LIONTRUST SUSTAINABLE FUTURE ICVC

Annual Report & Financial Statements

For the period:
1 February 2022
to
31 January 2023

Managed in accordance with
The Liontrust Sustainable Future Process

LIONTRUST FUND PARTNERS LLP

LIONTRUST

LIONTRUST SUSTAINABLE FUTURE ICVC

Contents

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

Management and Administration

Management and Administration

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

Liontrust Fund Partners LLP

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

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

Depositary

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

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

Independent Auditor

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

Administrator and Registrar

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

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

Management and Administration (continued)

Company Information

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

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[1]	**83**	**18,744**
of which		
Fixed remuneration	83	8,116
Variable remuneration	83	10,628
UCITS Remuneration Code Staff[1, 2]	**15**	**19,103**
of which		
Senior Management	2	1,839
Other control functions:		
Other code staff/risk takers	13	17,264

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

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

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.

Management and Administration (continued)

Remuneration policy (continued)

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

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

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

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

Scope of the policy

By entity

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

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

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

By individual

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

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

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

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.

Management and Administration (continued)

Approach to the remuneration (continued)

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.

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 Sub-funds and the other UK-domiciled funds managed by Liontrust will be conducted as at 31 August each year. The assessment of value report can be viewed on the Liontrust website www.liontrust.co.uk/learning/assessment-of-value.

Changes to the Prospectus

During the year to 31 January 2023, 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 objectives and policies of the Sub-funds have been updated effective 6 June 2022, to reflect the enhanced sustainability disclosures for the Liontrust Sustainable Future Funds.

Holdings in Other Funds of the Company

As at 31 January 2023, the following Sub-funds held shares in other Sub-funds within the Liontrust Sustainable Future ICVC.

Sub-fund	Shares held	Holding	Market value (£'000)
Liontrust Sustainable Future Cautious Managed Fund	Liontrust Sustainable Future Corporate Bond Fund	7,647,358	7,174
Liontrust Sustainable Future Defensive Managed Fund	Liontrust Sustainable Future Corporate Bond Fund	17,443,144	16,363

Management and Administration (continued)

Statement of the Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

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

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

Report of the ACD to the Shareholders

The ACD, as sole director, presents its report and the audited financial statements of the Company for the year from 1 February 2022 to 31 January 2023.

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

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

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

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

Management and Administration (continued)

Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist fund management company with £32.6 billion in assets under management (AUM) 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.

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 24 May 2023.

Antony Morrison

Member

24 May 2023

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

To the Shareholders of Liontrust Sustainable Future ICVC ("the Company") for the year ended 31 January 2023.

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

24 May 2023

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Company for the year ended 31 January 2023 which comprise the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for the each of the Company's Sub-funds listed on the Contents page and the accounting polices set out on pages 12 to 14.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of each of the Sub-funds as at 31 January 2023 and of the net revenue/net expense and the net capital losses on the property of each of the Sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

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

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

Going Concern

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

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

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

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

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

Report on the audit of the financial statements (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

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

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

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

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

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

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

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

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

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

Report on the audit of the financial statements (continued)

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

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

Other information

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

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

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

Matters on which we are required to report by exception

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

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

Authorised Corporate Director's responsibilities

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

Auditor's responsibilities

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

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

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

Report on the audit of the financial statements (continued)

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

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

Grant Archer

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

24 May 2023

Notes applicable to the financial statements of all Sub-funds

for the year ended 31 January 2023

1 Accounting Policies

a) Basis of accounting

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

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

b) Valuation of investments

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

For Collective Investment Schemes (CIS) 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.

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

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

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

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

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

for the year ended 31 January 2023

1 Accounting Policies (continued)

c) Revenue (continued)

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

d) Rebates of ACD fees

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

e) Expenses

Expenses are recognised on an accruals basis.

The operating expenses of the Sub-funds are paid out of the Fixed Rate Administration fee by the ACD.

f) Allocation of income and expenses

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

g) Taxation

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

h) Exchange rates

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

i) Financial instruments

Where appropriate, certain permitted financial instruments such as derivative contracts or forward exchange contracts are used for 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 January 2023

1 Accounting Policies (continued)

i) Financial instruments (continued)

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

Distribution Policies

j) Basis of distribution

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

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

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

k) Equalisation

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

l) Special dividends

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

m) Functional currency

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

Sustainable Future Cautious Managed Fund

Report for the year from 1 February 2022 to 31 January 2023

Investment Objective

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

Investment Policy

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

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

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

Equity – 40-60 %

Fixed income – 20-50%

Cash – 0-20%

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

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

Sustainable Future Cautious Managed Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned -9.0% (Class 2 Net Income) over the year under review, versus the -2.3% IA Mixed Investment 40-85% Shares sector average (the comparator benchmark)*.

Over the last 22 years, our Sustainable Future (SF) investment process has focused on companies looking to enable and benefit from the progress towards a *cleaner*, *healthier and safer* economy.

Our process has served our clients well over the last two decades; however, 2022 was without doubt the most challenging year since the inception of the Sustainable Future range of funds. A sharp market rotation towards 'value' stocks, combined with an exceptionally challenging macroeconomic environment hit our Funds particularly hard over the majority of 2022. Moving into the 2023, global equities started the year on a stronger footing following the re-opening of China after they dropped their zero-Covid policy and signs that inflation is beginning to ease in major regions improved market sentiment, with hopes that central banks are close to the peak of their respective interest rate hiking cycles.

In terms of market overview, we began the period under review with low central bank rates, stimulative government policies, and bottlenecks in global supply chains causing prices to rise for scarce products and labour. The first two were well-intentioned interventions to prop up economies through the shock of the Covid-19 pandemic, though in hindsight were applied for too long. Inflationary pressures were compounded by the Russian invasion of Ukraine, which exacerbated energy price inflation, and lockdowns in China, which put further strain on global supply chains.

Central banks reacted to worsening inflation by shifting to aggressive tightening of monetary policy. This was an abrupt change in macroeconomic backdrop which sent markets into a tailspin, with almost all asset classes falling to a greater or lesser extent in response to a higher cost of capital.

As interest rate expectations rose, bond yields moved significantly higher while equity markets suffered losses which were worse among long duration areas, such as the growth and quality-style equities the SF funds invest in.

From an asset allocation perspective, the market activity we saw over 2022 presented an opportunity to rebalance portfolios. The main change we have made is to deploy cash to take advantage of the improved valuation of UK government bonds. Following a decade being maximum underweight to gilts, we have started reducing the underweight and increasing duration. We have maintained the overweight position in corporate bonds, taking advantage of attractive yields to also increase duration.

Within the UK and global equity allocations, we have maintained neutral positioning, but sought to add to high-quality holdings that have sold off too heavily. The other asset allocation change has been to reduce the overweight infrastructure position, taking some profit from electricity generators after a strong performance.

Sub-fund performance over the year was somewhat held back by a negative return on its UK government bond allocation, as a market sell-off in the third quarter saw yields rise across the board. The market action was particularly severe in the UK market, where gilts tumbled following the UK Government's poorly received budget announcement.

In terms of individual stocks, Cadence Design Systems was among the top performers over the period under review. Exposed to our *Improving the efficiency of energy use* theme, Cadence provides EDA (electronic design automation) technology that designs and optimises semiconductor chips. Its technology facilitates innovation behind many of our themes related to the digitalisation of the global economy. Over the year, the company announced a number of positive trading updates, most notably a strong earnings per share beat in its second quarter release.

PTC was another strong contributor to performance over the year. As a leading player in areas such as the Internet of Things and Augmented Reality, the computer software and services firm's goal is to make its manufacturing customers more efficient, bringing digitalisation to the factory floor, and the company is therefore a good fit for our *Improving the resource efficiency of industrial and agricultural processes* theme. PTC delivered strong second-quarter results that exceeded expectations, allowing it to raise guidance for fiscal 2022 revenues and free cashflow.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Ringkjoebing Landbobank (Rilba) is a long-term outperformer and was again among the notable contributors over the year under review. The Danish bank is exposed to our *Increasing financial resilience* theme, one we believe is crucial to ensuring a stable economy. You only have to go back to September 2008 to see the impact that weak financial institutions, inadequate regulation and supervision, and a lack of transparency had on the global economy. Businesses that provide simple products that consumers need, like current accounts and mortgages, contribute to a more resilient financial system – we believe Rilba, as one of the best-run banks in the industry, is doing just that.

The Danish bank performed strongly into the close of the year after raising its pre-tax profit forecast for the full year at the start of December; it upped its guidance to between Dkr1.70 billion to Dkr1.95 billion, compared with Dkr1.55 billion to Dkr1.80 billion previously. The company cited the primary reasons behind this upward adjustment as continued levels of positive activity, higher interest rates and growth in lending for the first three quarters of the year.

Private equity company 3i Group performed strongly after announcing a total return of £1.77bn in its first half earnings release, or 14% on opening shareholders' funds. The company noted that its position in discount retailer Action was a significant contributor to performance, with 3i also seeing strong earnings growth and momentum in a number of its portfolio companies in the consumer, healthcare, specialty industrial and business and technology service sectors.

Exposed to our *Increasing financial resilience* theme, 3i predominantly invests in retail, infrastructure, healthcare, technology and industrial and it has strong responsible investment policies and firm exclusions on no-go areas. The company has a model based on investing and supporting businesses for growth. This helps to develop the infrastructure and technologies we need in a sustainable transition.

As has been the case since the value rotation began, the Sub-fund's weaker performers included several technology-focused businesses that suffered from higher discount rates, including DocuSign, PayPal and Spotify.

