31 December 2021, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 6.4%.

Some limitations of sensitivity analysis are;

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

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

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

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

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

The Sub-fund used derivatives in the year, namely foreign exchange forwards for hedging purposes and call options. The level of Market Exposure in the Sub-fund as at year end as measured by the Commitment Approach described above was 28.10% (2021: 47.50%).

##### Currency risk

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

## Liontrust Tortoise Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Currency risk (continued)

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

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

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

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

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

At 31 December 2022 the Sub-fund's currency exposure was as shown in the table below:

##### Currency Profile

Currency	Net Foreign Currency Assets		Total (£'000)
	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	
Canadian Dollar	2	–	2
Danish Krone	2	–	2
Euro	14	(112)	(98)
Hong Kong Dollar	8	18	26
Japanese Yen	8	(11)	(3)
United States Dollar	129	379	508
	<b>163</b>	<b>274</b>	<b>437</b>

## Liontrust Tortoise Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**13 Risk management policies (continued)****Currency risk (continued)**

At 31 December 2021 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		Total (£'000)
	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	
Danish krone	3	(1)	2
Euros	2	44	46
Hong Kong dollars	–	5	5
Japanese yen	4	(3)	1
US dollars	43	(120)	(77)
	<b>52</b>	<b>(75)</b>	<b>(23)</b>

If the exchange rate at 31 December 2022 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.01%/(0.01)% respectively.

If the exchange rate at 31 December 2021 between the functional currency and all other currencies had increased or decreased by 0% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.00%/(0.00)% respectively.

**Interest rate risk**

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

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

**Liquidity risk**

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

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

## Liontrust Tortoise Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Liquidity risk (continued)

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

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

##### Counterparty credit risk

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

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

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

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan. The Sub-fund currently does not engage in stock lending. The ACD is required to provide shareholder 60 days' prior written notice.

##### Counterparty exposures

The counterparty exposure of financial derivative transactions at 31 December 2022 is shown below:

Counterparty details Financial Derivative Transactions	Contracts for Differences (£'000)	Forwards (£'000)	Total Exposure (£'000)
Bank of New York Mellon International	–	(753)	(753)
Goldman Sachs International	12	–	12

The counterparty exposure of financial derivative transactions at 31 December 2021 is shown below:

Counterparty details Financial Derivative Transactions	Contracts for Differences (£'000)	Forwards (£'000)	Total Exposure (£'000)
Bank of New York Mellon International	–	422	422
Goldman Sachs International	(77)	–	(77)

At the year-end collateral of £Nil (prior year: £Nil) was received; collateral pledged was £126,000 (prior year: £425,000 cash collateral held with Goldman Sachs International) and none (prior year: none) of the Sub-fund's financial assets were past due or impaired.

## Liontrust Tortoise Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**13 Risk management policies (continued)****Counterparty exposures (continued)**

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2022 was A (Standard & Poor's rating).

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

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

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

**Maturity profile of financial liabilities**

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

**Fair value of financial assets and liabilities**

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

**Valuation of financial investments**

	<b>Assets (£'000)</b>	<b>Liabilities (£'000)</b>
<b>31.12.2022</b>		
Level 1: Quoted prices	27,552	—
Level 2: Observable market data	27	(768)
	<b>27,579</b>	<b>(768)</b>
<b>31.12.2021</b>		
Level 1: Quoted prices	25,247	(209)
Level 2: Observable market data	450	(105)
	<b>25,697</b>	<b>(314)</b>

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

## Liontrust Tortoise Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**14 Share movement**

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
C Accumulation	13,750,611	3,524,532	(5,441,257)	–	11,833,886

**15 Portfolio transaction costs**

for the year ending 31 December 2022

<b>Purchases (excluding derivatives)</b>	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	25,221	9	0.04	27	0.11
Debt instruments (direct)	846	–	–	–	–
<b>Total purchases</b>	<b>26,067</b>	<b>9</b>		<b>27</b>	
<b>Total purchases including transaction costs</b>	<b>26,103</b>				
<b>Sales (excluding derivatives)</b>	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	25,323	7	0.03	1	–
Debt instruments (direct)	849	–	–	–	–
<b>Total sales</b>	<b>26,172</b>	<b>7</b>		<b>1</b>	
<b>Total sales net of transaction costs</b>	<b>26,164</b>				
<b>Total transaction costs</b>		<b>16</b>		<b>28</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.07%</b>		<b>0.11%</b>	

## Liontrust Tortoise Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	24,528	7	0.03	28	0.11
<b>Total purchases</b>	<b>24,528</b>	<b>7</b>		<b>28</b>	
<b>Total purchases including transaction costs</b>	<b>24,563</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	33,583	7	0.02	1	-
<b>Total sales</b>	<b>33,583</b>	<b>7</b>		<b>1</b>	
<b>Total sales net of transaction costs</b>	<b>33,575</b>				
<b>Total transaction costs</b>		<b>14</b>		<b>29</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.04%</b>		<b>0.10%</b>	

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

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

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.07% (2021: 0.06%).

## Liontrust Tortoise Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 16 Post balance sheet events

The Fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility.

Since the year-end, the NAV per share of the C Accumulation share class has increased by 7.99% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

## Liontrust Tortoise Fund (continued)

**Distribution Tables**

for the year ended 31 December 2022

**Final distribution**

Group 1 - Shares purchased prior to 1 July 2022

Group 2 - Shares purchased 1 July 2022 to 31 December 2022

	<b>Net Revenue Pence per share</b>	<b>Equalisation* Pence per share</b>	<b>Distribution paid 28.2.2023 Pence per share</b>	<b>Distribution paid 28.2.2022 Pence per share</b>
C Accumulation - Group 1	0.4224	—	0.4224	0.6819
C Accumulation - Group 2	—	0.4224	0.4224	0.6819

**Interim distribution**

Group 1 - Shares purchased prior to 1 January 2022

Group 2 - Shares purchased 1 January 2022 to 30 June 2022

	<b>Net Revenue Pence per share</b>	<b>Equalisation* Pence per share</b>	<b>Distribution paid 31.8.2022 Pence per share</b>	<b>Distribution paid 31.8.2021 Pence per share</b>
C Accumulation - Group 1	2.8627	—	2.8627	1.4946
C Accumulation - Group 2	2.5179	0.3448	2.8627	1.4946

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

# Liontrust UK Equity Income Fund

Report for the year from 1 January 2022 to 31 December 2022

## Investment Objective

To produce, after all costs and charges have been deducted,

- an income in excess of the yield on the FTSE All-Share Total Return Index over any period of five years; and
- a total return (income and capital growth) in excess of the return on FTSE All-Share Total Return Index over any period of five years.

There is no guarantee that the objective will be achieved over any time period and capital is at risk.

## Investment Policy

The Sub-fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of UK companies.

These are companies that are:

- listed or traded in the UK, and
- domiciled or incorporated in the UK.

The Sub-fund may also invest up to 20% of its scheme property by value in the shares of non-UK companies, cash, deposits and money market instruments.

The Sub-fund may invest in these asset classes directly and indirectly. It may invest indirectly through transferable securities (such as depositary receipts) or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Sub-fund does not have any restrictions on the industry sectors or the size of companies it can invest in.

## Investment Strategy

The Sub-fund is actively managed. The investment managers take a long-term (which the investment manager defines as at least 5 years) outlook when selecting companies. Each new investment in the Fund is subject to three tests:

1. Does cash flow have the potential to improve?
2. Can the balance sheet support both income and business investment?
3. Is the company undervalued relative to our assessment of its potential?

The investment manager analyses the company valuation, cash flow, profit and loss and balance sheet on both a historic and prospective basis and will invest in companies that, in their opinion, are undervalued (relative to their industry peers, history or prospects), have a strong balance sheet and where their cash flow is expected to improve (either the amount or the quality).

## Liontrust UK Equity Income Fund (continued)

### Investment review

#### Market review

During the twelve months to 31 December 2022, the Liontrust UK Equity Income Fund fell -6.8% (Class 'X' Accumulation shares, net of fees GBP) against a rise in the FTSE All Share Total Return Index of 0.3%.

We entered 2022 believing inflationary pressures were building from rising energy costs and that supply chain issues, which had caused shortages of goods and services, would gradually ease and mitigate the impact of the higher energy prices. Central banks were intent on raising interest rates to give themselves some flexibility ahead of shrinking their balance sheets through quantitative tightening. The global economy was also "normalising", with consumers having accumulated substantial savings post the pandemic and corporate balance sheets that were generally strong by historic standards.

The Russian invasion of Ukraine dramatically changed the economic outlook over the near to long term. Food and energy prices surged, causing a cost-of-living crisis in many parts of the world. This included the UK, which faced the added pressure of a sharp rise in mortgage rates caused by the failed mini-Budget in late September and the subsequent weakness in sterling. Investors no longer saw inflation as transitory but instead as likely to be more permanent and accompanied by interest rates higher than those enjoyed over the last decade. The significant interest rate hikes instigated by central banks in 2022 to control inflation reduced risk appetite throughout financial markets.

Despite the slew of "bad news" during this tumultuous year, the UK stock market managed a small gain, which was respectable compared with many other markets. However, this headline return masked a considerable dispersion between large and smaller companies. The FTSE 100 Index, which comprises 80% of the FTSE All Share, advanced 4.7% and the FTSE 250 Index fell 17.4%. This was an uncharacteristically large divergence in performance over such a short period. The UK market's overweight exposure to the resources sectors, and to defensive sectors such as tobacco and pharmaceuticals, were key contributors to a positive benchmark return.

#### Analysis of portfolio return

In terms of the drivers of performance over the year, the Sub-fund's underweights in the resources, tobacco and pharmaceutical sectors were headwinds, together with its exposure to consumer businesses. A bias towards small- and medium-sized companies also hampered the return relative to the broader market. **Ascential**, the media company, was particularly disappointing. The strong progress made in two of its three businesses over the year was offset by the margin fall seen in its digital commerce business after investing heavily into this global-leading data analytics platform. We are confident though that the board's recent decision to break up the group will unlock its inherent material value. **Currys**, the electrical retailer, is nearing the end of a business transformation programme after years of heavy investment and is market leader in all six countries in which it operates. It experienced tougher trading conditions, particularly in the Nordics, where overstocked online competitors prompted a price war. **Essentra**, a manufacturer and distributor of industrial components, was also disappointing as its management oversaw material value leakage in the disposal of its packaging and filters businesses.

In terms of positive contributors, **Serco**, the government outsourcing company, saw profit expectations continue to rise throughout the year because of strong new business wins, high contract retention rates and its immigration housing contracts benefiting from the increased number of asylum seekers. **Mitie**, another outsourcing company, also performed well as it continued to execute on its business transformation. **BAE Systems**, the large UK defence company, advanced as investors woke up to the importance of defence spending by governments in maintaining world peace. Two new holdings also made a good performance contribution over the year, **Dunelm**, the home interiors business, and **Greggs**, the bakery chain. Both businesses have strong competitive powers, enabling them to grow market share significantly against weaker competitors.

#### Portfolio activity

Over the course of 2022, the Sub-fund established several new holdings that we regard as high-quality businesses with strong competitive powers, above-market yields and repeatable cashflows. These include **Admiral** and **Phoenix** (both insurance companies) and **Unilever**, the multinational consumer goods company. We also established new positions in UK banks **Lloyds** and **Natwest**,

## Liontrust UK Equity Income Fund (continued)

### Investment review (continued)

#### Portfolio activity (continued)

which we believe have become very different businesses to those of a decade ago – with clean loan books, strong capital and attractive returns. They can now generate significant surplus cash for shareholders.

We also started new positions in several high-quality companies that are less mature and have strong competitive positions offering attractive capital and income growth potential. Examples would be **4imprint**, the largest US-based provider of branded promotional products, **Kitwave**, the food and beverage wholesaler, **Midwich**, the trade-only distributor of AV equipment and services, **Howden**, the kitchen supplier, and **Pets at Home**, the retailer. All of these have the strong quality characteristics that we seek in investments. These investments were funded by several exits, including **Homeserve**, **Legal and General**, **National Grid**, **Centrica**, **Currys**, **Vodafone**, **Domino's** and **National Express**.

#### Market outlook

Ever since the Global Financial Crisis (GFC), markets have been dominated and largely driven by macro-economic factors, central bank policies, politics and geopolitics. Overlay an environment of free money for a decade, which has facilitated the introduction of disruptive business models, plus the advances in technology, and there has been a lot for investors to process and navigate. Corporate Darwinism has, however, for many years remained a key theme in our investment selections. Those companies with strong competitive powers post the GFC have, in many cases, exploited their strategic strengths and the weaknesses of their competitors to grow market share. We are beginning to sense that for some of these companies, the pandemic has created a competitive landscape that is now meaningfully better for them. This can be seen in the operational performances of businesses such as **4imprint**, **RS**, **3i**, **Relx** and **Fair Isaac**. We believe this competitive advantage should endure for many other companies in the Fund even when it is not reflected in either profit forecasts or valuations. Such opportunities are prevalent within the Sub-fund and are exciting investments that we believe will power positive investment performance for the future.

January 2023

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

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

### Liontrust UK Equity Income Fund (continued)

#### Investment review (continued)

#### Material portfolio changes by value

##### Purchases

Bellway  
Anglo American  
Howden Joinery  
Taylor Wimpey  
WPP  
Inchcape  
Pets at Home  
Admiral  
4imprint  
Dunelm

##### Sales

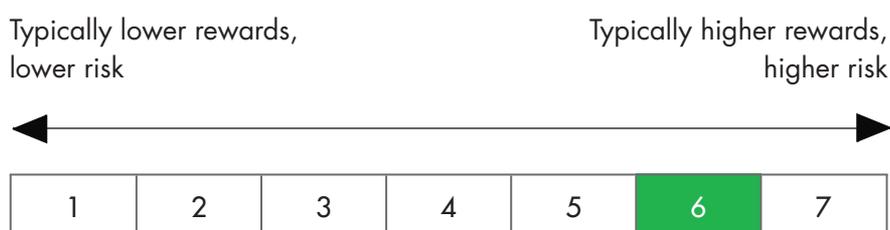
HSBC  
Shell  
Weir  
Bellway  
National Grid  
BAE Systems  
Serco  
Legal & General  
3i  
Ascential

## Liontrust UK Equity Income Fund (continued)

### Investment review (continued)

#### Risk and Reward profile

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



- This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.
- The Sub-fund has been classed as 6 because its volatility has been measured as above average to high.
- The indicator is based on historical data and may not be a reliable indication for the future.
- The risk and reward profile shown is not guaranteed to remain the same and may shift over time. The lowest number on the scale does not mean that a fund is risk free.
- Market Risk: the investments of the Sub-fund are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.
- Equity Risk: the value of equities may fall as well as rise and as a class of investment, equities are typically more volatile than other common investment types such as bonds or cash.
- Currency Risk: As the Sub-fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.
- Charges to capital risk: As charges are taken from capital, this will erode capital and may constrain capital growth.
- Counterparty Risk: The failure of a firm involved in a transaction with the Sub-fund or providing services to the Sub-fund may expose the Sub-fund to financial loss.

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

## Liontrust UK Equity Income Fund (continued)

## Comparative Tables

for the year ended 31 December 2022

X Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	214.09	186.06	216.39
Return before operating charges	(13.50)	29.35	(29.19)
Operating charges	(1.32)	(1.32)	(1.14)
Return after operating charges	(14.82)	28.03	(30.33)
Distributions	(7.40)	(8.23)	(6.43)
Retained distributions on accumulation shares	7.40	8.23	6.43
<b>Closing net asset value per share</b>	<b>199.27</b>	<b>214.09</b>	<b>186.06</b>
After direct transaction costs of*, #	(0.79)	(0.84)	(0.50)
<b>Performance</b>			
Return after charges	(6.92%)	15.07%	(14.02%)
<b>Other information</b>			
Closing net asset value (£'000)	20,947	23,761	25,974
Closing number of shares	10,512,049	11,098,531	13,960,244
Operating charges**	0.65%	0.65%	0.65%
Direct transaction costs*	0.39%	0.41%	0.29%
<b>Prices</b>			
Highest share price	219.70	216.68	219.02
Lowest share price	179.89	184.11	137.32

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust UK Equity Income Fund (continued)

**Comparative Tables (continued)**

for the year ended 31 December 2022

<b>X Income</b>	<b>31 December 2022</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Accounting year ended</b>	<b>per share (p)</b>	<b>per share (p)</b>	<b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	141.97	128.36	154.83
Return before operating charges	(8.98)	20.13	(21.10)
Operating charges	(0.87)	(0.90)	(0.81)
Return after operating charges	(9.85)	19.23	(21.91)
Distributions	(4.86)	(5.62)	(4.56)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>127.26</b>	<b>141.97</b>	<b>128.36</b>
After direct transaction costs of*, #	(0.52)	(0.57)	(0.36)
<b>Performance</b>			
Return after charges	(6.94%)	14.98%	(14.15%)
<b>Other information</b>			
Closing net asset value (£'000)	25,762	45,273	112,416
Closing number of shares	20,243,174	31,889,634	87,576,223
Operating charges**	0.65%	0.65%	0.65%
Direct transaction costs*	0.39%	0.41%	0.29%
<b>Prices</b>			
Highest share price	145.73	145.91	156.75
Lowest share price	117.14	127.08	98.27

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust UK Equity Income Fund (continued)

## Portfolio Statement

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (95.25%)</b>	<b>44,287</b>	<b>94.81</b>
	<b>UNITED KINGDOM (95.25%)</b>	<b>43,727</b>	<b>93.61</b>
	<b>Advertising (0.00%)</b>	<b>1,269</b>	<b>2.72</b>
154,662	WPP	1,269	2.72
	<b>Aerospace &amp; Defence (2.89%)</b>		
	<b>Banks (4.12%)</b>	<b>2,830</b>	<b>6.06</b>
2,818,841	Lloyds Banking	1,280	2.74
584,519	NatWest	1,550	3.32
	<b>Building Materials (0.00%)</b>	<b>806</b>	<b>1.73</b>
286,874	Genuit	806	1.73
	<b>Closed Ended Funds (3.15%)</b>		
	<b>Commercial Services (8.83%)</b>	<b>8,564</b>	<b>18.32</b>
36,995	4imprint	1,582	3.39
22,586	Ashtead	1,066	2.28
881,572	Hays	1,020	2.18
983,433	Mears	2,006	4.29
2,388,114	Mitie	1,772	3.79
220,014	Rentokil Initial	1,118	2.39
	<b>Computers (9.89%)</b>	<b>3,320</b>	<b>7.10</b>
60,185	Computacenter	1,150	2.46
205,682	Midwich	852	1.82
848,811	Serco	1,318	2.82
	<b>Cosmetics &amp; Personal Care (3.10%)</b>	<b>1,171</b>	<b>2.51</b>
28,006	Unilever	1,171	2.51
	<b>Distribution &amp; Wholesale (3.95%)</b>	<b>1,681</b>	<b>3.60</b>
187,746	RS	1,681	3.60
	<b>Diversified Financial Services (3.75%)</b>	<b>1,390</b>	<b>2.98</b>
126,921	St James's Place	1,390	2.98

## Liontrust UK Equity Income Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Food Producers (5.06%)</b>	<b>3,053</b>	<b>6.53</b>
9,989	Greggs	234	0.50
712,273	Kitwave	1,350	2.89
655,086	Tesco	1,469	3.14
	<b>Food Services (3.39%)</b>	<b>801</b>	<b>1.71</b>
41,781	Compass	801	1.71
	<b>Gas (5.80%)</b>		
	<b>Healthcare Products (0.00%)</b>	<b>1,017</b>	<b>2.18</b>
437,446	ConvaTec	1,017	2.18
	<b>Home Furnishings (0.00%)</b>	<b>1,507</b>	<b>3.23</b>
268,357	Howden Joinery	1,507	3.23
	<b>Insurance (4.44%)</b>	<b>2,725</b>	<b>5.84</b>
59,656	Admiral	1,274	2.73
238,392	Phoenix	1,451	3.11
	<b>Internet (0.00%)</b>	<b>1</b>	<b>0.00</b>
1,352	Victorian Plumbing	1	0.00
	<b>Machinery Construction &amp; Mining (4.61%)</b>		
	<b>Mining (2.50%)</b>	<b>1,977</b>	<b>4.23</b>
61,154	Anglo American	1,977	4.23
	<b>Oil &amp; Gas Producers (6.88%)</b>	<b>3,442</b>	<b>7.37</b>
147,999	Shell	3,442	7.37
	<b>Packaging &amp; Containers (5.60%)</b>	<b>2,210</b>	<b>4.73</b>
934,261	Essentra	2,210	4.73

## Liontrust UK Equity Income Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Pharmaceuticals (2.92%)</b>	<b>3,165</b>	<b>6.78</b>
18,900	AstraZeneca	2,120	4.54
72,694	GSK	1,045	2.24
	<b>Retail (8.37%)</b>	<b>2,798</b>	<b>5.99</b>
162,169	Dunelm	1,588	3.40
426,952	Pets at Home	1,210	2.59
	<b>Telecommunications (2.53%)</b>		
	<b>Transportation (3.47%)</b>		
	<b>GEORGIA (0.00%)</b>	<b>477</b>	<b>1.02</b>
	<b>Banks (0.00%)</b>	<b>477</b>	<b>1.02</b>
18,312	Bank of Georgia	477	1.02
	<b>UNITED STATES OF AMERICA (0.00%)</b>	<b>83</b>	<b>0.18</b>
	<b>Machinery Construction &amp; Mining (0.00%)</b>	<b>83</b>	<b>0.18</b>
22,500	Somero Enterprises	83	0.18
	<b>COLLECTIVE INVESTMENT SCHEMES (5.38%)</b>	<b>2,601</b>	<b>5.57</b>
	<b>IRELAND (0.00%)</b>	<b>1</b>	<b>0.00</b>
640	Goldman Sachs Sterling Liquid Reserves Fund - Institutional	1	0.00
	<b>UNITED KINGDOM (5.38%)</b>	<b>2,600</b>	<b>5.57</b>
2,600,000	Goldman Sachs Sterling Liquid Reserves Fund	2,600	5.57
	<b>Portfolio of investments</b>	<b>46,888</b>	<b>100.38</b>
	<b>Net other liabilities</b>	<b>(179)</b>	<b>(0.38)</b>
	<b>Total net assets</b>	<b>46,709</b>	<b>100.00</b>

## Liontrust UK Equity Income Fund (continued)

### Portfolio Statement (continued)

as at 31 December 2022

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 2021 and have been re-stated in line with current year presentation.

## Liontrust UK Equity Income Fund (continued)

**Statement of Total Return**

for the year ended 31 December 2022

	Notes	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
Income					
Net capital (losses)/gains	2		(6,024)		10,584
Revenue	3	2,085		3,605	
Expenses	4	(367)		(573)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation		1,718		3,032	
Taxation	5	(45)		82	
Net revenue after taxation			1,673		3,114
<b>Total return before distributions</b>			<b>(4,351)</b>		<b>13,698</b>
Distributions	7		(2,036)		(3,676)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(6,387)</b>		<b>10,022</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31 December 2022

	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>69,034</b>		<b>138,390</b>
Amounts received on issue of shares	1,324		5,533	
Amounts paid on cancellation of shares	(18,049)		(85,952)	
		(16,725)		(80,419)
Dilution adjustment		5		78
Change in net assets attributable to shareholders from investment activities		(6,387)		10,022
Retained distributions on accumulation shares		782		963
<b>Closing net assets attributable to shareholders</b>		<b>46,709</b>		<b>69,034</b>

## Liontrust UK Equity Income Fund (continued)

**Balance Sheet**

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		46,888	69,472
<b>Current assets:</b>			
Debtors	8	332	308
Cash and bank balances	9	80	–
<b>Total assets</b>		<b>47,300</b>	<b>69,780</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Distribution payable		(507)	(698)
Other creditors	10	(84)	(48)
<b>Total liabilities</b>		<b>(591)</b>	<b>(746)</b>
<b>Net assets attributable to shareholders</b>		<b>46,709</b>	<b>69,034</b>

## Liontrust UK Equity Income Fund (continued)

**Notes to the financial statements**

for the year ended 31 December 2022

**1 Accounting policies**

The accounting policies for the Sub-fund are set out on pages 13 to 15.

**2 Net capital (losses)/gains**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities	(6,013)	10,589
Foreign currency losses	(11)	(5)
<b>Net capital (losses)/gains</b>	<b>(6,024)</b>	<b>10,584</b>

**3 Revenue**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Bank interest	2	–
Interest distributions on CIS holdings	19	–
Non-taxable overseas dividends	27	103
UK dividends	2,037	3,445
UK REIT dividends	–	57
<b>Total revenue</b>	<b>2,085</b>	<b>3,605</b>

**4 Expenses**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge*	367	573
<b>Total expenses</b>	<b>367</b>	<b>573</b>

\* The audit fee for the year (borne out of the ACD's charge), excluding VAT, was £9,200 (2021 : £7,700). Where the fee exceeds the ACD's charge, the shortfall will be met by the ACD.