To reiterate our message on DocuSign, this US business saw a huge acceleration in terms of demand as it enables paperless contract signing and businesses needed its services to operate in a lockdown world. We are still only in the earliest stages of market penetration in terms of paperless signatures and DocuSign is the clear market leader. We see the company as a beneficiary of the move towards a more circular economy and greater resource efficiency, saving billions of sheets of paper (and therefore trees) based on its position today and potentially increasing this massively as the market continues to grow.

Spotify's shares have also been weak since its 2021 fourth-quarter results released at the start of February. The results for the quarter itself were solid and generally in line with analyst expectations but the company's guidance on Q1 2022 was slightly below expectations in terms of new monthly subscribers. Spotify put this down to an increasingly seasonal approach to marketing and acquiring new customers. Furthermore, in its most recent earnings release in October, the music streaming service announced that profit margins may narrow due to programming costs and that it was also considering raising prices in the US.

PayPal's situation is different and we are continuing to review our thesis and position. This has been a major performer for the portfolio over recent years but, earlier in 2022, the company missed analyst expectations for growth and earnings, downgraded guidance for 2022, and, most concerningly, provided new information that calls into question the growth algorithm investors had modelled. Management explained the business operates on a Pareto Principle – the concept that around 30% of customers drive the majority of revenues and profits. This is not uncommon but our concern is that it was the first time we had heard management mention this, having followed the company since 2017.

Shares in PayPal also fell sharply in the fourth quarter of 2022 as it trimmed its forecast for annual revenue amid a slowdown in spending volume on its platform. Payments volume increase 14% to $337 billion in the third quarter, which was below the average estimates. PayPal now expects revenue for the year to increase 10% to $27.5 billion, which is a downgrade of an earlier forecast of $27.8 billion. In response, the company has vowed to reduce expenses – including job cuts and the shuttering of offices across the US – which it has said will result in $900 million in savings this year and $1.3 billion next year.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Home REIT was also among the detractors over the period with the company's share price falling sharply after the release of a short-selling report by Viceroy Research LLC.

Following the allegations made in the report and the full response from Home REIT on 30 November, Liontrust is continuing to engage with the management of Home REIT and are awaiting more information from and discussions with Home REIT before taking any decisions.

Over the two decades that the Sustainable investment team have been managing the Sustainable Future funds, a key lesson that we have learned is that 'sustainable' should not be taken to mean perfect. Investing involves making predictions about the future, which is extremely difficult. Therefore, we have to expect occasions – albeit rare – when the future does not turn out as predicted and the companies we hold become embroiled in a controversy that may challenge the initial assessment of their sustainability.

As soon as we are aware of any controversy, the next stage is to analyse the situation in detail, investigating to ascertain the involvement of the company in question, the seriousness of allegations made and how the business is responding.

Over the year, we trimmed some of our stronger performers, freeing up capital to add to a number of companies where indiscriminate selling has created opportunities. A new addition over Q1 was Masimo, under our *Enabling innovation in healthcare* theme. Headquartered in the US, Masimo's core product is pulse oximetry sensors, which enable a patient's vital signs to be monitored. The company places circuit boards (referred to as drivers) into bedside monitor machines and then sells the hospital sensors to pair with these devices.

We also initiated a position in Wise over the year. The financial technology company's mission is to bring transparency and fairness into moving money around the world; a resilient financial system helps support all in society and we look for businesses that dramatically improve access to financial services and reduce the costs for everyone. Wise offers a significantly better rate, lower fees, and a very simple app-based approach.

Within the same theme, we initiated a position in US firms Advanced Draining Systems and Trex. ADS is the leader in the supply of plastic-based storm water drainage in the US. ADS's products are made from recycled plastics and replace concrete-based drainage systems, which are a poorer quality product as well as being more carbon intensive to manufacture.

Trex manufactures non-wood decking and railing products from waste-wood fibres and recycled plastic, upcycling 400 million pounds of plastic each year from post-consumer and post-industrial. Although the products mimic wood, they require less maintenance and last longer.

We added AstraZeneca and Alcon under *Enabling innovation in healthcare*. AstraZeneca is a pure-play Biopharmaceuticals company with a focus on oncology, diabetes, central nervous system disorders, and cardiovascular, autoimmune and respiratory diseases. Put simply, this is one of the highest-growth companies in the global pharmaceutical peer group.

Alcon is an American-Swiss medical device firm specialising in design and manufacture of interocular lenses, consumables used in ophthalmic surgery and consumer contact lenses.

We also added Agilent Technologies, a global leader in quality control and testing, ensuring the food we eat, the air we breathe and the water we drink does not contain harmful chemicals and contaminants. Exposed to our *Better monitoring of supply chains and quality control* theme, it is also a leader in the supply of Research & Development tools in the area of increasingly cutting-edge technology related to gene-editing.

Vestas Wind Systems was another new addition under our *Increasing electricity from renewable sources* theme. This Danish firm, one of the three main players outside of China, is the quality leader in the supply of wind turbines globally, which are key to the transition away from Russian gas and fossil fuel dependency. Vestas' strategy to shift away from *just* turbine manufacturing towards turbine design, optimising connection to grid to yield highest cashflow and profitable service revenue look set to help them grow profitability for the next decade and beyond.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Admiral was another new purchase under our *Insuring a sustainable economy* theme. This is a motor and household insurer in the UK which is consistently rated highly by customers. We have long admired its very strong employee culture with a focus on promotion and share ownership from within that makes it stand out from other organisations. Its lower-cost operating model means it can be the most competitive on insurance rates without detracting from the quality of its cover.

Following the split from GlaxoSmithKline, we have a new holding in Haleon which we retain in the portfolio. Held under our *Providing affordable healthcare* theme, Haleon is a consumer healthcare business formed by the combination of GlaxoSmithKline and Pfizer's consumer healthcare units. We believe the company demonstrates strong sustainability credentials, aiming to help individuals take responsibility for their health before reaching the healthcare system, with over-the-counter products such as vitamins, toothpaste and painkillers. We also feel the entity has a robust credit profile given its large scale and strong diversification by geography and product line, with a dominant position across several markets. It is highly cash generative, with resilient cash flows, which should be supportive of its deleveraging ambitions over the coming years.

We added US insurance business Brown & Brown (B&B) under our *Insuring a sustainable economy t*heme. B&B is a commercial lines insurance broker, meaning that it works on behalf of clients, namely businesses needing risk cover, to find suitable contracts from insurers. In some cases, it also does the underwriting but the balance sheet risk is held with reinsurers; the latter are willing to do this because they want to earn the premiums but might not have the expertise in a given area and therefore entrust B&B with assessing that risk.

We also added NatWest, a UK-focused bank that sits within our theme of *increasing financial resilience*. We feel that NatWest will benefit from a higher interest rate environment and has ambitious targets around decarbonisation from its client base, including the provision of green mortgages to help households improve their energy ratings.

We added back a position in Kerry Group, a long-term favourite of ours that we had sold in 2021 as its share price had reached our five-year assessment of intrinsic value. However, with the share price falling c.20% between the end of January and the middle of June, we felt there was renewed upside following the derating. Kerry Group is exposed to our *Delivering healthier foods* theme, using its intellectual property (IP) to improve the nutritional characteristics of food, which remains a key part of reducing obesity and improving people's lives.

In order to fund these new acquisitions, we exited long-held positions in CSL, Waste Connections and Prudential. CSL has been in the Sub-fund more than a decade, and, whilst the business remains high quality, we were slightly concerned about its recent acquisition and further capital deployment. Waste Connections has performed well, but with the majority of the waste they collect being diverted to landfill, rather than being recycled, we decided to use this capital to focus on a better thematic fit for our *Circular economy* theme. Prudential has been a disappointing investment, and we felt that recycling the capital we had used for this position into Brown & Brown was a prudent investment decision.

We also exited positions in Abcam, Technogym and Knorr Bremse during the year. Abcam is a global life science company focused on identifying, developing and distributing high-quality reagents and tools for its customers. Heavy investment to set itself up for the future means Abcam's shorter-term returns are likely to be depressed. We were also unimpressed by Abcam's proposed long-term incentive plan for senior management, which in our view was unwarrantedly generous and caused us to downgrade our management quality rating for the firm.

We decided to exit our position in Technogym as we lost confidence in the long-term resilience of the company's business fundamentals. While Technogym's products remain best in class, demand from traditional customers such as gyms has collapsed, as it has from a newer channel in the shape of hotels. We remain concerned the pandemic may have long-lasting impacts upon aggregate demand for both gyms and hotels, and new gym equipment is a discretionary item that can be sacrificed in times of difficulty.

Knorr Bremse, a German braking system manufacturer was a relatively new position, which we first bought into in 2019. While we like the company from a product perspective, with strong exposure to transport safety (in trains and trucks), and returns have been high, we have been concerned about recent management churn: the company is on its fourth CEO since listing in 2018. Weaker

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

fundamentals in China, Knorr Bremse's biggest market for rail safety and braking systems, have put medium-term group sales and earnings before interest and tax (EBIT) margin targets in doubt, while a botched attempt to buy automotive electronics manufacturer Hella gives us little confidence in the business's ability to execute a credible mergers & acquisition (M&A) strategy.

We also sold a long-term position in Hargreaves Lansdown (HL) on the back of weaker business fundamentals. Shares in HL have been falling since interim results and its Capital Markets Day in February revealed net new business and earnings per share which were weaker than expectations. The company also announced a higher cost trajectory for the next couple of years as it plans to reinvest in the business. We think these investments are the right thing to do for the long term, helping HL maintain its market-leading position, but they have taken too long and are not without execution risk.

We sold Splunk as we were concerned that its technological lead in unstructured data and big data analysis is coming under pressure from new competitors. Splunk's technology is increasingly adopted as a form of network digital security, and as this moves into the cloud, there is an increasing number of surveillance software competitors. We believe this may pressure pricing and returns for the business going forward.