## Liontrust UK Equity Income Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**5 Taxation**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>a) Analysis of charge in year</b>		
Overseas tax	45	(82)
<b>Total tax charge/(credit) [see note(b)]</b>	<b>45</b>	<b>(82)</b>

**b) Factors affecting tax charge for the year**

The taxation assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Net revenue before taxation	1,718	3,032
Corporation tax at 20% (2021 - 20%)	344	606
Effects of:		
Movement in unrecognised tax losses	69	103
Overseas tax	45	(82)
Revenue not subject to tax	(413)	(709)
<b>Total tax charge/(credit) [see note(a)]</b>	<b>45</b>	<b>(82)</b>

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

**c) Deferred tax**

At the year end there is a potential deferred tax asset of £7,835,000 (2021: £7,766,000) due to tax losses of £39,176,000 (2021: £38,830,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

**6 Interest payable and similar charges**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Overdraft interest	-	-
<b>Total interest payable and similar charges</b>	<b>-</b>	<b>-</b>

## Liontrust UK Equity Income Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 7 Distributions

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Interim distribution	987	2,072
Final distribution	911	1,059
	<b>1,898</b>	<b>3,131</b>
Amounts deducted on cancellation of shares	151	635
Amounts received on issue of shares	(13)	(90)
<b>Distributions</b>	<b>2,036</b>	<b>3,676</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	1,673	3,114
Less: Tax relief on capitalised expenses	(4)	(11)
Add: ACD's charge reimbursed by capital	367	573
<b>Distributions</b>	<b>2,036</b>	<b>3,676</b>

The distribution per share is set out in the tables on page 154.

## 8 Debtors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued revenue	122	258
Amounts receivable for issue of shares	210	11
Overseas withholding tax	–	39
<b>Total debtors</b>	<b>332</b>	<b>308</b>

## 9 Cash and bank balances

	31.12.2022 (£'000)	31.12.2021 (£'000)
Cash and bank balances	80	–
<b>Total cash and bank balances</b>	<b>80</b>	<b>–</b>

## Liontrust UK Equity Income Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**10 Creditors**

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued ACD's charge	26	38
Amounts payable for cancellation of shares	48	10
Purchases awaiting settlement	10	–
<b>Total other creditors</b>	<b>84</b>	<b>48</b>

**11 Contingent liabilities and outstanding commitments**

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: £nil).

**12 Related party transactions**

From 30 September 2022, Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company. Prior to 30 September 2022, the ACD of the fund was Link Fund Solutions Limited.

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

All balances due to the ACD at the current year end in respect of transactions in shares are due to Liontrust Fund Partners LLP and all balances due to the ACD at the prior year end in respect of transactions in shares are due to Link Fund Solutions Limited.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £26,000 (2021: n/a). The balance due to Link Fund Solutions Limited and its associates at the year end in respect of expenses was £nil (2021: £38,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was £78,000 (2021: n/a). The total expense due to Link Fund Solutions Limited and its associates for the period to 29 September 2022 was £289,000 (2021: £573,000).

The total shares issued by Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was £524,000 (2021: n/a) and the total shares cancelled by Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was £3,566,000 (2021: n/a).

The total shares issued by Link Fund Solutions Limited and its associates for the period to 29 September 2022 was £800,000 (2021: £5,533,000) and the total shares cancelled by Link Fund Solutions Limited and its associates for the period to 29 September 2022 was £14,483,000 (2021: £85,952,000).

## Liontrust UK Equity Income Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies

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

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

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

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

#### Market price risk

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

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

As at 31 December 2022 and 31 December 2021 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

## Liontrust UK Equity Income Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

As at 31 December 2022, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 11.6%.

As at 31 December 2021, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 11.1%.

Some limitations of sensitivity analysis are;

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

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

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

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

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

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

##### Currency risk

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

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

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

### Liontrust UK Equity Income Fund (continued)

#### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Currency risk (continued)

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

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

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

##### Interest rate risk

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

As a result, the Sub fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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

##### Liquidity risk

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

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-fund may not be able to sell a position for full value or at all in the short-term. This may affect performance and could cause the Sub-fund to defer or suspend redemptions of its shares. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

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

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

## Liontrust UK Equity Income Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Counterparty credit risk

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

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

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

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan. The Sub-fund currently does not engage in stock lending. The ACD is required to provide shareholder 60 days' prior written notice.

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

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2022 was A (Standard & Poor's rating).

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

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

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

##### Maturity profile of financial liabilities

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

##### Fair value of financial assets and liabilities

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

## Liontrust UK Equity Income Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 13 Risk management policies (continued)

## Valuation of financial investments

	Assets (£'000)	Liabilities (£'000)
<b>31.12.2022</b>		
Level 1: Quoted prices	44,287	—
Level 2: Observable market data	2,601	—
	<b>46,888</b>	<b>—</b>
<b>31.12.2021</b>		
Level 1: Quoted prices	65,755	—
Level 2: Observable market data	3,717	—
	<b>69,472</b>	<b>—</b>

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

## 14 Share movement

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
X Accumulation	11,098,531	592,940	(1,192,118)	12,696	10,512,049
X Income	31,889,634	111,115	(11,738,435)	(19,140)	20,243,174

## 15 Portfolio transaction costs

for the year ending 31 December 2022

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	39,728	18	0.05	174	0.44
<b>Total purchases</b>	<b>39,728</b>	<b>18</b>		<b>174</b>	
<b>Total purchases including transaction costs</b>	<b>39,920</b>				

## Liontrust UK Equity Income Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	56,303	27	0.05	–	–
<b>Total sales</b>	<b>56,303</b>	<b>27</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>56,276</b>				
<b>Total transaction costs</b>		<b>45</b>		<b>174</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.08%</b>		<b>0.31%</b>	

## Liontrust UK Equity Income Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	62,930	26	0.04	287	0.46
<b>Total purchases</b>	<b>62,930</b>	<b>26</b>		<b>287</b>	
<b>Total purchases including transaction costs</b>	<b>63,243</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	141,671	49	0.03	1	-
<b>Total sales</b>	<b>141,671</b>	<b>49</b>		<b>1</b>	
<b>Total sales net of transaction costs</b>	<b>141,621</b>				
<b>Total transaction costs</b>		<b>75</b>		<b>288</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.09%</b>		<b>0.32%</b>	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.41% (2021: 0.16%).

## Liontrust UK Equity Income Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 16 Post balance sheet events

The Fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility.

Since the year-end, the NAV per share of the X Accumulation share class has increased by 6.03% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

## Liontrust UK Equity Income Fund (continued)

**Distribution Tables**

for the year ended 31 December 2022

**Final distribution**

Group 1 - Shares purchased prior to 1 July 2022

Group 2 - Shares purchased 1 July 2022 to 31 December 2022

	<b>Net Revenue Pence per share</b>	<b>Equalisation* Pence per share</b>	<b>Distribution paid 28.2.2023 Pence per share</b>	<b>Distribution paid 28.2.2022 Pence per share</b>
X Accumulation - Group 1	3.8465	—	3.8465	3.2526
X Accumulation - Group 2	1.4180	2.4285	3.8465	3.2526
X Income - Group 1	2.5047	—	2.5047	2.1899
X Income - Group 2	2.1073	0.3974	2.5047	2.1899

**Interim distribution**

Group 1 - Shares purchased prior to 1 January 2022

Group 2 - Shares purchased 1 January 2022 to 30 June 2022

	<b>Net Revenue Pence per share</b>	<b>Equalisation* Pence per share</b>	<b>Distribution paid 31.8.2022 Pence per share</b>	<b>Distribution paid 31.8.2021 Pence per share</b>
X Accumulation - Group 1	3.5515	—	3.5515	4.9810
X Accumulation - Group 2	2.8487	0.7028	3.5515	4.9810
X Income - Group 1	2.3557	—	2.3557	3.4376
X Income - Group 2	1.3134	1.0423	2.3557	3.4376

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

# Liontrust Global Equity Fund

Report for the year from 1 January 2022 to 31 December 2022

## Investment Objective

To deliver a total return (the combination of income and capital growth) that at the end of any five year period is in excess of achieving a total return of the MSCI All Country World Net Total Return Index, after all costs and charges have been deducted. There is no guarantee that the objective will be achieved over any time period and capital is at risk.

## Investment Policy

The Sub-fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of companies throughout the world including emerging markets.

The Sub-fund may also invest up to 20% of its scheme property by value in, cash, deposits and money market instruments

The Sub-fund may invest in these asset classes directly and indirectly. It may invest indirectly through transferable securities (such as depositary receipts or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Sub-fund does not have any restrictions on the countries, industry sectors or the size of companies it can invest in.

## Investment Strategy

The Sub-fund is actively managed by a team of individual investment managers each of whom has responsibility for managing a portion of the Sub-fund. The Sub-fund does not have any particular style bias. The investment managers are flexible investors who will aim to outperform the market by investing in a combination of companies that are judged to be undervalued by the market. The characteristics of these companies could vary and may include companies with good prospects for growth, a competitive advantage or management alignment with shareholder outcomes. The investment managers may also look for companies where there is a catalyst for recovery such as management change or an improving business environment. This multi-manager structure allows individual accountability as well as harnessing teamwork, together with providing natural diversification of manager risk.

## Liontrust Global Equity Fund (continued)

### Performance and market review

The Liontrust Global Equity Fund returned -11.5% (Class 'X' Accumulation shares, net of fees GBP) versus -8.1% for the MSCI ACWI Index in 2022. Equity markets were weak in 2022, which was driven by two main reasons. First, economic growth slowed as we ended Covid-driven government stimulus, consumers felt the impact of strong inflation, and central banks raised interest rates and embarked on quantitative tightening. Energy price inflation was exacerbated by the Russian invasion of Ukraine. Second, higher interest rates increased the discount rates for equities, particularly those on high valuation multiples.

### Analysis of portfolio return

There were three broad themes contributing to our underperformance against the benchmark:

1. Our stocks with higher growth and higher valuations performed poorly. They were disproportionately hit by higher interest rates, compressing valuation multiples. These companies also tended to be beneficiaries of Covid and stay-at-home policies, which normalised in 2022. These included companies such as **NAVER, Sea Ltd, Amazon** and **NVIDIA**.
2. Some of our stocks were disproportionately hit by rising cost inflation and supply chain disruption. Demand for raw materials, components and labour surged with government stimulus, while supply was unable to catch up. These companies included **Vertiv, Frontdoor** and **Fever-Tree**.
3. The Sub-fund was also underweight sectors such as energy and financials, which benefitted from higher interest rates, inflation and commodity prices driven, in part, by the Russian invasion of Ukraine.

These were offset by strong performance from our more defensive holdings in sectors such as healthcare and telecoms, which were more insulated from slowing economic growth. Our stocks exposed to travel and leisure spending also performed well as they benefitted from the end of lockdowns. These included **Trip.com, Performance Foods** and **Samsonite**.

On a sector level, consumer discretionary and materials were positive contributors, and energy and financials were negative contributors. Our stock picking was strong in consumer discretionary and materials, allowing us to outperform the sector benchmarks. We were also overweight the materials sector, which outperformed the MSCI ACWI Index. We were underweight both financials and energy, which both performed strongly against the overall index, contributing negatively to performance.

On an individual stock level, **SQM, Tesla** (not owned) and **Naspers** were our top contributors, and **Vertiv, NAVER** and **Sea Ltd** were our biggest detractors. **SQM** performed strongly as lithium prices skyrocketed with strong demand from electric vehicles. **Tesla's** share price fell strongly as competition intensified in China and from legacy car brands in developed markets, leading to several price cuts for their products. Its high valuation also compressed with higher interest rates. We do not own Tesla, so its decline contributed positively to our relative performance. Finally, **Naspers** announced an ongoing share buyback to manage its share price discount to NAV. Its largest holding, Tencent, also benefitted from improved sentiment on China towards the end of the year as the technology regulatory cycle bottomed with new games approved and China ended its Covid lockdowns.

**Vertiv** performed poorly as supply chain disruptions held back revenue growth. Margins were also impacted by strong cost inflation. **NAVER** performed poorly for several reasons. Its ecommerce and advertising businesses had benefitted from Covid, and this benefit was unwinding. Technology sector valuations were generally falling with higher interest rates. It also announced the acquisition of Poshmark in Q4, which was not taken well by the market because there were no obvious synergies, leading to question marks on the wisdom of its capital allocation. Finally, **Sea Ltd** was also impacted by Covid normalisation, which led to slower growth for its ecommerce and gaming businesses. Its high valuation was also hit by rising interest rates.