We also completed our sale of Countryside Partnerships, with the company's share price underpinned by its bid for the company by Vistry, a fellow housebuilder. This was a disappointing conclusion to an investment based on meeting strong demand for affordable, rental and open market housing. In the end, we feel that the company executed very poorly on its strategy.

We sold our holding in Cellnex Telecom. Our belief is that the consolidation of the European telecommunication tower market is nearing the end of the road, with fewer options left in terms of acquisitions. This is coupled with higher valuations and increased costs of debt all of which we believe could result in reducing returns on capital.

**Source: Financial Express, bid-to-bid, net of fees, 31.01.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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

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

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
United Kingdom Gilt 0.875% 31/7/2033	United Kingdom Gilt 4.25% 7/6/2032
United Kingdom Gilt 4.25% 7/6/2032	United Kingdom Gilt 1.625% 22/10/2028
United Kingdom Gilt 0.125% 31/1/2023	United Kingdom Gilt 0.125% 31/1/2023
United Kingdom Gilt 1.5% 31/7/2053	United Kingdom Gilt 0.75% 22/7/2023
United Kingdom Gilt 0.75% 22/7/2023	United Kingdom Gilt 1.75% 7/9/2022
Barclays 8.407% 14/11/2032	Cadence Design Systems
Masimo	Waste Connections
ASML	CSL
Alcon	London Stock Exchange
Agilent Technologies	ASML

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Risk and Reward profile

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

Typically lower rewards, lower risk | Typically higher rewards, higher risk

1	2	3	4	5	6	7

- This Synthetic Risk and Reward Indicator ("SRRI") is based upon historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or Index's value has moved up and down in the past.
- The Sub-fund is categorised 5 primarily because of its exposure to a diversified portfolio of Global equities and bonds.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-fund;
  - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Sub-fund.
  - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result;
  - the creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- The Sub-fund may, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Sub-fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- The Sub-fund may have both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign exchange contracts to protect returns in the base currency of the Sub-fund.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

- Outside of normal conditions, the Sub-fund may hold higher levels of cash which may be deposited with several credit counterparties (e.g. international banks). A credit risk arises should one or more of these counterparties be unable to return the deposited cash.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- ESG Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG.

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

Sustainable Future Cautious Managed Fund (continued)

Comparative Tables
for the year ended 31 January 2023

Class 2 Net Income Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	161.45	157.50	145.22
Return before operating charges	(13.25)	7.68	15.83
Operating charges	(1.26)	(1.47)	(1.33)
Return after operating charges	(14.51)	6.21	14.50
Distributions	(2.75)	(2.26)	(2.22)
Closing net asset value per share	**144.19**	**161.45**	**157.50**
After direct transaction costs of*	(0.07)	(0.10)	(0.29)
Performance			
Return after charges	(8.99%)	3.94%	9.98%
Other information			
Closing net asset value (£'000)	1,009,347	1,094,342	610,100
Closing number of shares	700,034,128	677,803,580	387,369,418
Operating charges**	0.86%	0.88%	0.90%
Direct transaction costs*	0.05%	0.06%	0.20%
Prices			
Highest share price	163.07	176.24	164.24
Lowest share price	131.30	156.56	122.04

* 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.

Sustainable Future Cautious Managed Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2023

Class 3 Net Income Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	165.19	160.65	147.70
Return before operating charges	(13.70)	7.76	16.04
Operating charges	(0.77)	(0.91)	(0.83)
Return after operating charges	(14.47)	6.85	15.21
Distributions	(2.81)	(2.31)	(2.26)
Closing net asset value per share	**147.91**	**165.19**	**160.65**
After direct transaction costs of*	(0.07)	(0.10)	(0.30)
Performance			
Return after charges	(8.76%)	4.26%	10.30%
Other information			
Closing net asset value (£'000)	88,802	89,825	43,176
Closing number of shares	60,036,129	54,377,805	26,875,087
Operating charges**	0.51%	0.53%	0.55%
Direct transaction costs*	0.05%	0.06%	0.20%
Prices			
Highest share price	166.84	180.18	167.50
Lowest share price	134.58	159.74	124.18

* 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.

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (52.81%)	**589,918**	**53.72**
	AUSTRALIA (0.67%)	**0**	**0.00**
	DENMARK (0.89%)	**17,771**	**1.62**
113,825	Ringkjoebing Landbobank	13,376	1.22
185,834	Vestas Wind Systems	4,395	0.40
	GERMANY (2.32%)	**17,815**	**1.62**
224,932	Evotec	3,564	0.32
230,547	Infineon Technologies	6,692	0.61
138,015	Puma	7,559	0.69
	IRELAND (0.99%)	**16,619**	**1.51**
65,495	Kerry	4,966	0.45
343,552	Smurfit Kappa	11,653	1.06
	ITALY (0.08%)	**0**	**0.00**
	JAPAN (2.22%)	**29,679**	**2.71**
8,728	Canadian Solar Infrastructure Fund	6,678	0.61
35,700	Daikin Industries	4,999	0.46
31,200	Keyence	11,527	1.05
258,500	TechnoPro	6,475	0.59
	NETHERLANDS (1.46%)	**21,409**	**1.94**
5,375	Adyen	6,532	0.59
27,985	ASML	14,877	1.35
	SPAIN (0.39%)	**0**	**0.00**
	SWEDEN (1.63%)	**17,414**	**1.59**
400,713	Avanza Bank	7,446	0.68
108,900	Spotify Technology	9,968	0.91
	SWITZERLAND (0.47%)	**16,305**	**1.48**
138,325	Alcon	8,395	0.76
31,370	Roche	7,910	0.72

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (19.46%)	**198,617**	**18.10**
735,707	3i	11,584	1.05
540,514	Abcam	6,090	0.55
282,289	Admiral	6,210	0.57
1,071,052	AJ Bell	3,605	0.33
119,374	Ashtead	6,341	0.58
64,214	AstraZeneca	6,800	0.62
5,918,400	Atrato Onsite Energy	5,439	0.50
392,906	Compass	7,587	0.69
822,447	Crest Nicholson	1,995	0.18
111,852	Croda International	7,702	0.70
1,309,835	DFS Furniture	1,960	0.18
973,026	GB	3,427	0.31
576,228	GSK	8,202	0.75
743,411	Gym	959	0.09
2,527,611	Haleon	8,196	0.75
218,526	Halma	4,692	0.43
2,753,761	Helios Towers	2,914	0.27
13,006,462	Home REIT^	4,949	0.45
168,172	Intertek	7,307	0.67
5,717,161	IP	3,485	0.32
2,802,144	Legal & General	7,117	0.65
93,775	London Stock Exchange	6,943	0.63
499,971	Molton Ventures	1,788	0.16
2,051,189	National Express	2,724	0.25
1,810,989	NatWest	5,576	0.51
931,599	Oxford Biomedica	3,964	0.36
1,258,276	Paragon Banking	7,556	0.69
404,302	Porvair	2,434	0.22
4,889,052	PRS REIT	4,449	0.41
1,328,197	Rotork	4,221	0.38
4,506,724	SDCL Energy Efficiency Income Trust	4,227	0.38
433,153	Softcat	5,224	0.48
818,034	St James's Place	9,992	0.91
1,871,685	Trainline	5,308	0.48
4,639,967	Triple Point Energy Efficiency Infrastructure	3,318	0.30
270,946	Unilever	11,132	1.01
590,452	Wise	3,200	0.29

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED STATES OF AMERICA (22.23%)	**254,289**	**23.15**
26,400	Adobe	7,941	0.72
39,200	Advanced Drainage Systems	3,212	0.29
66,800	Agilent Technologies	8,251	0.75
135,900	Alphabet	11,026	1.00
47,700	American Tower	8,655	0.79
47,700	ANSYS	10,322	0.94
51,500	Autodesk	9,001	0.82
86,600	Bright Horizons Family Solutions	5,400	0.49
68,000	Brown & Brown	3,234	0.29
76,200	Cadence Design Systems	11,310	1.03
152,306	Charles Schwab	9,583	0.87
147,500	DocuSign	7,263	0.66
77,600	Ecolab	9,758	0.89
17,128	Equinix	10,273	0.94
82,049	First Republic Bank	9,387	0.85
38,900	Illumina	6,767	0.62
28,300	Intuit	9,721	0.89
50,000	Intuitive Surgical	9,978	0.91
85,000	IQVIA	15,839	1.44
54,600	Masimo	7,543	0.69
207,500	Nasdaq	10,143	0.92
2,510	NVR	10,765	0.98
63,800	Palo Alto Networks	8,215	0.75
85,500	PayPal	5,658	0.52
87,100	PTC	9,541	0.87
20,575	Thermo Fisher Scientific	9,532	0.87
72,400	Trex	3,101	0.28
52,700	VeriSign	9,329	0.85
72,400	Visa 'A'	13,541	1.23
	BONDS (29.49%)	**415,103**	**37.80**
	UNITED KINGDOM GOVERNMENT BONDS (5.63%)	**145,020**	**13.21**
£ 150,350,000	United Kingdom Gilt 0.875% 31/7/2033	116,217	10.59
£ 48,000,000	United Kingdom Gilt 1.5% 31/7/2053	28,803	2.62