### Portfolio activity

Throughout the year, our most significant purchases included **Thales, Novartis, Adobe, L3Harris Technologies** and **Molson Coors**. The most significant sales included **Alphabet, Meta Platforms, NXP Semiconductors, AP Moller-Maersk** and **NVIDIA**.

## Liontrust Global Equity Fund (continued)

### Performance and market review (continued)

#### Market outlook

After a difficult period for markets in 2022, we are more optimistic about the prospects for 2023. There are three broad themes driving our optimism:

1. Easing inflation in the US and Europe should allow central banks to pause or even reverse interest rate hikes. Supply chain disruptions are generally ending as freight rates normalise. Goods inflation is coming down as used car prices fall. Shelter inflation should begin to improve as well in H2 given the long lags it has to the rental market, which has already softened.
2. China reopening from its Covid lockdowns should help boost global economic growth. Chinese consumers have a glut of savings because they were unable to spend during lockdowns. They will be able to deploy those savings as they restart international travel. The Chinese government has also made it a priority to stabilise the property market.
3. Finally, the European energy crisis has been averted for now. Warm winter weather has led to gas storage levels above seasonal norms, which in turn has lowered gas prices, giving a significant reprieve to European consumers.

The ebb and flow of macro currents will always be unpredictable in any given year. However, we continue to hold a diversified basket of structurally advantaged businesses in our portfolio, which we believe will outperform over the long run.

January 2023

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

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

#### Material portfolio changes by value

##### Purchases

EOG Resources  
Thales  
Novartis  
Performance Food  
L3Harris Technologies  
Adobe  
LGI Homes  
Molson Coors Beverage  
Installed Building Products  
Intuit

##### Sales

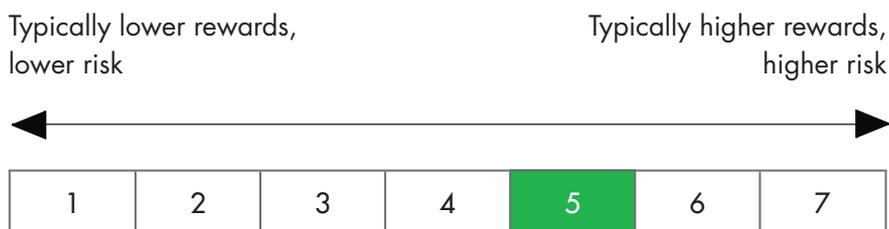
Meta Platforms  
Alphabet 'A'  
NXP Semiconductors  
AP Moller - Maersk  
Zimmer Biomet  
EOG Resources  
NVIDIA  
Vifor Pharma  
Amazon.com  
Interactive Brokers

## Liontrust Global Equity Fund (continued)

### Performance and market review (continued)

#### Risk and Reward profile

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



- This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.
- The Sub-fund has been classed as 5 because its volatility has been measured as above average to high.
- The indicator is based on historical data and may not be a reliable indication for the future.
- The risk and reward profile shown is not guaranteed to remain the same and may shift over time. The lowest number on the scale does not mean that a fund is risk free.
- Market Risk: the investments of the Sub-fund are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.
- Equity Risk: the value of equities may fall as well as rise and as a class of investment, equities are typically more volatile than other common investment types such as bonds or cash.
- Currency Risk: As the Sub-fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.
- Counterparty Risk: The failure of a firm involved in a transaction with the Sub-fund or providing services to the Sub-fund may expose the Sub-fund to financial loss.

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

## Liontrust Global Equity Fund (continued)

**Comparative Tables**

for the year ended 31 December 2022

<b>B Accumulation (Sterling)</b> <b>Accounting year ended</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>	<b>31 December 2020</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	284.65	253.25	196.87
Return before operating charges	(29.69)	31.40	56.38
Operating charges	0.00	0.00	0.00
Return after operating charges	(29.69)	31.40	56.38
Distributions	(3.38)	(2.23)	(1.98)
Retained distributions on accumulation shares	3.38	2.23	1.98
<b>Closing net asset value per share</b>	<b>254.96</b>	<b>284.65</b>	<b>253.25</b>
After direct transaction costs of*, #	(0.12)	(0.09)	(0.14)
<b>Performance</b>			
Return after charges	(10.43%)	12.40%	28.64%
<b>Other information</b>			
Closing net asset value (£'000)	25,152	34,960	31,172
Closing number of shares	9,865,080	12,281,694	12,308,816
Operating charges**	0.00%	0.00%	0.00%
Direct transaction costs*	0.05%	0.03%	0.07%
<b>Prices</b>			
Highest share price	387.13	293.34	253.81
Lowest share price	275.74	253.73	160.76

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust Global Equity Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

B Accumulation (US Dollars) Accounting year ended	31 December 2022+ per share (c)	31 December 2021 per share (c)	31 December 2020 per share (c)
<b>Change in net assets per share</b>			
Opening net asset value per share	226.28	203.18	153.09
Return before operating charges	(35.04)	23.10	50.09
Operating charges	0.00	0.00	0.00
Return after operating charges	(35.04)	23.10	50.09
Distributions	—	(1.79)	(1.49)
Retained distributions on accumulation shares	—	1.79	1.49
<b>Closing net asset value per share</b>	<b>191.24</b>	<b>226.28</b>	<b>203.18</b>
After direct transaction costs of *, #	(0.05)	(0.08)	(0.11)
<b>Performance</b>			
Return after charges	(15.49%)	11.37%	32.72%
<b>Other information</b>			
Closing net asset value (\$'000)	—	23	20
Closing number of shares	—	10,000	10,000
Operating charges **	0.00%	0.00%	0.00%
Direct transaction costs *	0.05%	0.03%	0.07%
<b>Prices</b>			
Highest share price	227.21	231.52	202.74
Lowest share price	170.10	202.40	109.42

+ Closed on 12 August 2022

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust Global Equity Fund (continued)

**Comparative Tables (continued)**

for the year ended 31 December 2022

<b>X Accumulation (Sterling)</b> <b>Accounting year ended</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>	<b>31 December 2020</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	269.74	241.52	188.98
Return before operating charges	(28.09)	29.91	53.86
Operating charges	(1.59)	(1.69)	(1.32)
Return after operating charges	(29.68)	28.22	52.54
Distributions	(1.58)	(0.46)	(0.68)
Retained distributions on accumulation shares	1.58	0.46	0.68
<b>Closing net asset value per share</b>	<b>240.06</b>	<b>269.74</b>	<b>241.52</b>
After direct transaction costs of*, #	(0.11)	(0.09)	(0.14)
<b>Performance</b>			
Return after charges	(11.00%)	11.68%	27.80%
<b>Other information</b>			
Closing net asset value (£'000)	22,389	27,963	22,495
Closing number of shares	9,326,488	10,366,825	9,314,112
Operating charges**	0.65%	0.65%	0.65%
Direct transaction costs*	0.05%	0.03%	0.07%
<b>Prices</b>			
Highest share price	366.83	278.21	242.08
Lowest share price	260.27	241.95	154.10

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust Global Equity Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

X Accumulation (US Dollars) Accounting year ended	31 December 2022+ per share (c)	31 December 2021 per share (c)	31 December 2020 per share (c)
<b>Change in net assets per share</b>			
Opening net asset value per share	214.42	193.76	146.95
Return before operating charges	(33.40)	22.03	47.81
Operating charges	(0.46)	(1.37)	(1.00)
Return after operating charges	(33.86)	20.66	46.81
Distributions	—	(0.39)	(0.49)
Retained distributions on accumulation shares	—	0.39	0.49
<b>Closing net asset value per share</b>	<b>180.56</b>	<b>214.42</b>	<b>193.76</b>
After direct transaction costs of *, #	(0.03)	(0.07)	(0.10)
<b>Performance</b>			
Return after charges	(15.79%)	10.66%	31.85%
<b>Other information</b>			
Closing net asset value (\$'000)	—	21	19
Closing number of shares	—	10,000	10,000
Operating charges **	0.65%	0.65%	0.65%
Direct transaction costs *	0.05%	0.03%	0.07%
<b>Prices</b>			
Highest share price	215.29	219.56	193.34
Lowest share price	160.75	193.01	104.87

+ Closed on 12 August 2022

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust Global Equity Fund (continued)

## Portfolio Statement

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (\$'000)	Percentage of total net assets (%)
	<b>EQUITIES (97.47%)</b>	<b>55,563</b>	<b>97.16</b>
	<b>ARGENTINA (1.28%)</b>	<b>898</b>	<b>1.57</b>
1,061	Mercadolibre	898	1.57
	<b>CANADA (0.38%)</b>	<b>690</b>	<b>1.21</b>
17,180	Barrick Gold	295	0.52
11,400	Shopify	395	0.69
	<b>CHILE (0.95%)</b>	<b>780</b>	<b>1.36</b>
9,765	Sociedad Quimica y Minera de Chile	780	1.36
	<b>CHINA (1.83%)</b>	<b>1,940</b>	<b>3.39</b>
24,000	Meituan Dianping	537	0.94
20,856	Trip.com ADR	717	1.25
89,500	Wuxi Biologics Cayman	686	1.20
	<b>DENMARK (4.69%)</b>	<b>2,032</b>	<b>3.55</b>
28,430	Ambu	364	0.64
9,680	Novo Nordisk	1,305	2.28
7,206	Novozymes	363	0.63
	<b>FRANCE (2.42%)</b>	<b>2,602</b>	<b>4.55</b>
785	Kering	398	0.70
7,447	Publicis Groupe	472	0.83
1,439	Sartorius Stedim Biotech	464	0.81
7,659	Thales	975	1.70
4,688	TOTAL	293	0.51
	<b>HONG KONG (0.67%)</b>	<b>629</b>	<b>1.10</b>
56,600	AIA	629	1.10
	<b>INDIA (0.27%)</b>	<b>231</b>	<b>0.40</b>
8,377	MakeMyTrip	231	0.40
	<b>IRELAND (0.48%)</b>	<b>472</b>	<b>0.83</b>
2,431	ICON	472	0.83

## Liontrust Global Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (\$'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>ITALY (1.57%)</b>	<b>877</b>	<b>1.54</b>
47,076	Autogrill	325	0.57
39,023	UniCredit	552	0.97
	<b>JAPAN (4.28%)</b>	<b>3,023</b>	<b>5.29</b>
2,700	FANUC	405	0.71
800	Keyence	312	0.55
23,200	M3	629	1.10
13,000	Nintendo	545	0.95
26,500	SoftBank	1,132	1.98
	<b>NETHERLANDS (3.50%)</b>	<b>897</b>	<b>1.57</b>
290,930	Koninklijke KPN	897	1.57
	<b>PANAMA (0.94%)</b>	<b>810</b>	<b>1.42</b>
9,740	Copa	810	1.42
	<b>PERU (0.81%)</b>	<b>742</b>	<b>1.30</b>
5,470	Credicorp	742	1.30
	<b>SINGAPORE (0.59%)</b>	<b>185</b>	<b>0.32</b>
3,554	Sea	185	0.32
	<b>SOUTH AFRICA (1.29%)</b>	<b>1,225</b>	<b>2.14</b>
7,378	Naspers	1,225	2.14
	<b>SOUTH KOREA (4.07%)</b>	<b>2,393</b>	<b>4.19</b>
3,505	Naver	492	0.86
19,678	Samsung Electronics	861	1.51
2,225	Samsung SDI	1,040	1.82
	<b>SPAIN (0.25%)</b>	<b>129</b>	<b>0.23</b>
11,247	Grifols	129	0.23

## Liontrust Global Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (\$'000)	Percentage of total net assets (%)
<b>EQUITIES (continued)</b>			
<b>SWITZERLAND (1.26%)</b>			
2,931	Alcon	200	0.35
11,054	Novartis	999	1.75
<b>TAIWAN (2.10%)</b>			
12,039	Taiwan Semiconductor Manufacturing	897	1.57
<b>UNITED KINGDOM (2.02%)</b>			
26,176	Anglo American	1,018	1.78
38,362	CNH Industrial	613	1.07
17,238	Fevertree Drinks	214	0.37
82,870	Oxford Nanopore Technologies	246	0.43
9,574	Shell	268	0.47
<b>UNITED STATES OF AMERICA (61.47%)</b>			
1,921	Adobe	646	1.13
500	Align Technology	105	0.18
4,890	Alphabet 'A'	431	0.75
12,420	Amazon.com	1,043	1.82
1,864	Aon	559	0.98
16,948	Aramark	700	1.22
640	Biogen	177	0.31
6,735	Booz Allen Hamilton	704	1.23
3,700	Boston Scientific	171	0.30
1,577	Bright Horizons Family Solutions	99	0.17
4,105	Cboe Global Markets	515	0.90
11,360	Centene	932	1.63
2,100	Church & Dwight	169	0.30
6,362	Crown	523	0.91
8,790	Delta Air Lines	289	0.51
12,911	Electronic Arts	1,577	2.76
1,860	Elevance Health	955	1.67
2,895	Equifax	563	0.98
3,568	First Republic Bank	435	0.76
15,742	Fiserv	1,591	2.78
9,225	Freeport-McMoRan	350	0.61
26,673	Frontdoor	555	0.97
1,247	Gartner	419	0.73