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (19.99%)	**237,198**	**21.60**
£ 2,300,000	3i 5.75% 3/12/2032	2,400	0.22
£ 5,250,000	Anglian Water Osprey Financing 2% 31/7/2028	4,228	0.38
£ 2,500,000	Annington Funding 3.184% 12/7/2029	2,160	0.20
£ 1,200,000	Annington Funding 3.935% 12/7/2047	909	0.08
£ 1,350,000	Assicurazioni Generali 6.269% Perpetual	1,338	0.12
£ 5,050,000	AT&T 7% 30/4/2040	5,875	0.53
£ 2,500,000	Aviva 4.375% 12/9/2049	2,279	0.21
£ 3,400,000	Aviva 5.125% 4/6/2050	3,189	0.29
£ 2,667,000	Aviva 6.875% Perpetual	2,476	0.23
£ 1,300,000	Banco Santander 1.75% 17/2/2027	1,136	0.10
£ 4,600,000	Banco Santander 2.25% 4/10/2032	3,847	0.35
£ 9,100,000	Barclays 8.407% 14/11/2032	9,783	0.89
£ 4,000,000	Blackstone Property Partners Europe Sarl 2.625% 20/10/2028	3,163	0.29
£ 2,000,000	BNP Paribas 5.75% 13/6/2032	2,067	0.19
£ 2,095,000	Bunzl Finance 1.5% 30/10/2030	1,621	0.15
£ 1,083,000	Bunzl Finance 2.25% 11/6/2025	1,023	0.09
£ 2,300,000	Cadent Finance 2.125% 22/9/2028	1,997	0.18
£ 3,000,000	Canary Wharf Investment 3.375% 23/4/2028	2,204	0.20
£ 4,400,000	Clarion Funding 1.25% 13/11/2032	3,180	0.29
£ 3,200,000	Compass 4.375% 8/9/2032	3,208	0.29
£ 1,650,000	Cooperatieve Rabobank UA 4.625% 23/5/2029	1,575	0.14
£ 2,997,000	Coventry Building Society 2% 20/12/2030	2,384	0.22
£ 3,000,000	Coventry Building Society 6.875% Perpetual	2,892	0.26
£ 2,200,000	CPUK Finance 3.69% 28/2/2047	1,957	0.18
£ 2,750,000	Deutsche Telekom International Finance 8.875% 27/11/2028	3,354	0.31
£ 5,600,000	Direct Line Insurance 4% 5/6/2032	4,465	0.41
£ 853,000	DWR Cymru Financing UK 1.625% 31/3/2026	778	0.07
£ 4,082,000	DWR Cymru Financing UK 2.375% 31/3/2034	3,097	0.28
£ 1,129,000	DWR Cymru Financing UK 2.5% 31/3/2036	895	0.08
£ 707,000	GlaxoSmithKline Capital 5.25% 19/12/2033	763	0.07
£ 578,000	GSK Consumer Healthcare Capital UK 2.875% 29/10/2028	534	0.05
£ 6,700,000	HSBC 7% 7/4/2038	7,295	0.66
£ 3,500,000	Legal & General 4.5% 1/11/2050	3,136	0.29
£ 1,600,000	Legal & General 5.5% 27/6/2064	1,489	0.14
£ 1,600,000	Liberty Living Finance 3.375% 28/11/2029	1,376	0.12
£ 13,828,000	Lloyds Banking 2.707% 3/12/2035	10,864	0.99
£ 3,700,000	Logicor Financing Sarl 2.75% 15/1/2030	2,953	0.27
£ 4,000,000	London & Quadrant Housing Trust 2% 20/10/2038	2,640	0.24

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (continued)		
£ 1,249,000	London Stock Exchange 1.625% 6/4/2030	1,037	0.09
£ 3,400,000	M&G 5.625% 20/10/2051	3,167	0.29
£ 950,000	M&G 6.34% 19/12/2063	866	0.08
£ 1,000,000	Motability Operations 1.75% 3/7/2029	861	0.08
£ 2,000,000	Motability Operations 3.625% 10/3/2036	1,821	0.17
£ 4,115,000	National Express 2.375% 20/11/2028	3,521	0.32
£ 4,000,000	National Express 4.25% Perpetual	3,525	0.32
£ 2,686,000	National Grid Gas 1.125% 14/1/2033	1,843	0.17
£ 1,300,000	Nationwide Building Society 5.875% Perpetual	1,255	0.11
£ 11,700,000	Natwest 2.105% 28/11/2031	10,059	0.92
£ 1,400,000	Natwest 7.416% 6/6/2033	1,468	0.13
£ 4,850,000	Next 3.625% 18/5/2028	4,534	0.41
£ 4,150,000	NGG Finance 5.625% 18/6/2073	4,031	0.37
£ 4,600,000	Optivo Finance 2.857% 7/10/2035	3,675	0.33
£ 2,300,000	Orange 8.125% 20/11/2028	2,716	0.25
£ 2,550,000	Orsted 2.125% 17/5/2027	2,344	0.21
£ 5,933,000	Orsted 2.5% 18/2/3021	4,158	0.38
£ 1,000,000	Peabody Capital No 2 2.75% 2/3/2034	821	0.07
£ 1,500,000	Pension Insurance 3.625% 21/10/2032	1,179	0.11
£ 2,500,000	Pension Insurance 4.625% 7/5/2031	2,169	0.20
£ 2,810,000	Pension Insurance 5.625% 20/9/2030	2,635	0.24
£ 5,500,000	Phoenix 5.625% 28/4/2031	5,068	0.46
£ 1,500,000	Places for People Homes 3.625% 22/11/2028	1,396	0.13
£ 300,000	Places for People Homes 5.875% 23/5/2031	313	0.03
£ 2,138,000	Realty Income 1.125% 13/7/2027	1,824	0.17
£ 5,572,000	RL Finance Bonds No. 4 4.875% 7/10/2049	4,453	0.41
£ 1,908,000	Severn Trent Utilities Finance 2% 2/6/2040	1,272	0.12
£ 3,800,000	Severn Trent Utilities Finance 2.625% 22/2/2033	3,170	0.29
£ 600,000	Severn Trent Utilities Finance 6.25% 7/6/2029	650	0.06
£ 2,500,000	Southern Gas Networks 1.25% 2/12/2031	1,859	0.17
£ 2,143,000	Southern Housing 2.375% 8/10/2036	1,594	0.14
£ 2,900,000	SP Transmission 2% 13/11/2031	2,387	0.22
£ 4,428,000	SSE 3.74% Perpetual	4,111	0.37
£ 5,400,000	Standard Chartered 5.125% 6/6/2034	5,253	0.48
£ 5,400,000	Telefonica Emisiones 5.375% 2/2/2026	5,485	0.50
£ 2,700,000	UNITE 3.5% 15/10/2028	2,407	0.22
£ 2,286,000	United Utilities Water Finance 0.875% 28/10/2029	1,814	0.16
£ 7,000,000	Verizon Communications 3.375% 27/10/2036	5,935	0.54

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (continued)		
£ 4,000,000	Vodafone 4.875% 3/10/2078	3,825	0.35
£ 2,600,000	Vodafone 5.9% 26/11/2032	2,836	0.26
£ 1,775,000	Western Power Distribution 3.5% 16/10/2026	1,696	0.15
£ 4,507,000	Whitbread 3% 31/5/2031	3,663	0.33
£ 2,850,000	Yorkshire Building Society 3.375% 13/9/2028	2,525	0.23
£ 3,750,000	Yorkshire Water Finance 1.75% 27/10/2032	2,851	0.26
£ 2,760,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	2,596	0.24
	EURO DEBT SECURITIES (1.62%)	**15,040**	**1.37**
€ 6,400,000	Cellnex Finance 2% 15/2/2033	4,400	0.40
€ 6,200,000	Infrastrutture Wireless Italiane 1.75% 19/4/2031	4,432	0.40
€ 7,046,400	Stichting AK Rabobank Certificaten 6.5% Perpetual	6,208	0.57
	US DOLLAR DEBT SECURITIES (2.25%)	**17,845**	**1.62**
$ 4,600,000	AXA 6.379% Perpetual	3,921	0.36
$ 1,000,000	BNP Paribas 4.24486% Perpetual	625	0.06
$ 11,000,000	HSBC Bank 5.40114% Perpetual	6,746	0.61
$ 2,400,000	Swiss Re Finance Luxembourg 5% 2/4/2049	1,891	0.17
$ 7,242,000	Zurich Finance Ireland Designated Activity 3% 19/4/2051	4,662	0.42
	COLLECTIVE INVESTMENT SCHEMES (10.72%)	**100,442**	**9.15**
	GUERNSEY (0.55%)	**4,719**	**0.43**
3,624,466	Renewables Infrastructure	4,719	0.43
	IRELAND (6.90%)	**60,021**	**5.47**
60,021,249	HSBC Sterling Liquidity Fund	60,021	5.47
	UNITED KINGDOM (3.27%)	**35,702**	**3.25**
7,115,601	Aquila European Renewables Income Fund	5,461	0.50
7,024,182	Downing Renewables & Infrastructure Trust	7,270	0.66
2,912,083	Greencoat UK Wind	4,633	0.42
2,311,522	JLEN Environmental Assets	2,797	0.26
7,647,358	Liontrust Sustainable Future Corporate Bond Fund+	7,174	0.65

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	COLLECTIVE INVESTMENT SCHEMES (continued)		
	UNITED KINGDOM (continued)		
4,097,600	ThomasLloyd Energy Impact Trust	3,794	0.34
6,831,409	US Solar Fund	4,573	0.42
	Portfolio of investments	**1,105,463**	**100.67**
	Net other liabilities	**(7,314)**	**(0.67)**
	Total net assets	**1,098,149**	**100.00**

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2022.

Stocks shown as REITs represent Real Estate Investment Trust.

\+ Managed by Liontrust Fund Partners LLP.

^ Suspended Security.

Sustainable Future Cautious Managed Fund (continued)

Statement of Total Return
for the year ended 31 January 2023

	Notes	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Income					
Net capital (losses)/gains	2		(125,488)		7,905
Revenue	3	24,453		14,733	
Expenses	4	(9,378)		(8,320)	
Interest payable and similar charges	6	(5)		(3)	
Net revenue before taxation		15,070		6,410	
Taxation	5	(1,193)		(276)	
Net revenue after taxation			13,877		6,134
Total return before distributions			**(111,611)**		**14,039**
Distributions	7		(21,188)		(12,997)
Change in net assets attributable to shareholders from investment activities			**(132,799)**		**1,042**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2023

	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Opening net assets attributable to shareholders		**1,184,167**		**653,276**
Amounts received on issue of shares	119,018		545,197	
Amounts paid on cancellation of shares	(72,237)		(15,348)	
		46,781		529,849
Change in net assets attributable to shareholders from investment activities		(132,799)		1,042
Closing net assets attributable to shareholders		**1,098,149**		**1,184,167**

Sustainable Future Cautious Managed Fund (continued)

Balance Sheet
as at 31 January 2023

	Notes	31.1.2023 (£'000)	31.1.2022 (£'000)
Assets			
Fixed assets			
Investments		1,105,463	1,101,534
Current assets:			
Debtors	8	7,827	14,707
Cash and bank balances	9	638	109,727
Total assets		**1,113,928**	**1,225,968**
Liabilities			
Provision for liabilities	10	(21)	–
Creditors:			
Distribution payable		(10,511)	(8,028)
Other creditors	11	(5,247)	(33,773)
Total liabilities		**(15,779)**	**(41,801)**
Net assets attributable to shareholders		**1,098,149**	**1,184,167**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements
for the year ended 31 January 2023

1 Accounting policies

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

2 Net capital (losses)/gains

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities	(125,420)	8,114
Foreign currency losses	(68)	(209)
Net capital (losses)/gains	**(125,488)**	**7,905**

3 Revenue

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Bank interest	3	1
Equity distributions on CIS holdings	720	405
Interest distributions on CIS holdings	281	263
Interest from overseas fixed income securities	2,773	2,009
Interest from UK fixed income securities	9,133	4,521
Management fee rebates on CIS	22	26
Non-taxable overseas dividends	2,894	2,015
Overseas REIT dividends	363	519
Revenue from short-term money market funds	1,016	–
Stock lending income	62	32
Taxable overseas dividends	–	(80)
UK dividends	6,004	4,585
UK REIT dividends	737	128
US REIT dividends	445	309
Total revenue	**24,453**	**14,733**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

4 Expenses

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	8,163	7,079
General administration charges*	1,215	1,241
Total expenses	**9,378**	**8,320**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £9,200 (2022: £8,400). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 January 2023

5 Taxation

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
a) Analysis of charge in year		
Corporation tax	894	–
Less: Double taxation relief	(96)	–
Overseas tax	374	276
Deferred tax charge [see note(c)]	21	–
Total tax charge [see note(b)]	**1,193**	**276**

b) Factors affecting tax charge for the year

The taxation assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Net revenue before taxation	15,070	6,410
Corporation tax at 20% (2022 - 20%)	3,014	1,282
Effects of:		
Double taxation relief	(123)	–
Movement in unrecognised tax losses	(152)	136
Overseas tax	374	276
Corporation tax prior year adjustment	–	1
Relief on overseas tax expensed	4	(18)
Revenue not subject to tax	(1,924)	(1,401)
Total tax charge [see note(a)]	**1,193**	**276**

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

c) Deferred tax

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Opening deferred tax liability	–	–
Deferred tax charge for the year (see note 5a)	21	–
Closing deferred tax liability	**21**	**–**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

6 Interest payable and similar charges

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Overdraft interest	5	3
Total interest payable and similar charges	**5**	**3**

7 Distributions

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Interim distribution	10,606	6,736
Final distribution	10,511	8,028
	21,117	**14,764**
Amounts deducted on cancellation of shares	423	58
Amounts received on issue of shares	(352)	(1,825)
Distributions	**21,188**	**12,997**

The distributable amount has been calculated as follows:		
Net revenue after taxation	13,877	6,134
Less: Tax relief on capitalised expenses	(2,067)	(1,457)
Add: ACD's charge reimbursed by capital	8,163	7,079
Add: Other expenses reimbursed by capital	1,215	1,241
Distributions	**21,188**	**12,997**

The distribution per share is set out in the tables on page 54.

8 Debtors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued management fee rebates on CIS	2	2
Accrued revenue	5,347	5,183
Amounts receivable for issue of shares	1,253	9,171
Currency sales awaiting settlement	15	–
Overseas withholding tax	192	96
Sales awaiting settlement	1,018	255
Total debtors	**7,827**	**14,707**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

9 Cash and bank balances

	31.1.2023 (£'000)	31.1.2022 (£'000)
Cash and bank balances	638	109,727
Total cash and bank balances	**638**	**109,727**

10 Provision for liabilities

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

There were no provisions for liabilities in the prior year.

11 Creditors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued expenses	93	112
Accrued ACD's charge	670	738
Amounts payable for cancellation of shares	331	14
Corporation tax	799	–
Currency purchases awaiting settlement	15	–
Purchases awaiting settlement	3,339	32,909
Total other creditors	**5,247**	**33,773**

12 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: £nil).

13 Related party transactions

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

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

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £763,000 (2022: £850,000).

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

13 Related party transactions (continued)

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £9,378,000 (2022: £8,320,000).

The total rebate of expenses paid by Liontrust Fund Partners LLP and its associates for the year was £22,000 (2022: £26,000).

The total rebate of expenses balance due from Liontrust Fund Partners LLP and its associates at the year end was £2,000 (2022: £2,000).

At the year-end there are Liontrust Fund Partners LLP products within the Sub-fund. Details of these investments are outlined in the Portfolio Statement.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Securities lending

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

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

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

Return and cost

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

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

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2022.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	32	–	14	46
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Securities lending (continued)

Securities on loan and collateral received
The following table details the value of securities on loan and associated collateral received, analysed by borrowing counterparty as at the Balance Sheet date.

		31 January 2023		31 January 2022	
Counterparty	Counterparty's country of establishment	Securities on loan (£'000)	Collateral received (£'000)	Securities on loan (£'000)	Collateral received (£'000)
BNP Paribas	France	–	–	3,510	3,708
Citigroup Global Markets Limited	UK	–	–	29,197	30,107
Merrill Lynch International	UK	–	–	1,906	2,101
Morgan Stanley International	UK	–	–	2,390	2,632
The Bank of Nova Scotia	Canada	–	–	4,012	4,413
UBS AG	Switzerland	–	–	1,941	2,090
Total		**–**	**–**	**42,956**	**45,051**

At 31 January 2023, there were no securities on loan or related collateral outstanding (31 January 2022: as above).

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

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

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

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 Risk management policies

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

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

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

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

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

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 January 2023 and 31 January 2022 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

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 Risk management policies (continued)

Market price risk (continued)

movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

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

As at 31 January 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 8.9%.

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 Sterling, which is the Company's functional and reporting currency.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

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

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

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 Risk management policies (continued)

Currency risk (continued)

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

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	7,983	7,983
Canadian Dollar	3	–	3
Danish Krone	11	10,580	10,591
Euro	286	77,053	77,339
Japanese Yen	227	26,365	26,592
Swedish Krona	–	6,915	6,915
Swiss Franc	–	5,581	5,581
United States Dollar	279	292,728	293,007
	806	**427,205**	**428,011**

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

If the exchange rate at 31 January 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 0.36%/(0.36)% 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.

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

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

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 Risk management policies (continued)

Interest rate risk (continued)
The interest rate risk profile of financial assets and liabilities at 31 January 2023 was as follows:

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

The interest rate risk profile of financial assets and liabilities at 31 January 2022 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non-Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	8,051	341,103	752,380	1,101,534
Investment liabilities	–	–	–	–

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

At 31 January 2022, if interest rates had strengthened/weakened by 1.00% with all other variables held constant this would have increased/decreased the net fixed income assets attributable to investors in the Sub-fund by approximately 5.54%.

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 wholly of readily realisable securities which can be sold to meet liquidity requirements.

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

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

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 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 table below summarises the credit quality of the Sub-fund debt portfolio as at 31 January 2023 and 31 January 2022.

Summary of Credit ratings	31.1.2023 (£'000)	31.1.2022 (£'000)
Investment grade	363,786	298,392
Below Investment grade	45,109	39,060
Not Rated	6,208	11,702
Total	**415,103**	**349,154**

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

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

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

At the balance sheet date, there were no counterparties to open derivative contracts. 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 January 2023 was A (Standard & Poor's rating).

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

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 Risk management policies (continued)

Counterparty credit risk (continued)

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

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

Maturity profile of financial liabilities

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

Fair value of financial assets and liabilities

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

Valuation of financial investments

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

31.1.2022	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	724,472	–
Level 2: Observable market data	377,062	–
	1,101,534	**–**

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

*The Level 3 assets have been valued based on last traded prices.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

16 Share movement

For the year ending 31 January 2023

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Income	677,803,580	67,596,995	(45,366,447)	–	700,034,128
Class 3 Net Income	54,377,805	10,618,584	(4,960,260)	–	60,036,129

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

17 Portfolio transaction costs
for the year ending 31 January 2023

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

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

Total transaction costs		**168**		**363**	
Total transaction costs as a % of average net assets		**0.02%**		**0.03%**	

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

17 Portfolio transaction costs (continued)
for the year ending 31 January 2022

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	340,711	136	0.04	366	0.11
Debt instruments (direct)	232,490	–	–	–	–
Collective investment schemes	16,593	7	0.04	40	0.24
Total purchases	**589,794**	**143**		**406**	
Total purchases including transaction costs	**590,343**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	99,167	43	0.04	–	–
Debt instruments (direct)	78,454	–	–	–	–
Total sales	**177,621**	**43**		**–**	
Total sales net of transaction costs	**177,578**				
Total transaction costs		**186**		**406**	
Total transaction costs as a % of average net assets		**0.02%**		**0.04%**	

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

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

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.32% (2022: 0.31%).