## Liontrust Global Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (\$'000)	Percentage of total net assets (%)
<b>EQUITIES (continued)</b>			
<b>UNITED STATES OF AMERICA (continued)</b>			
11,797	Hasbro	719	1.26
1,819	Illumina	368	0.64
8,075	Installed Building Products	691	1.21
6,963	Interactive Brokers	504	0.88
7,933	Intercontinental Exchange	814	1.42
1,505	Intuit	586	1.02
16,763	Ionis Pharmaceuticals	633	1.11
5,307	L3Harris Technologies	1,105	1.93
7,350	LGI Homes	680	1.19
9,139	Marvell Technology	339	0.59
8,066	Merck	895	1.57
8,746	Microsoft	2,097	3.67
12,700	Molson Coors Beverage	654	1.14
916	Netflix	270	0.47
5,062	Newmont	239	0.42
3,418	NVIDIA	500	0.87
17,335	Performance Food	1,012	1.77
40,500	Sabre	250	0.44
261,300	Samsonite International	686	1.20
3,360	Seagen	432	0.76
2,847	Take-Two Interactive Software	297	0.52
2,300	Trex	97	0.17
22,755	US Foods	774	1.35
920	Vertex Pharmaceuticals	266	0.47
25,080	Vertiv	342	0.60
23,629	WillScot Mobile Mini	1,067	1.87
5,714	Zimmer Biomet	728	1.27
	<b>RUSSIA (0.35%)</b>	<b>0</b>	<b>0.00</b>

## Liontrust Global Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (\$'000)	Percentage of total net assets (%)
	<b>COLLECTIVE INVESTMENT SCHEMES (2.37%)</b>	<b>1,523</b>	<b>2.66</b>
	<b>IRELAND (2.37%)</b>	<b>1,523</b>	<b>2.66</b>
1,523,450	Goldman Sachs Sterling Liquid Reserves Fund - Institutional	1,523	2.66
	<b>Portfolio of investments</b>	<b>57,086</b>	<b>99.82</b>
	<b>Net other assets</b>	<b>101</b>	<b>0.18</b>
	<b>Total net assets</b>	<b>57,187</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 2021 and have been re-stated in line with current year presentation.

Stocks shown as ADRs represent American Depositary Receipts.

## Liontrust Global Equity Fund (continued)

**Statement of Total Return**

for the year ended 31 December 2022

	Notes	(\$'000)	1.1.2022 to 31.12.2022 (\$'000)	(\$'000)	1.1.2021 to 31.12.2021 (\$'000)
Income					
Net capital (losses)/gains	2		(17,588)		7,779
Revenue	3	921		763	
Expenses	4	(194)		(234)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation		727		529	
Taxation	5	(126)		(92)	
Net revenue after taxation			601		437
<b>Total return before distributions</b>			<b>(16,987)</b>		<b>8,216</b>
Distributions	7		(601)		(437)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(17,588)</b>		<b>7,779</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31 December 2022

	(\$'000)	1.1.2022 to 31.12.2022 (\$'000)	(\$'000)	1.1.2021 to 31.12.2021 (\$'000)
<b>Opening net assets attributable to shareholders</b>		<b>85,270</b>		<b>73,400</b>
Amounts received on issue of shares	2,651		4,899	
Amounts paid on cancellation of shares	(13,734)		(1,248)	
		(11,083)		3,651
Dilution adjustment		10		–
Change in net assets attributable to shareholders from investment activities		(17,588)		7,779
Retained distributions on accumulation shares		578		440
<b>Closing net assets attributable to shareholders</b>		<b>57,187</b>		<b>85,270</b>

## Liontrust Global Equity Fund (continued)

**Balance Sheet**

as at 31 December 2022

	Notes	31.12.2022 (\$'000)	31.12.2021 (\$'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		57,086	85,132
<b>Current assets:</b>			
Debtors	8	41	91
Cash and bank balances	9	77	68
<b>Total assets</b>		<b>57,204</b>	<b>85,291</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	10	(17)	(21)
<b>Total liabilities</b>		<b>(17)</b>	<b>(21)</b>
<b>Net assets attributable to shareholders</b>		<b>57,187</b>	<b>85,270</b>

## Liontrust Global Equity Fund (continued)

**Notes to the financial statements**

for the year ended 31 December 2022

**1 Accounting policies**

The accounting policies for the Sub-fund are set out on pages 13 to 15.

**2 Net capital (losses)/gains**

	1.1.2022 to 31.12.2022 (\$'000)	1.1.2021 to 31.12.2021 (\$'000)
The net capital (losses)/gains comprise:		
Non-derivative securities	(17,554)	7,809
Foreign currency losses	(34)	(30)
<b>Net capital (losses)/gains</b>	<b>(17,588)</b>	<b>7,779</b>

**3 Revenue**

	1.1.2022 to 31.12.2022 (\$'000)	1.1.2021 to 31.12.2021 (\$'000)
Interest distributions on CIS holdings	1	–
Non-taxable overseas dividends	804	642
Taxable overseas dividends	19	24
UK dividends	97	97
<b>Total revenue</b>	<b>921</b>	<b>763</b>

**4 Expenses**

	1.1.2022 to 31.12.2022 (\$'000)	1.1.2021 to 31.12.2021 (\$'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge*	194	234
<b>Total expenses</b>	<b>194</b>	<b>234</b>

\* The audit fee for the year (borne out of the ACD's charge), excluding VAT, was £9,200 (2021 : £10,091). Where the fee exceeds the ACD's charge, the shortfall will be met by the ACD.

## Liontrust Global Equity Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**5 Taxation**

	1.1.2022 to 31.12.2022 (\$'000)	1.1.2021 to 31.12.2021 (\$'000)
<b>a) Analysis of charge in year</b>		
Overseas tax	126	92
<b>Total tax charge [see note(b)]</b>	<b>126</b>	<b>92</b>

**b) Factors affecting tax charge for the year**

The taxation assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.1.2022 to 31.12.2022 (\$'000)	1.1.2021 to 31.12.2021 (\$'000)
Net revenue before taxation	727	529
Corporation tax at 20% (2021 - 20%)	145	106
Effects of:		
Movement in unrecognised tax losses	35	43
Overseas tax	126	92
Revenue not subject to tax	(180)	(149)
<b>Total tax charge [see note(a)]</b>	<b>126</b>	<b>92</b>

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

**c) Deferred tax**

At the year end there is a potential deferred tax asset of \$421,000 (2021: \$386,000) due to tax losses of \$2,104,000 (2021: \$1,930,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

**6 Interest payable and similar charges**

	1.1.2022 to 31.12.2022 (\$'000)	1.1.2021 to 31.12.2021 (\$'000)
Overdraft interest	-	-
<b>Total interest payable and similar charges</b>	<b>-</b>	<b>-</b>

## Liontrust Global Equity Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 7 Distributions

	1.1.2022 to 31.12.2022 (\$'000)	1.1.2021 to 31.12.2021 (\$'000)
Interim distribution	–	200
Final distribution	578	240
	<b>578</b>	<b>440</b>
Amounts deducted on cancellation of shares	38	1
Amounts received on issue of shares	(15)	(4)
<b>Distributions</b>	<b>601</b>	<b>437</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	601	437
<b>Distributions</b>	<b>601</b>	<b>437</b>

The distribution per share is set out in the tables on page 184.

## 8 Debtors

	31.12.2022 (\$'000)	31.12.2021 (\$'000)
Accrued revenue	18	46
Amounts receivable for issue of shares	–	9
Currency sales awaiting settlement	1	–
Overseas withholding tax	22	36
<b>Total debtors</b>	<b>41</b>	<b>91</b>

## 9 Cash and bank balances

	31.12.2022 (\$'000)	31.12.2021 (\$'000)
Cash and bank balances	77	68
<b>Total cash and bank balances</b>	<b>77</b>	<b>68</b>

## Liontrust Global Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 10 Creditors

	31.12.2022 (\$'000)	31.12.2021 (\$'000)
Accrued ACD's charge	15	21
Currency purchases awaiting settlement	2	–
<b>Total other creditors</b>	<b>17</b>	<b>21</b>

#### 11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: £nil).

#### 12 Related party transactions

From 30 September 2022, Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company. Prior to 30 September 2022, the ACD of the fund was Link Fund Solutions Limited.

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

All balances due to the ACD at the current year end in respect of transactions in shares are due to Liontrust Fund Partners LLP and all balances due to the ACD at the prior year end in respect of transactions in shares are due to Link Fund Solutions Limited.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was \$15,000 (2021: n/a). The balance due to Link Fund Solutions Limited and its associates at the year end in respect of expenses was £nil (2021: \$21,000)

The total expense due to Liontrust Fund Partners LLP and its associates for the period from 1 October 2022 was \$43,000 (2021: n/a). The total expense due to Link Fund Solutions Limited and its associates for the period to 30 September 2022 was \$151,000 (2021: \$234,000).

The total shares issued by Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was \$193,000 (2021: n/a) and the total shares cancelled by Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was \$999,000 (2021: n/a).

The total shares issued by Link Fund Solutions Limited and its associates for the period to 29 September 2022 was \$2,458,000 (2021: \$4,899,000) and the total shares cancelled by Link Fund Solutions Limited and its associates for the period to 29 September 2022 was \$12,735,000 (2021: \$1,248,000).

## Liontrust Global Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies

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

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

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

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

#### Market price risk

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

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

As at 31 December 2022 and 31 December 2021 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

## Liontrust Global Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

As at 31 December 2022, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 9.3%.

As at 31 December 2021, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 9.2%.

Some limitations of sensitivity analysis are;

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

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

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

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

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

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

##### Currency risk

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

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

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

## Liontrust Global Equity Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**13 Risk management policies (continued)****Currency risk (continued)**

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

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

The Sub-fund may receive income in currencies other than US Dollars, and the US Dollars values of this income can be affected by movements in exchange rates. The Sub-fund converts all receipts of income into US Dollars 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.

At 31 December 2022 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		Total (\$'000)
	Monetary Exposures (\$'000)	Non-Monetary Exposures (\$'000)	
Canadian Dollar	–	395	395
Danish Krone	21	2,032	2,053
Euro	68	5,119	5,187
Hong Kong Dollar	–	2,539	2,539
Japanese Yen	–	3,023	3,023
South African Rand	–	1,225	1,225
South Korean Won	6	2,393	2,399
Swiss Franc	–	1,199	1,199
United Kingdom Pound	2	1,745	1,747
United States Dollar	3	37,417	37,420
	<b>100</b>	<b>57,087</b>	<b>57,187</b>

## Liontrust Global Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Currency risk (continued)

At 31 December 2021 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		Total (\$'000)
	Monetary Exposures (\$'000)	Non-Monetary Exposures (\$'000)	
Danish Krone	23	3,996	4,019
Euro	13	4,710	4,723
Hong Kong Dollar	–	2,186	2,186
Japanese Yen	–	3,649	3,649
South African Rand	–	1,103	1,103
South Korean Won	6	3,469	3,475
Swiss Franc	–	1,069	1,069
United Kingdom Pound	77	1,828	1,905
United States Dollar	19	63,122	63,141
	<b>138</b>	<b>85,132</b>	<b>85,270</b>

If the exchange rate at 31 December 2022 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.35%/(0.35%) respectively.

If the exchange rate at 31 December 2021 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.26%/(0.26%) respectively.

##### Interest rate risk

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

As a result, the Sub fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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

##### Liquidity risk

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

## Liontrust Global Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Liquidity risk (continued)

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-fund may not be able to sell a position for full value or at all in the short-term. This may affect performance and could cause the Sub-fund to defer or suspend redemptions of its shares. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

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

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

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

##### Counterparty credit risk

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

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

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

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan. The Sub-fund currently does not engage in stock lending. The ACD is required to provide shareholder 60 days' prior written notice.