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

18 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Net Income share has decreased by 1.94% to 17 May 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

Sustainable Future Cautious Managed Fund (continued)

Distribution Tables
for the year ended 31 January 2023

Final distribution

Group 1 - Shares purchased prior to 1 August 2022

Group 2 - Shares purchased 1 August 2022 to 31 January 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2023 Pence per share	Distribution paid 31.3.2022 Pence per share
Class 2 Net Income - Group 1	1.3801	–	1.3801	1.0945
Class 2 Net Income - Group 2	0.7177	0.6624	1.3801	1.0945
Class 3 Net Income - Group 1	1.4147	–	1.4147	1.1214
Class 3 Net Income - Group 2	0.6667	0.7480	1.4147	1.1214

Interim distribution

Group 1 - Shares purchased prior to 1 February 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2022 Pence per share	Distribution paid 30.9.2021 Pence per share
Class 2 Net Income - Group 1	1.3663	–	1.3663	1.1635
Class 2 Net Income - Group 2	0.8195	0.5468	1.3663	1.1635
Class 3 Net Income - Group 1	1.3986	–	1.3986	1.1877
Class 3 Net Income - Group 2	0.8126	0.5860	1.3986	1.1877

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

Sustainable Future Corporate Bond Fund

Report for the year from 1 February 2022 to 31 January 2023

Investment Objective

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

Investment Policy

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

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

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

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

Sustainable Future Corporate Bond Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned -12.5% (Class 2 Gross Income) over the year under review, compared with the -12.4% return from the iBoxx Sterling Corporate All Maturities Index comparator benchmark and the average return from IA Sterling Corporate Bond sector, also a comparator benchmark, of -10.9%*.

Market backdrop

Despite improved performance over the final quarter of the year, 2022 proved to be one of the worst years for asset returns in the last 20 years. Central banks struggled to control persistently high inflation, with significant interest rate increases dominating markets in 2022.

The start of the year was overshadowed by Russia's invasion of Ukraine, sending shockwaves throughout financial markets. The conflict and resulting fallout resulted in surging commodity prices, given Russia's position as a major exporter, exacerbating already significant inflationary pressures. Equities and bonds both sold off against a backdrop of heightened uncertainty and volatility, resulting in one of the worst starts to a year across risk assets.

Negative sentiment resulted in wider credit spreads, while rate hikes and continued inflationary pressures caused government bond yields to rise further, failing to provide the protection investors were after in such uncertain times.

The combination of persistent inflation pressures and tightening monetary policy against a weakening economic growth outlook continued to fuel fears over the threat of recession. Inflation reached a 40-year high of 11.1% in the UK in October, for example, while it peaked at 10.6% in the eurozone (also October) and 9.1% in the US (in June).

Risk assets then rallied from their lows at the start of the third quarter, as investors grew more hopeful of an approaching dovish pivot from central banks which would see the end of monetary tightening. This improvement in investor sentiment was short lived as central bankers responded forcefully, making it clear that their priority remains firmly on returning inflation to target levels through restrictive monetary policy.

However, bond markets did post positive returns in the fourth quarter. Although inflation readings remained very high, they fell from their peaks, with some also coming in below economists' expectations.

Having implemented several 75 basis point (bps) increases earlier in the year, the US Federal Reserve – along with the Bank of England and European Central Bank – delivered reduced rate increases of 50bps in December. However, the accompanying hawkish commentary from the US Federal Reserve and European Central Bank resulted in yields moving higher at the end of the year, to wipe out some of the final quarter's gains.

Sub-fund review

Strong performance from duration management over the course of the year was more than offset by weakness from the Sub-fund's overweight credit position as corporate bonds underperformed alongside broader risk assets during the period.

The Sub-fund primarily had a low duration position for the majority of the year.

Having started the period 2.0 years short duration relative to its benchmark, we gradually added duration as government bond yields trended up towards our target range.

The underweight position benefited from being primarily expressed via the UK market over this period, with 10 year gilt yields peaking above 4.5%, having started the period at 1.3%. As the 10 year gilt yield breached 4%, its highest level since the global financial crisis, we elected to close the duration underweight. As 10 year gilt yields pushed higher towards 4.5% amidst the ongoing fallout from September's mini budget. We took the Sub-fund overweight duration, at 1 year over the benchmark level.

This overweight position subsequently benefited from a recovery in the UK gilt market over the last four months as the political landscape stabilised, alongside signs that inflation had peaked, signalling a potential end to aggressive monetary policy tightening. As a result, 10 year gilt yields largely retraced the mini budget sell-off, ending the period at 3.3%.

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Towards the end of the review period, we increased the size of the duration overweight position to 1.25 years versus the benchmark, as we grew increasingly confident that gilt yields should continue to trend down towards the bottom end of our 2.5-3% target range.

Corporate credit spreads widened markedly over the year, as the combination of persistently high inflation, aggressive interest rate hikes and a weakening economic growth outlook saw investors grow increasingly concerned about the threat of a recession. This resulted in negative stock selection over the course of the year.

Our overweight position to higher beta, subordinated financials, particularly in the banks sector, underperformed relative to more defensive senior bonds higher up the capital structure.

Meanwhile, our exposure to some higher beta and longer spread duration holdings within the telecommunications and travel & leisure sectors were also negative contributors in the spread widening environment.

We also saw negative stock selection from some of our higher beta holdings within the real estate sector, as the combination of high inflation, tightening financial conditions, rising yields and the growing threat of recession have weighed on the property market.

This was compounded by some stock specific issues in names including Canary Wharf, which was downgraded one notch, falling into the high yield universe, and Aroundtown, following the non-call of its hybrid securities.

The weakness in stock selection outweighed broadly neutral sector allocation, as our exposures to the more defensive parts of the market including telecommunications and utilities contributed positively.

Outlook

Entering 2023, the market is approaching a potentially important transition period that could see the 2022 headwinds ease in the months ahead.

Inflation has shown definitive signs of peaking, and while still too high in an absolute sense, it could prove a positive surprise if price pressures ease faster than expected.

Economic growth and corporate earnings are indeed expected to decline in 2023, but these expectations now seem to have been fully priced into equities and bonds at current levels. We believe the focus of the market should turn to single name issuers and fundamentals and move away from monetary policy tracking.

Declines of the magnitude we saw in 2022 are usually followed by strong recoveries. Bonds, as represented by the Bloomberg US Aggregate Bond Index, have never experienced two consecutive years of negative returns. Therefore, we think market declines seen in 2022 have ultimately yielded substantial long term opportunities in the fixed income markets. Slower growth should be constructive for fixed income securities, which, coupled with current attractive valuations and well-positioned corporate balance sheets, presents an opportunity for the sector and offers investors attractive compensation.

Notwithstanding the underperformance over the past year, we remain confident in the underlying quality of our portfolio, and viewed the sell-off as overdone with valuations pricing in a long, severe recession, which we do not expect to come to fruition. This belief has been reinforced by the strong recovery in valuations at the beginning of 2023.

**Source: Financial Express, bid-to-bid, net of fees, 31.01.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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

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

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
United Kingdom Gilt 0.875% 31/7/2033	United Kingdom Gilt 0.875% 31/7/2033
Barclays 8.407% 14/11/2032	Banco Santander 2.25% 4/10/2032
Verizon Communications 3.375% 27/10/2036	Standard Chartered 5.125% 6/6/2034
Yorkshire Building Society 3.511% 11/10/2030	Verizon Communications 5.25% 16/3/2037
Standard Chartered 7.014% Perpetual	Assicurazioni Generali 6.269% Perpetual
Blackstone Property Partners Europe Sarl 4.875% 29/4/2032	RL Finance Bonds NO 4 4.875% 7/10/2049
Natwest 7.416% 6/6/2033	DWR Cymru Financing UK 1.625% 31/3/2026
Lloyds Banking 2.707% 3/12/2035	BNP Paribas 2% 24/5/2031
Banco Santander 2.25% 4/10/2032	Southern Housing 2.375% 8/10/2036
Natwest Markets 6.375% 8/11/2027	Natwest 2.105% 28/11/2031

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Risk and Reward profile

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

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

1	2	3	4	5	6	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund is categorised 4 primarily for its exposure to a diversified portfolio of debt instruments along with a number of derivative positions.
- The SRRI may not fully take into account the following risks:
  - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result.
  - The creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- The Sub-fund can invest in derivatives. Derivatives are used to protect against currency, credit or interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions.
- The Sub-fund uses derivative instruments that may result in higher cash levels. Cash may be deposited with several credit counterparties (e.g. international banks) or in short-dated bonds. A credit risk arises should one or more of these counterparties be unable to return the deposited cash.
- The Sub-fund may have both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign exchange contracts to protect returns in the base currency of the Sub-fund.
- The Sub-fund may encounter liquidity constraints from time to time. Participation rates on advertised volumes could fall reflecting the less liquid nature of the current market conditions.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- ESG Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG.

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

Sustainable Future Corporate Bond Fund (continued)

Comparative Tables
for the year ended 31 January 2023

Class 2 Gross Income **Accounting year ended**	**31 January 2023** **per share (p)**	**31 January 2022** **per share (p)**	**31 January 2021** **per share (p)**
Change in net assets per share			
Opening net asset value per share	82.08	87.92	87.37
Return before operating charges	(9.61)	(2.95)	3.85
Operating charges	(0.41)	(0.50)	(0.52)
Return after operating charges	(10.02)	(3.45)	3.33
Distributions	(2.61)	(2.39)	(2.78)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	**69.45**	**82.08**	**87.92**
After direct transaction costs of*	(0.01)	(0.01)	(0.00)
Performance			
Return after charges	(12.21%)	(3.92%)	3.81%
Other information			
Closing net asset value (£'000)	247,411	328,686	279,039
Closing number of shares	356,240,970	400,436,008	317,367,716
Operating charges**	0.57%	0.58%	0.60%
Direct transaction costs*	0.01%	0.01%	0.00%
Prices			
Highest share price	82.86	88.40	89.73
Lowest share price	59.29	82.75	74.66

* 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.