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

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2022 was A (Standard & Poor's rating).

## Liontrust Global Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Counterparty credit risk (continued)

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

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

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

##### Maturity profile of financial liabilities

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

##### Fair value of financial assets and liabilities

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

##### Valuation of financial investments

	Assets (\$'000)	Liabilities (\$'000)
<b>31.12.2022</b>		
Level 1: Quoted prices	55,563	—
Level 2: Observable market data	1,523	—
	<b>57,086</b>	<b>—</b>
<b>31.12.2021</b>		
Level 1: Quoted prices	83,109	—
Level 2: Observable market data	2,023	—
	<b>85,132</b>	<b>—</b>

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

## Liontrust Global Equity Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**14 Share movement**

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
B Accumulation (Sterling)	12,281,694	172,620	(2,589,234)	—	9,865,080
B Accumulation (US Dollars)	10,000	—	(10,000)	—	—
X Accumulation (Sterling)	10,366,825	716,478	(1,756,815)	—	9,326,488
X Accumulation (US Dollars)	10,000	—	(10,000)	—	—

## Liontrust Global Equity Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**15 Portfolio transaction costs**  
for the year ending 31 December 2022

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (\$'000)</b>	<b>Commissions (\$'000)</b>	<b>%</b>	<b>Taxes (\$'000)</b>	<b>%</b>
Equity instruments (direct)	19,859	8	0.04	10	0.05
<b>Total purchases</b>	<b>19,859</b>	<b>8</b>		<b>10</b>	
<b>Total purchases including transaction costs</b>	<b>19,877</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (\$'000)</b>	<b>Commissions (\$'000)</b>	<b>%</b>	<b>Taxes (\$'000)</b>	<b>%</b>
Equity instruments (direct)	29,898	10	0.03	1	–
<b>Total sales</b>	<b>29,898</b>	<b>10</b>		<b>1</b>	
<b>Total sales net of transaction costs</b>	<b>29,887</b>				
<b>Total transaction costs</b>		<b>18</b>		<b>11</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.03%</b>		<b>0.02%</b>	

## Liontrust Global Equity Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (\$'000)</b>	<b>Commissions (\$'000)</b>	<b>%</b>	<b>Taxes (\$'000)</b>	<b>%</b>
Equity instruments (direct)	24,578	11	0.04	5	0.02
<b>Total purchases</b>	<b>24,578</b>	<b>11</b>		<b>5</b>	
<b>Total purchases including transaction costs</b>	<b>24,594</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (\$'000)</b>	<b>Commissions (\$'000)</b>	<b>%</b>	<b>Taxes (\$'000)</b>	<b>%</b>
Equity instruments (direct)	22,107	11	0.05	1	-
<b>Total sales</b>	<b>22,107</b>	<b>11</b>		<b>1</b>	
<b>Total sales net of transaction costs</b>	<b>22,095</b>				
<b>Total transaction costs</b>		<b>22</b>		<b>6</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.02%</b>		<b>0.01%</b>	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.09% (2021: 0.07%).

## Liontrust Global Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 16 Post balance sheet events

The Fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility.

Since the year-end, the NAV per share of the X Accumulation (Sterling) share class has increased by 7.00% to 19 April 2023.

The other share classes in the Sub-fund have moved by a similar magnitude.

## Liontrust Global Equity Fund (continued)

**Distribution Tables**

for the year ended 31 December 2022

**Final distribution**

Group 1 - Shares purchased prior to 1 July 2022

Group 2 - Shares purchased 1 July 2022 to 31 December 2022

	<b>Net Revenue Pence/Cents per share</b>	<b>Equalisation* Pence/Cents per share</b>	<b>Distribution paid 28.2.2023 Pence/Cents per share</b>	<b>Distribution paid 28.2.2022 Pence/Cents per share</b>
B Accumulation (Sterling) - Group 1	3.3774	—	3.3774	1.0526
B Accumulation (Sterling) - Group 2	0.3152	3.0622	3.3774	1.0526
B Accumulation (US Dollars) - Group 1+	—	—	—	0.8365
B Accumulation (US Dollars) - Group 2+	—	—	—	0.8365
X Accumulation (Sterling) - Group 1	1.5787	—	1.5787	0.4609
X Accumulation (Sterling) - Group 2	0.4000	1.1787	1.5787	0.4609
X Accumulation (US Dollars) - Group 1+	—	—	—	0.3903
X Accumulation (US Dollars) - Group 2+	—	—	—	0.3903

+ Closed on 12 August 2022

**Interim distribution**

Group 1 - Shares purchased prior to 1 January 2022

Group 2 - Shares purchased 1 January 2022 to 30 June 2022

	<b>Net Revenue Pence/Cents per share</b>	<b>Equalisation* Pence/Cents per share</b>	<b>Distribution paid 31.8.2022 Pence/Cents per share</b>	<b>Distribution paid 31.8.2021 Pence/Cents per share</b>
B Accumulation (Sterling) - Group 1	—	—	—	1.1763
B Accumulation (Sterling) - Group 2	—	—	—	1.1763
B Accumulation (US Dollars) - Group 1	—	—	—	0.9547
B Accumulation (US Dollars) - Group 2	—	—	—	0.9547
X Accumulation (Sterling) - Group 1	—	—	—	—
X Accumulation (Sterling) - Group 2	—	—	—	—
X Accumulation (US Dollars) - Group 1	—	—	—	—
X Accumulation (US Dollars) - Group 2	—	—	—	—

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

# Liontrust Global Focus Fund

Report for the year from 1 January 2022 to 31 December 2022

## Investment Objective

To deliver a total return (the combination of income and capital growth) that at the end of any five year period is in excess of achieving a total return of the MSCI All Country World Net Total Return Index, after all costs and charges have been deducted. There is no guarantee that the objective will be achieved over any time period and capital is at risk.

## Investment Policy

The Sub-fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of companies throughout the world (including emerging markets). The Sub-fund will be focused and will have holdings in no more than 60 companies.

The Sub-fund may also invest up to 20% of its scheme property by value in, cash, deposits and money market instruments.

The Sub-fund may invest in these asset classes directly and indirectly. It may invest indirectly through transferable securities (such as depositary receipts) or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Sub-fund does not have any restrictions on the countries, industry sectors or the size of companies it can invest in.

## Investment Strategy

The Sub-fund is actively managed by a team of individual investment managers each of whom has responsibility for managing a portion of the Sub-fund. The Sub-fund does not have any particular style biases but instead uses flexible Investment Managers who will aim to outperform the market by investing in a combination of companies that are judged to be undervalued by the market. The characteristics of these companies could vary and may include companies with good prospects for growth, a competitive advantage or management alignment with shareholder outcomes. The investment managers may also look for companies where there is a catalyst for recovery such as management change or an improving business environment. This multi-manager structure allows individual accountability as well as harnessing teamwork, together with providing natural diversification of manager risk.

### Liontrust Global Focus Fund (continued)

#### Performance and market review

The Liontrust Global Focus Fund outperformed its benchmark in 2022, returning -6.6% (Class 'X' Accumulation shares, net of fees GBP) net of fees versus -8.1% for the MSCI ACWI Index. Equity markets were weak in 2022, which was driven by two main reasons. First, economic growth slowed as we ended Covid-driven government stimulus, consumers felt the impact of strong inflation, and central banks raised interest rates and embarked on quantitative tightening. Energy price inflation was exacerbated by the Russian invasion of Ukraine. Second, higher interest rates also increased the discount rates for equities, particularly those on high valuation multiples.

#### Analysis of portfolio return

The concentrated nature of the Sub-fund meant that performance was largely driven by stock-specific factors.

On a sector level, our underweight in technology and our overweight in materials contributed positively to performance. This was driven by Covid normalisation negatively impacting growth for many technology companies. Strong commodity prices benefitted our materials holdings. This was offset by our underweight in both financials and energy, which both performed strongly against the overall index. Energy prices spiked after the Russian invasion of Ukraine and higher interest rates boosted bank earnings. This contributed negatively to our performance.

On an individual stock level, **SQM**, **Naspers** and **Novo Nordisk** were our top contributors, and **Frontdoor**, **Hasbro** and **TSMC** were our biggest detractors. **SQM** performed strongly as lithium prices skyrocketed with strong demand from electric vehicles. **Naspers** did well after it announced an ongoing share buyback to manage its share price discount to NAV. Its largest holding, Tencent, also benefitted from improved sentiment on China towards the end of the year as the technology regulatory cycle bottomed with new games approved and China ended its Covid lockdowns. Finally, **Novo Nordisk** benefitted from very strong growth of its obesity drug, Wegovy.

**Frontdoor** performed poorly due to strong cost inflation impacting its margins. The annual nature of its membership means there is a delay to passing this on through price increases. **Hasbro** was negatively impacted by normalising spend on toys and games after Covid. Finally, **TSMC** underperformed due to moderating semiconductor demand as consumers and businesses pulled back on hardware purchases with deteriorating economic sentiment.

#### Portfolio activity

Throughout the year, our most significant purchases included **CNH Industrial**, **Novartis**, **Newmont**, **Naver** and **L3Harris Technologies**. The most significant sales included **KPN**, **AP Moller-Maersk**, **Zimmer**, **Meta Platforms** and **Alphabet**.

#### Market outlook

After a difficult period for markets in 2022, we are more optimistic about the prospects for 2023. There are three broad themes driving our optimism:

1. Easing inflation in the US and Europe should allow central banks to pause or even reverse interest rate hikes. Supply chain disruptions are generally ending as freight rates normalise. Goods inflation is coming down as used car prices fall. Shelter inflation should begin to improve as well in H2 given the long lags it has to the rental market, which has already softened.
2. China reopening from its Covid lockdowns should help boost global economic growth. Chinese consumers have a glut of savings as they were unable to spend during lockdowns. They will be able to deploy those savings as they restart international travel. The Chinese government has also made it a priority to stabilise the property market.
3. Finally, the European energy crisis has been averted for now. Warm winter weather has led to gas storage levels above seasonal norms, which in turn had lowered gas prices, giving a significant reprieve for European consumers.

The ebb and flow of macro currents will always be unpredictable in any given year. However, we continue to hold a high conviction basket of structurally advantaged businesses in our portfolio, which we believe will outperform over the long run.

January 2023

## Liontrust Global Focus Fund (continued)

### Performance and market review (continued)

#### Market outlook (continued)

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

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

#### Material portfolio changes by value

##### Purchases

Novartis  
Molson Coors Beverage  
Naver  
LGI Homes  
L3Harris Technologies  
Newmont  
CNH Industrial  
Shell  
Thales  
Performance Food

##### Sales

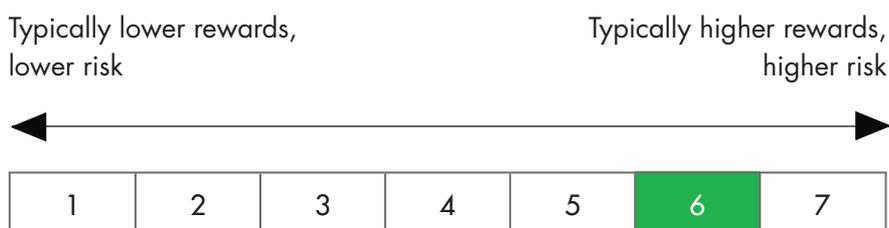
Fiserv  
Koninklijke KPN  
Electronic Arts  
Microsoft  
Naspers  
Zimmer Biomet  
Softbank  
Sociedad Quimica y Minera de Chile  
Elevance Health  
Hasbro

## Liontrust Global Focus Fund (continued)

### Performance and market review (continued)

#### Risk and Reward profile

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



- This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.
- The Sub-fund has been classed as 6 because its volatility has been measured as above average to high.
- The indicator is based on historical data and may not be a reliable indication for the future.
- The risk and reward profile shown is not guaranteed to remain the same and may shift over time. The lowest number on the scale does not mean that a fund is risk free.
- Market Risk: the investments of the Sub-fund are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.
- Equity Risk: the value of equities may fall as well as rise and as a class of investment, equities are typically more volatile than other common investment types such as bonds or cash.
- Currency Risk: As the Sub-fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.
- Counterparty Risk: The failure of a firm involved in a transaction with the Sub-fund or providing services to the Sub-fund may expose the Sub-fund to financial loss.
- Concentration Risk: The Sub-fund intentionally holds a small number of investments and so will be more concentrated than many other funds. The Sub-fund may also invest in stocks with a particular industry, sector or geographical focus. This means that the performance of a single stock, industry, sector or geographical region within the Sub-fund may have a greater effect (loss or gain) on the value of the Sub-fund.

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

## Liontrust Global Focus Fund (continued)

## Comparative Tables

for the year ended 31 December 2022

<b>B Accumulation (Sterling)</b> Accounting year ended	<b>31 December 2022†</b> per share (p)	<b>31 December 2021</b> per share (p)	<b>31 December 2020</b> per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	257.42	238.53	190.88
Return before operating charges	(8.91)	18.89	47.65
Operating charges	0.00	0.00	0.00
Return after operating charges	(8.91)	18.89	47.65
Distributions	—	(2.39)	(2.17)
Retained distributions on accumulation shares	—	2.39	2.17
<b>Closing net asset value per share</b>	<b>248.51</b>	<b>257.42</b>	<b>238.53</b>
After direct transaction costs of *, #	(0.24)	(0.10)	(0.08)
<b>Performance</b>			
Return after charges	(3.46%)	7.92%	24.96%
<b>Other information</b>			
Closing net asset value (£'000)	—	184,407	170,940
Closing number of shares	—	71,636,225	71,663,541
Operating charges **	0.00%	0.00%	0.00%
Direct transaction costs *	0.12%	0.04%	0.04%
<b>Prices</b>			
Highest share price	504.08	262.30	239.71
Lowest share price	279.43	237.22	154.44

† Closed on 31 October 2022

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust Global Focus Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

B Accumulation (US Dollars) Accounting year ended	31 December 2022+ per share (c)	31 December 2021 per share (c)	31 December 2020 per share (c)
<b>Change in net assets per share</b>			
Opening net asset value per share	204.65	191.39	148.43
Return before operating charges	(23.68)	13.26	42.96
Operating charges	0.00	0.00	0.00
Return after operating charges	(23.68)	13.26	42.96
Distributions	—	(1.03)	(1.61)
Retained distributions on accumulation shares	—	1.03	1.61
<b>Closing net asset value per share</b>	<b>180.97</b>	<b>204.65</b>	<b>191.39</b>
After direct transaction costs of *, #	(0.14)	(0.08)	(0.06)
<b>Performance</b>			
Return after charges	(11.57%)	6.93%	28.94%
<b>Other information</b>			
Closing net asset value (\$'000)	—	20	19
Closing number of shares	—	10,000	10,000
Operating charges **	0.00%	0.00%	0.00%
Direct transaction costs *	0.12%	0.04%	0.04%
<b>Prices</b>			
Highest share price	207.20	213.97	191.00
Lowest share price	164.02	190.00	104.54

+ Closed on 12 August 2022

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust Global Focus Fund (continued)

**Comparative Tables (continued)**

for the year ended 31 December 2022

<b>X Accumulation (Sterling)</b> <b>Accounting year ended</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>	<b>31 December 2020</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	239.72	224.02	180.79
Return before operating charges	(10.31)	17.69	44.83
Operating charges	(1.94)	(1.99)	(1.60)
Return after operating charges	(12.25)	15.70	43.23
Distributions	(1.72)	(0.23)	(0.77)
Retained distributions on accumulation shares	1.72	0.23	0.77
<b>Closing net asset value per share</b>	<b>227.47</b>	<b>239.72</b>	<b>224.02</b>
After direct transaction costs of*, #	(0.28)	(0.09)	(0.08)
<b>Performance</b>			
Return after charges	(5.11%)	7.01%	23.91%
<b>Other information</b>			
Closing net asset value (£'000)	9,933	69,541	53,855
Closing number of shares	4,366,752	29,008,962	24,040,724
Operating charges**	0.85%	0.85%	0.85%
Direct transaction costs*	0.12%	0.04%	0.04%
<b>Prices</b>			
Highest share price	328.70	245.73	225.23
Lowest share price	243.80	222.64	146.01

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust Global Focus Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

X Accumulation (US Dollars) Accounting year ended	31 December 2022+ per share (c)	31 December 2021 per share (c)	31 December 2020 per share (c)
<b>Change in net assets per share</b>			
Opening net asset value per share	190.62	179.79	140.62
Return before operating charges	(22.06)	12.44	40.38
Operating charges	(0.87)	(1.61)	(1.21)
Return after operating charges	(22.93)	10.83	39.17
Distributions	—	(0.18)	(0.55)
Retained distributions on accumulation shares	—	0.18	0.55
<b>Closing net asset value per share</b>	<b>167.69</b>	<b>190.62</b>	<b>179.79</b>
After direct transaction costs of *, #	(0.13)	(0.08)	(0.06)
<b>Performance</b>			
Return after charges	(12.03%)	6.02%	27.86%
<b>Other information</b>			
Closing net asset value (\$'000)	—	19	18
Closing number of shares	—	10,000	10,000
Operating charges **	0.85%	0.85%	0.85%
Direct transaction costs *	0.12%	0.04%	0.04%
<b>Prices</b>			
Highest share price	192.97	200.46	179.42
Lowest share price	152.17	178.37	98.85

+ Closed on 12 August 2022

# Presentation of direct transaction costs per unit has been updated in the prior year comparatives for consistency with the current year.

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

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

## Liontrust Global Focus Fund (continued)

## Portfolio Statement

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (\$'000)	Percentage of total net assets (%)
	<b>EQUITIES (97.63%)</b>	<b>11,305</b>	<b>94.66</b>
	<b>ARGENTINA (2.88%)</b>	<b>350</b>	<b>2.93</b>
414	Mercadolibre	350	2.93
	<b>CHILE (1.52%)</b>	<b>219</b>	<b>1.83</b>
2,741	Sociedad Quimica y Minera de Chile	219	1.83
	<b>CHINA (1.21%)</b>	<b>378</b>	<b>3.16</b>
7,094	Trip.com ADR	244	2.04
17,500	Wuxi Biologics Cayman	134	1.12
	<b>DENMARK (5.08%)</b>	<b>362</b>	<b>3.03</b>
2,689	Novo Nordisk	362	3.03
	<b>FRANCE (1.99%)</b>	<b>308</b>	<b>2.58</b>
1,397	Thales	178	1.49
2,076	TOTAL	130	1.09
	<b>ITALY (3.55%)</b>	<b>411</b>	<b>3.44</b>
21,900	Autogrill	151	1.26
18,377	UniCredit	260	2.18
	<b>JAPAN (4.03%)</b>	<b>530</b>	<b>4.44</b>
800	FANUC	120	1.01
9,600	SoftBank	410	3.43
	<b>NETHERLANDS (5.28%)</b>	<b>303</b>	<b>2.54</b>
98,270	Koninklijke KPN	303	2.54
	<b>PANAMA (1.23%)</b>	<b>187</b>	<b>1.57</b>
2,250	Copa	187	1.57
	<b>PERU (1.29%)</b>	<b>211</b>	<b>1.77</b>
1,559	Credicorp	211	1.77

## Liontrust Global Focus Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (\$'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>SOUTH AFRICA (2.84%)</b>	<b>397</b>	<b>3.32</b>
2,389	Naspers	397	3.32
	<b>SOUTH KOREA (3.03%)</b>	<b>406</b>	<b>3.40</b>
799	Naver	112	0.94
6,729	Samsung Electronics	294	2.46
	<b>SWITZERLAND (2.41%)</b>	<b>483</b>	<b>4.05</b>
1,446	Alcon	99	0.83
4,251	Novartis	384	3.22
	<b>TAIWAN (3.11%)</b>	<b>336</b>	<b>2.81</b>
4,511	Taiwan Semiconductor Manufacturing	336	2.81
	<b>UNITED KINGDOM (2.33%)</b>	<b>601</b>	<b>5.03</b>
5,358	Anglo American	208	1.74
13,006	CNH Industrial	208	1.74
22,506	Oxford Nanopore Technologies	67	0.56
4,219	Shell	118	0.99
	<b>UNITED STATES OF AMERICA (55.85%)</b>	<b>5,823</b>	<b>48.76</b>
475	Adobe	160	1.34
1,836	Amazon.com	154	1.29
430	Aon	129	1.08
2,457	Crown	202	1.69
3,688	Delta Air Lines	121	1.01
4,025	Electronic Arts	492	4.12
719	Elevance Health	369	3.09
6,429	Fiserv	650	5.44
3,408	Freeport-McMoRan	129	1.08
9,614	Frontdoor	200	1.68
3,864	Hasbro	236	1.98
415	Installed Building Products	36	0.30
1,908	Interactive Brokers	138	1.16
2,582	Intercontinental Exchange	265	2.22
250	Intuit	97	0.81
5,366	Ionis Pharmaceuticals	202	1.69

## Liontrust Global Focus Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal value	Stock description	Market value (\$'000)	Percentage of total net assets (%)
<b>EQUITIES (continued)</b>			
<b>UNITED STATES OF AMERICA (continued)</b>			
797	L3Harris Technologies	166	1.39
2,094	LGI Homes	194	1.63
1,949	Microsoft	467	3.91
4,729	Molson Coors Beverage	244	2.04
1,798	Newmont	85	0.71
3,900	Performance Food	228	1.91
1,186	TakeTwo Interactive Software	123	1.03
7,014	US Foods	239	2.00
4,709	WillScot Mobile Mini	213	1.78
2,229	Zimmer Biomet	284	2.38
<b>COLLECTIVE INVESTMENT SCHEMES (2.27%)</b>		<b>0</b>	<b>0.00</b>
<b>Portfolio of investments</b>		<b>11,305</b>	<b>94.66</b>
<b>Net other assets</b>		<b>643</b>	<b>5.34</b>
<b>Total net assets</b>		<b>11,948</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 2021 and have been re-stated in line with current year presentation.

Stocks shown as ADRs represent American Depositary Receipts.

## Liontrust Global Focus Fund (continued)

### Statement of Total Return

for the year ended 31 December 2022

	Notes	(\$'000)	1.1.2022 to 31.12.2022 (\$'000)	(\$'000)	1.1.2021 to 31.12.2021 (\$'000)
Income					
Net capital (losses)/gains	2		(52,703)		17,443
Revenue	3	3,475		3,884	
Expenses	4	(503)		(760)	
Interest payable and similar charges	6	(2)		–	
Net revenue before taxation		2,970		3,124	
Taxation	5	(388)		(496)	
Net revenue after taxation			2,582		2,628
<b>Total return before distributions</b>			<b>(50,121)</b>		<b>20,071</b>
Distributions	7		(2,582)		(2,628)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(52,703)</b>		<b>17,443</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2022

	(\$'000)	1.1.2022 to 31.12.2022 (\$'000)	(\$'000)	1.1.2021 to 31.12.2021 (\$'000)
<b>Opening net assets attributable to shareholders</b>		<b>344,000</b>		<b>307,321</b>
Amounts received on issue of shares	801		88,574	
In-specie transfer	(67,516)		(35,787)	
Amounts paid on cancellation of shares	(212,897)		(36,366)	
		(279,612)		16,421
Dilution adjustment		173		29
Change in net assets attributable to shareholders from investment activities		(52,703)		17,443
Retained distributions on accumulation shares		90		2,786
<b>Closing net assets attributable to shareholders</b>		<b>11,948</b>		<b>344,000</b>

## Liontrust Global Focus Fund (continued)

**Balance Sheet**

as at 31 December 2022

	Notes	31.12.2022 (\$'000)	31.12.2021 (\$'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		11,305	343,670
<b>Current assets:</b>			
Debtors	8	183	384
Cash and bank balances	9	469	12
<b>Total assets</b>		<b>11,957</b>	<b>344,066</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	10	(9)	(66)
<b>Total liabilities</b>		<b>(9)</b>	<b>(66)</b>
<b>Net assets attributable to shareholders</b>		<b>11,948</b>	<b>344,000</b>

## Liontrust Global Focus Fund (continued)

**Notes to the financial statements**

for the year ended 31 December 2022

**1 Accounting policies**

The accounting policies for the Sub-fund are set out on pages 13 to 15.

**2 Net capital (losses)/gains**

	1.1.2022 to 31.12.2022 (\$'000)	1.1.2021 to 31.12.2021 (\$'000)
The net capital (losses)/gains comprise:		
Non-derivative securities	(52,468)	17,573
Foreign currency losses	(235)	(130)
<b>Net capital (losses)/gains</b>	<b>(52,703)</b>	<b>17,443</b>

**3 Revenue**

	1.1.2022 to 31.12.2022 (\$'000)	1.1.2021 to 31.12.2021 (\$'000)
Bank interest	5	–
Non-taxable overseas dividends	3,134	3,397
Taxable overseas dividends	24	–
UK dividends	312	487
<b>Total revenue</b>	<b>3,475</b>	<b>3,884</b>

**4 Expenses**

	1.1.2022 to 31.12.2022 (\$'000)	1.1.2021 to 31.12.2021 (\$'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge*	503	760
<b>Total expenses</b>	<b>503</b>	<b>760</b>

\* The audit fee for the year (borne out of the ACD's charge), excluding VAT, was £9,200 (2021 : £10,091). Where the fee exceeds the ACD's charge, the shortfall will be met by the ACD.