Sustainable Future Corporate Bond Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2023

Class 3 Gross Income Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	109.41	117.20	116.45
Return before operating charges	(12.82)	(3.93)	5.14
Operating charges	(0.34)	(0.40)	(0.40)
Return after operating charges	(13.16)	(4.33)	4.74
Distributions	(3.68)	(3.46)	(3.99)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	**92.57**	**109.41**	**117.20**
After direct transaction costs of*	(0.01)	(0.01)	(0.00)
Performance			
Return after charges	(12.03%)	(3.69%)	4.07%
Other information			
Closing net asset value (£'000)	334,446	390,077	358,508
Closing number of shares	361,300,773	356,537,582	305,906,898
Operating charges**	0.35%	0.35%	0.35%
Direct transaction costs*	0.01%	0.01%	0.00%
Prices			
Highest share price	110.44	117.84	119.66
Lowest share price	79.06	110.37	99.55

* 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.

Sustainable Future Corporate Bond Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2023

Class 6 Gross Accumulation Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	147.64	153.79	147.98
Return before operating charges	(17.30)	(5.26)	6.70
Operating charges	(0.75)	(0.89)	(0.89)
Return after operating charges	(18.05)	(6.15)	5.81
Distributions	(4.75)	(4.23)	(4.76)
Retained distributions on accumulation shares	4.75	4.23	4.76
Closing net asset value per share	**129.59**	**147.64**	**153.79**
After direct transaction costs of*	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	(12.23%)	(4.00%)	3.93%
Other information			
Closing net asset value (£'000)	87,077	91,041	95,585
Closing number of shares	67,194,130	61,665,666	62,153,279
Operating charges**	0.57%	0.58%	0.60%
Direct transaction costs*	0.01%	0.01%	0.00%
Prices			
Highest share price	148.81	155.88	155.81
Lowest share price	108.41	147.64	126.44

* 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.

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement
as at 31 January 2023

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UNITED KINGDOM GOVERNMENT BONDS (3.85%)	**19,711**	**2.95**
£25,500,000	United Kingdom Gilt 0.875% 31/7/2033	19,711	2.95
	UK STERLING DENOMINATED DEBT SECURITIES (73.67%)	**509,958**	**76.24**
£6,100,000	3i 5.75% 3/12/2032	6,365	0.95
£7,900,000	Anglian Water Osprey Financing 2% 31/7/2028	6,361	0.95
£2,700,000	Annington Funding 3.935% 12/7/2047	2,045	0.31
£7,500,000	Annington Funding 4.75% 9/8/2033	6,877	1.03
£13,500,000	AT&T 7% 30/4/2040	15,705	2.35
£11,000,000	Aviva 5.125% 4/6/2050	10,316	1.54
£6,666,000	Aviva 6.875% Perpetual	6,189	0.93
£19,000,000	Barclays 8.407% 14/11/2032	20,425	3.05
£12,100,000	Blackstone Property Partners Europe 4.875% 29/4/2032	10,097	1.51
£7,000,000	Blend Funding 2.922% 5/4/2056	4,739	0.71
£8,000,000	BNP Paribas 5.75% 13/6/2032	8,268	1.24
£5,000,000	BPCE 5.25% 16/4/2029	4,867	0.73
£8,376,000	Bunzl Finance 1.5% 30/10/2030	6,480	0.97
£6,200,000	Cadent Finance 2.125% 22/9/2028	5,384	0.80
£9,100,000	Canary Wharf Investment 3.375% 23/4/2028	6,685	1.00
£5,800,000	Cardiff University 3% 7/12/2055	4,314	0.64
£9,500,000	Clarion Funding 1.25% 13/11/2032	6,865	1.03
£7,500,000	Compass 4.375% 8/9/2032	7,519	1.12
£11,450,000	Cooperatieve Rabobank UA 4.625% 23/5/2029	10,933	1.63
£7,500,000	CPUK Finance 3.69% 28/2/2047	6,672	1.00
£5,000,000	Credit Agricole 5.75% 29/11/2027	5,086	0.76
£1,422,000	Deutsche Telekom International Finance 8.875% 27/11/2028	1,734	0.26
£8,000,000	Direct Line Insurance 4% 5/6/2032	6,378	0.95
£7,450,000	DWR Cymru Financing UK 2.5% 31/3/2036	5,908	0.88
£7,128,000	DWR Cymru Financing UK 2.375% 31/3/2034	5,408	0.81
£5,724,873	Greater Gabbard OFTO 4.137% 29/11/2032	5,516	0.82
£9,500,000	HSBC 7% 7/4/2038	10,343	1.55
£9,500,000	HSBC 6% 29/3/2040	9,351	1.40
£7,000,000	Investec 1.875% 16/7/2028	5,764	0.86
£1,500,000	Lambay Capital 6.25% Perpetual~	19	0.00
£5,432,000	Legal & General 5.5% 27/6/2064	5,054	0.76
£9,400,000	Legal & General 4.5% 1/11/2050	8,422	1.26
£7,300,000	Liberty Living Finance 3.375% 28/11/2029	6,276	0.94
£23,200,000	Lloyds Banking 2.707% 3/12/2035	18,228	2.73
£5,250,000	London & Quadrant Housing Trust 2% 20/10/2038	3,466	0.52
£5,396,000	M&G 6.34% 19/12/2063	4,917	0.74
£7,300,000	M&G 5.625% 20/10/2051	6,800	1.02

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UK STERLING DENOMINATED DEBT SECURITIES (continued)		
£6,389,000	Motability Operations 3.625% 10/3/2036	5,819	0.87
£8,083,000	National Express 2.375% 20/11/2028	6,916	1.03
£7,938,000	National Express 4.25% Perpetual	6,995	1.05
£9,174,000	National Grid Gas 1.125% 14/1/2033	6,294	0.94
£7,000,000	Nationwide Building Society 6.178% 7/12/2027	7,248	1.08
£5,000,000	Natwest 5.125% Perpetual	4,447	0.66
£10,000,000	Natwest 7.416% 6/6/2033	10,486	1.57
£9,000,000	Natwest Markets 6.375% 8/11/2027	9,497	1.42
£4,500,000	Next 3.625% 18/5/2028	4,207	0.63
£6,150,000	NGG Finance 5.625% 18/6/2073	5,973	0.89
£8,000,000	Optivo Finance 2.857% 7/10/2035	6,391	0.96
£11,835,000	Orsted 2.5% 18/2/3021	8,294	1.24
£8,000,000	Peabody Capital No 2 2.75% 2/3/2034	6,572	0.98
£12,800,000	Pension Insurance 5.625% 20/9/2030	12,002	1.79
£11,800,000	Phoenix 5.625% 28/4/2031	10,874	1.63
£7,318,000	Places for People Homes 5.875% 23/5/2031	7,633	1.14
£7,200,000	Rentokil Initial 5% 27/6/2032	7,100	1.06
£10,511,000	Severn Trent Utilities Finance 2% 2/6/2040	7,005	1.05
£3,743,000	South Eastern Power Networks 6.375% 12/11/2031	4,173	0.62
£6,000,000	Southern Gas Networks 3.1% 15/9/2036	4,743	0.71
£6,056,000	SP Transmission 2% 13/11/2031	4,984	0.75
£7,073,000	SSE 3.74% Perpetual	6,566	0.98
£6,200,000	Standard Chartered 5.125% 6/6/2034	6,031	0.90
£4,050,000	Telefonica Emisiones 5.445% 8/10/2029	4,161	0.62
£5,500,000	Thames Water Utilities Finance 6.75% 16/11/2028	5,973	0.89
£7,000,000	Travis Perkins 3.75% 17/2/2026	6,280	0.94
£6,900,000	UNITE 3.5% 15/10/2028	6,152	0.92
£11,000,000	United Utilities Water Finance 2.625% 12/2/2031	9,641	1.44
£15,500,000	Verizon Communications 3.375% 27/10/2036	13,141	1.96
£6,021,000	Whitbread 3% 31/5/2031	4,893	0.73
£9,500,000	Yorkshire Building Society 3.375% 13/9/2028	8,418	1.26
£15,000,000	Yorkshire Building Society 3.511% 11/10/2030	13,297	1.99
£5,152,000	Yorkshire Water Finance 6.454% 28/5/2027	5,486	0.82
£6,900,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	6,490	0.97
	UK STERLING DENOMINATED FORWARD EXCHANGE CONTRACTS (0.31%)	**(808)**	**(0.12)**
36,023,031	UK sterling 36,023,031 Vs Euro 41,800,000 - 15/3/2023	(914)	(0.14)
91,650,902	UK sterling 91,650,902 Vs US dollar 112,800,000 - 15/3/2023	106	0.02