## Liontrust Global Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**5 Taxation**

	1.1.2022 to 31.12.2022 (\$'000)	1.1.2021 to 31.12.2021 (\$'000)
<b>a) Analysis of charge in year</b>		
Overseas tax	388	496
<b>Total tax charge [see note(b)]</b>	<b>388</b>	<b>496</b>

**b) Factors affecting tax charge for the year**

The taxation assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.1.2022 to 31.12.2022 (\$'000)	1.1.2021 to 31.12.2021 (\$'000)
Net revenue before taxation	2,970	3,124
Corporation tax at 20% (2021 - 20%)	594	625
Effects of:		
Movement in unrecognised tax losses	97	152
Overseas tax	388	496
Prior year adjustment to unrecognised tax losses	(1)	–
Revenue not subject to tax	(690)	(777)
<b>Total tax charge [see note(a)]</b>	<b>388</b>	<b>496</b>

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

**c) Deferred tax**

At the year end there is a potential deferred tax asset of \$693,000 (2021: \$596,000) due to tax losses of \$3,464,000 (2021: \$2,980,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

**6 Interest payable and similar charges**

	1.1.2022 to 31.12.2022 (\$'000)	1.1.2021 to 31.12.2021 (\$'000)
Overdraft interest	2	–
<b>Total interest payable and similar charges</b>	<b>2</b>	<b>–</b>

## Liontrust Global Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**7 Distributions**

	1.1.2022 to 31.12.2022 (\$'000)	1.1.2021 to 31.12.2021 (\$'000)
Interim distribution	–	1,606
Final distribution	90	1,180
	<b>90</b>	<b>2,786</b>
Amounts deducted on cancellation of shares	2,109	24
Equalisation on inspecie transfers	393	–
Amounts received on issue of shares	(10)	(182)
<b>Distributions</b>	<b>2,582</b>	<b>2,628</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	2,582	2,628
<b>Distributions</b>	<b>2,582</b>	<b>2,628</b>

The distribution per share is set out in the tables on page 212.

**8 Debtors**

	31.12.2022 (\$'000)	31.12.2021 (\$'000)
Accrued revenue	9	228
Overseas withholding tax	174	156
<b>Total debtors</b>	<b>183</b>	<b>384</b>

**9 Cash and bank balances**

	31.12.2022 (\$'000)	31.12.2021 (\$'000)
Cash and bank balances	469	12
<b>Total cash and bank balances</b>	<b>469</b>	<b>12</b>

## Liontrust Global Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**10 Creditors**

	31.12.2022 (\$'000)	31.12.2021 (\$'000)
Accrued ACD's charge	9	66
<b>Total other creditors</b>	<b>9</b>	<b>66</b>

**11 Contingent liabilities and outstanding commitments**

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: £nil).

**12 Related party transactions**

From 30 September 2022, Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company. Prior to 30 September 2022, the ACD of the fund was Link Fund Solutions Limited.

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

All balances due to the ACD at the current year end in respect of transactions in shares are due to Liontrust Fund Partners LLP and all balances due to the ACD at the prior year end in respect of transactions in shares are due to Link Fund Solutions Limited.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was \$9,000 (2021: n/a). The balance due to Link Fund Solutions Limited and its associates at the year end in respect of expenses was £nil (2021: £66,000)

The total expense due to Liontrust Fund Partners LLP and its associates for the period from 1 October 2022 was \$25,000 (2021: n/a). The total expense due to Link Fund Solutions Limited and its associates for the period to 30 September 2022 was \$478,000 (2021: \$760,000).

The total shares issued by Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was \$634,000 (2021: n/a) and the total shares cancelled by Liontrust Fund Partners LLP and its associates for the period from 30 September 2022 was \$1,308,000 (2021: n/a).

The total shares issued by Link Fund Solutions Limited and its associates for the period from 30 September 2022 was \$167,000 (2021: \$88,574,000) and the total shares cancelled by Link Fund Solutions Limited and its associates for the period from 30 September 2022 was \$279,105,000 (2021: \$36,366,000).

## Liontrust Global Focus Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies

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

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

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

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

#### Market price risk

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

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

As at 31 December 2022 and 31 December 2021 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

## Liontrust Global Focus Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

As at 31 December 2022, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 8.3%.

As at 31 December 2021, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 8.9%.

Some limitations of sensitivity analysis are;

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

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

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

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

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

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

##### Currency risk

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

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

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

## Liontrust Global Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**13 Risk management policies (continued)****Currency risk (continued)**

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

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

The Sub-fund may receive income in currencies other than US Dollars, and the US Dollars values of this income can be affected by movements in exchange rates. The Sub-fund converts all receipts of income into US Dollars 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.

At 31 December 2022 the Sub-fund's currency exposure was as shown in the table below:

Currency	Net Foreign Currency Assets		Total (\$'000)
	Monetary Exposures (\$'000)	Non-Monetary Exposures (\$'000)	
Danish Krone	173	362	535
Euro	2	1,230	1,232
Hong Kong Dollar	–	134	134
Japanese Yen	–	530	530
South African Rand	–	397	397
South Korean Won	–	406	406
Swiss Franc	–	483	483
United Kingdom Pound	1	393	394
United States Dollar	467	7,370	7,837
	<b>643</b>	<b>11,305</b>	<b>11,948</b>

## Liontrust Global Focus Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Currency risk (continued)

At 31 December 2021 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		Total (\$'000)
	Monetary Exposures (\$'000)	Non-Monetary Exposures (\$'000)	
Danish Krone	132	17,478	17,610
Euro	19	29,068	29,087
Japanese Yen	–	13,877	13,877
South African Rand	–	9,775	9,775
South Korean Won	37	10,425	10,462
Swiss Franc	–	8,275	8,275
United Kingdom Pound	12	8,026	8,038
United States Dollar	130	246,746	246,876
	<b>330</b>	<b>343,670</b>	<b>344,000</b>

If the exchange rate at 31 December 2022 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.34%/(0.34)% respectively.

If the exchange rate at 31 December 2021 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.28%/(0.28)% respectively.

##### Interest rate risk

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

As a result, the Sub fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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

##### Liquidity risk

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

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-fund may not be able to sell a position for full value or at all in the short-term. This may affect

### Liontrust Global Focus Fund (continued)

#### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Liquidity risk (continued)

performance and could cause the Sub-fund to defer or suspend redemptions of its shares. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

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

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

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

##### Counterparty credit risk

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

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

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

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan. The Sub-fund currently does not engage in stock lending. The ACD is required to provide shareholder 60 days' prior written notice.

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

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2022 was A (Standard & Poor's rating).

BNYMSA, in the discharge of its delegated Depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the

## Liontrust Global Focus Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Counterparty credit risk (continued)

books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

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

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

##### Maturity profile of financial liabilities

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

##### Fair value of financial assets and liabilities

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

##### Valuation of financial investments

	Assets (\$'000)	Liabilities (\$'000)
<b>31.12.2022</b>		
Level 1: Quoted prices	11,305	—
	<b>11,305</b>	<b>—</b>
<b>31.12.2021</b>		
Level 1: Quoted prices	335,857	—
Level 2: Observable market data	7,813	—
	<b>343,670</b>	<b>—</b>

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

## Liontrust Global Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2022

**14 Share movement**

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
B Accumulation (Sterling)	71,636,225	2,447	(71,638,672)	—	—
B Accumulation (US Dollars)	10,000	—	(10,000)	—	—
X Accumulation (Sterling)	29,008,962	357,412	(24,999,622)	—	4,366,752
X Accumulation (US Dollars)	10,000	—	(10,000)	—	—

## Liontrust Global Focus Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

**15 Portfolio transaction costs**  
for the year ending 31 December 2022

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (\$'000)</b>	<b>Commissions (\$'000)</b>	<b>%</b>	<b>Taxes (\$'000)</b>	<b>%</b>
Equity instruments (direct)	84,658	36	0.04	57	0.07
<b>Total purchases</b>	<b>84,658</b>	<b>36</b>		<b>57</b>	
<b>Total purchases including transaction costs</b>	<b>84,751</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (\$'000)</b>	<b>Commissions (\$'000)</b>	<b>%</b>	<b>Taxes (\$'000)</b>	<b>%</b>
Equity instruments (direct)	293,919	106	0.04	30	0.01
In-specie transfers	63,053	–	–	–	–
<b>Total sales</b>	<b>356,972</b>	<b>106</b>		<b>30</b>	
<b>Total sales net of transaction costs</b>	<b>356,836</b>				
<b>Total transaction costs</b>		<b>142</b>		<b>87</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.08%</b>		<b>0.05%</b>	

## Liontrust Global Focus Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (\$'000)</b>	<b>Commissions (\$'000)</b>	<b>%</b>	<b>Taxes (\$'000)</b>	<b>%</b>
Equity instruments (direct)	147,996	50	0.03	44	0.03
<b>Total purchases</b>	<b>147,996</b>	<b>50</b>		<b>44</b>	
<b>Total purchases including transaction costs</b>	<b>148,090</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (\$'000)</b>	<b>Commissions (\$'000)</b>	<b>%</b>	<b>Taxes (\$'000)</b>	<b>%</b>
Equity instruments (direct)	102,613	43	0.04	5	-
<b>Total sales</b>	<b>102,613</b>	<b>43</b>		<b>5</b>	
<b>Total sales net of transaction costs</b>	<b>102,565</b>				
<b>Total transaction costs</b>		<b>93</b>		<b>49</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.03%</b>		<b>0.01%</b>	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.07% (2021: 0.07%).

## Liontrust Global Focus Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 16 Post balance sheet events

The Fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility.

Since the year-end, the NAV per share of the X Accumulation (Sterling) share class has increased by 6.40% to 19 April 2023.

The other share classes in the Sub-fund have moved by a similar magnitude.

## Liontrust Global Focus Fund (continued)

### Distribution Tables

for the year ended 31 December 2022

#### Final distribution

Group 1 - Shares purchased prior to 1 July 2022

Group 2 - Shares purchased 1 July 2022 to 31 December 2022

	Net Revenue Pence/Cents per share	Equalisation* Pence/Cents per share	Distribution paid 28.2.2023 Pence/Cents per share	Distribution paid 28.2.2022 Pence/Cents per share
B Accumulation (Sterling) - Group 1 †	—	—	—	1.1199
B Accumulation (Sterling) - Group 2 †	—	—	—	1.1199
B Accumulation (US Dollars) - Group 1+	—	—	—	—
B Accumulation (US Dollars) - Group 2+	—	—	—	—
X Accumulation (Sterling) - Group 1	1.7202	—	1.7202	0.2381
X Accumulation (Sterling) - Group 2	0.1515	1.5687	1.7202	0.2381
X Accumulation (US Dollars) - Group 1+	—	—	—	0.1887
X Accumulation (US Dollars) - Group 2+	—	—	—	0.1887

+ Closed on 12 August 2022

† Closed on 31 October 2022

#### Interim distribution

Group 1 - Shares purchased prior to 1 January 2022

Group 2 - Shares purchased 1 January 2022 to 30 June 2022

	Net Revenue Pence/Cents per share	Equalisation* Pence/Cents per share	Distribution paid 31.8.2022 Pence/Cents per share	Distribution paid 31.8.2021 Pence/Cents per share
B Accumulation (Sterling) - Group 1	—	—	—	1.2749
B Accumulation (Sterling) - Group 2	—	—	—	1.2749
B Accumulation (US Dollars) - Group 1	—	—	—	1.0327
B Accumulation (US Dollars) - Group 2	—	—	—	1.0327
X Accumulation (Sterling) - Group 1	—	—	—	—
X Accumulation (Sterling) - Group 2	—	—	—	—
X Accumulation (US Dollars) - Group 1	—	—	—	—
X Accumulation (US Dollars) - Group 2	—	—	—	—

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

## Additional Information (unaudited)

### **Important information**

Past performance is not a guide to future performance. The value of an investment and the income generated from it can fall as well as rise and is not guaranteed. You may get back less than you originally invested. The issue of shares may be subject to an initial charge and this is likely to have an impact on the realisable value of your investment, particularly in the short term. The annual management fee of the Liontrust UK Equity Income 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.



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