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UK STERLING DENOMINATED OPEN FUTURES CONTRACTS ((0.33%))	**1,031**	**0.15**
1,300	Long Gilt Future March 2023	1,031	0.15
	UK STERLING DENOMINATED INTEREST RATE SWAPS (0.05%)	**0**	**0.00**
	EURO DENOMINATED DEBT SECURITIES (5.56%)	**33,640**	**5.02**
€12,900,000	BNP Paribas 0.83667% Perpetual	8,379	1.25
€10,000,000	Cellnex Finance 2% 15/2/2033	6,876	1.03
€15,000,000	Cooperatieve Rabobank UA 3.1% Perpetual	10,735	1.60
€1,500,000	Hellas Telecommunications Luxembourg II 0.00000% 15/1/2015 ~	0	0.00
€10,000,000	Infrastrutture Wireless Italiane 1.625% 21/10/2028	7,650	1.14
	EURO DENOMINATED FORWARD EXCHANGE CONTRACTS (0.00%)	**(5)**	**0.00**
4,800,000	Euro 4,800,000 Vs UK sterling 4,246,996 - 15/3/2023	(5)	0.00
	EURO DENOMINATED OPEN FUTURES CONTRACTS (0.11%)	**226**	**0.04**
(95)	Euro-Bobl Future March 2023	168	0.03
(15)	Euro-Bund Future March 2023	58	0.01
	US DOLLAR DENOMINATED DEBT SECURITIES (15.60%)	**93,062**	**13.91**
$14,500,000	AXA 6.379% Perpetual	12,359	1.85
$3,000,000	BNP Paribas 4.24486% Perpetual	1,876	0.28
$7,560,000	Deutsche Telekom International Finance 8.75% 15/6/2030	7,487	1.12
$7,000,000	Deutsche Telekom International Finance 9.25% 1/6/2032	7,418	1.11
$18,420,000	HSBC Bank 5.40114% Perpetual	11,296	1.69
$16,000,000	Standard Chartered 7.014% Perpetual	13,031	1.95
$6,200,000	Swiss Re Finance Luxembourg 5% 2/4/2049	4,885	0.73
$7,159,000	Telefonica Europe 8.25% 15/9/2030	6,769	1.01
$19,000,000	Vodafone 6.15% 27/2/2037	16,544	2.47
$17,705,000	Zurich Finance Ireland Designated Activity 3% 19/4/2051	11,397	1.70
	US DOLLAR DENOMINATED OPEN FUTURES CONTRACTS (0.36%)	**(483)**	**(0.07)**
(290)	US 10 Year Ultra Future March 2023	(153)	(0.02)
(175)	US Long Bond (CBT) Future March 2023	(330)	(0.05)

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	US DOLLAR DENOMINATED OPEN FUTURES CONTRACTS (continued)		
	Portfolio of investments	**656,332**	**98.12**
	Net other assets	**12,602**	**1.88**
	Total net assets	**668,934**	**100.00**

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

Comparative figures show percentages for each category of holding at 31 January 2022.

~Delisted securities.

Sustainable Future Corporate Bond Fund (continued)

Statement of Total Return
for the year ended 31 January 2023

	Notes	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Income					
Net capital losses	2		(121,084)		(51,895)
Revenue	3	25,385		22,765	
Expenses	4	(3,211)		(3,879)	
Interest payable and similar charges	6	(82)		(22)	
Net revenue before taxation		22,092		18,864	
Taxation	5	–		–	
Net revenue after taxation			22,092		18,864
Total return before distributions			**(98,992)**		**(33,031)**
Distributions	7		(26,108)		(23,337)
Change in net assets attributable to shareholders from investment activities			**(125,100)**		**(56,368)**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2023

	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Opening net assets attributable to shareholders		**809,804**		**733,132**
Amounts received on issue of shares	102,518		211,203	
Amounts paid on cancellation of shares	(121,523)		(81,643)	
		(19,005)		129,560
Dilution adjustment		78		213
Change in net assets attributable to shareholders from investment activities		(125,100)		(56,368)
Retained distributions on accumulation shares		3,157		3,266
Unclaimed distributions		–		1
Closing net assets attributable to shareholders		**668,934**		**809,804**

Sustainable Future Corporate Bond Fund (continued)

Balance Sheet
as at 31 January 2023

	Notes	31.1.2023 (£'000)	31.1.2022 (£'000)
Assets			
Fixed assets			
Investments		657,734	807,662
Current assets:			
Debtors	8	12,550	14,344
Cash and bank balances	9	11,367	4,196
Total assets		**681,651**	**826,202**
Liabilities			
Investment liabilities		(1,402)	(4,538)
Creditors:			
Amounts due to futures clearing houses and brokers		(1,366)	(3,623)
Distribution payable		(5,981)	(6,110)
Other creditors	10	(3,968)	(2,127)
Total liabilities		**(12,717)**	**(16,398)**
Net assets attributable to shareholders		**668,934**	**809,804**

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements
for the year ended 31 January 2023

1 Accounting policies

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

2 Net capital losses

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
The net capital losses comprise:		
Non-derivative securities	(131,058)	(52,892)
Derivative contracts	23,568	2,276
Forward currency contracts	(16,388)	(1,171)
Foreign currency gains/(losses)	2,794	(108)
Net capital losses	**(121,084)**	**(51,895)**

3 Revenue

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Bank interest	17	–
Interest from overseas fixed income securities	8,331	7,374
Interest from UK fixed income securities	17,020	15,384
Stock lending income	17	7
Total revenue	**25,385**	**22,765**

4 Expenses

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	2,799	3,326
General administration charges*	412	553
Total expenses	**3,211**	**3,879**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,850 (2022: £9,975). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

5 Taxation

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

b) Factors affecting tax charge for the year
The taxation assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Net revenue before taxation	22,092	18,864
Corporation tax at 20% (2022 - 20%)	4,418	3,773
Effects of:		
Tax deductible interest distributions	(4,418)	(3,773)
Total tax charge [see note(a)]	**–**	**–**

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

6 Interest payable and similar charges

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Overdraft interest	61	22
Interest paid on margin deposits	21	–
Total interest payable and similar charges	**82**	**22**

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

7 Distributions

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
First Interim	6,117	5,436
Second Interim	6,509	5,768
Third Interim	6,712	5,862
Final	6,842	6,848
	26,180	**23,914**
Amounts deducted on cancellation of shares	529	187
Amounts received on issue of shares	(601)	(764)
Distributions	**26,108**	**23,337**
The distributable amount has been calculated as follows:		
Net revenue after taxation	22,092	18,864
Add: Equalisation on conversions	–	4
Add: Transfer to capital re amortisation	4,016	4,469
Distributions	**26,108**	**23,337**

The distribution per share is set out in the tables on pages 85 to 86.

8 Debtors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued revenue	12,049	12,451
Amounts receivable for issue of shares	501	749
Sales awaiting settlement	–	1,144
Total debtors	**12,550**	**14,344**

9 Cash and bank balances

	31.1.2023 (£'000)	31.1.2022 (£'000)
Amount held at futures clearing houses and brokers	418	1,950
Cash and bank balances	10,949	2,246
Total cash and bank balances	**11,367**	**4,196**

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

10 Creditors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued expenses	31	43
Accrued ACD's charge	223	285
Amounts payable for cancellation of shares	1,517	1,799
Purchases awaiting settlement	2,197	–
Total other creditors	**3,968**	**2,127**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: £nil).

12 Related party transactions

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

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

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £254,000 (2022: £328,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £3,211,000 (2022: £3,879,000).

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

13 Securities lending

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

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

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

Return and cost

The tables below show the net income earned by the Sub-funds from securities lending activity during the year to 31 January 2023.

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

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2022.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	7	–	3	10
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

13 Securities lending (continued)

Securities on loan and collateral received

The following table details the value of securities on loan and associated collateral received, analysed by borrowing counterparty as at the Balance Sheet date.

		31 January 2023		31 January 2022	
Counterparty	Counterparty's country of establishment	Securities on loan (£'000)	Collateral received (£'000)	Securities on loan (£'000)	Collateral received (£'000)
Citigroup Global Markets Limited	UK	–	–	717	790
UBS AG	Switzerland	–	–	800	844
Total		**–**	**–**	**1,517**	**1,634**

At 31 January 2023, there were no securities on loan or related collateral outstanding (31 January 2022: as above).

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

Management of counterparty credit risk related to securities lending

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

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

14 Risk management policies

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

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

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

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

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

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

Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in 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 January 2023 and 31 January 2022 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

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

As at 31 January 2022, had the representative market index increased/decreased by 5.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 5.0%.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

Market price risk (continued)
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 use derivatives in the year including a number of bond futures. The level of Market Exposure in the Sub-fund as at year end as measured by the Commitment Approach described above was 28.8% (2022: 33.9%).

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

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

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

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

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

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

Currency risk (continued)

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

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

Interest rate risk

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

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

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

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

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

The interest rate risk profile of financial assets and liabilities at 31 January 2022 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non-Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	25,052	774,016	8,594	807,662
Investment liabilities	–	–	(4,538)	(4,538)

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

At 31 January 2022, if interest rates had strengthened/weakened by 1.00% with all other variables held constant this would have increased/decreased the net fixed income assets attributable to investors in the Sub-fund by approximately 5.76%.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

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 wholly of readily realisable securities which can be sold to meet liquidity requirements.

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

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

Counterparty credit risk

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

The table below summarises the credit quality of the Sub-fund debt portfolio as at 31 January 2023 and 31 January 2022.

Summary of Credit ratings	31.1.2023 (£'000)	31.1.2022 (£'000)
Investment grade	556,804	705,914
Below Investment grade	93,287	87,955
Not Rated	6,280	5,199
Total	**656,371**	**799,068**

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.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

Counterparty exposures

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

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

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

Counterparty details Financial Derivative Transactions	Forward Foreign Exchange Contracts (£'000)	Interest Rate Swaps (£'000)	Futures (£'000)	Total Exposure (£'000)
Bank of New York Mellon International	2,463	–	–	**2,463**
UBS AG	–	438	1,155	**1,593**
Total	**2,463**	**438**	**1,155**	**4,056**

At the year-end collateral of £Nil (2022: £Nil) was received; bond collateral pledged was £9,862,000 (2022: £12,115,000) and none (2022: none) of the Sub-fund's financial assets were past due or impaired.

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

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

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

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

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

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 (2022: none with the exception of the one Interest Rate Swap holding with a market value of £(1,883)k, that is due to settle in 1-5 years).

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

Valuation of financial investments

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

31.1.2022	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	34,924	(2,655)
Level 2: Observable market data	772,717	(1,883)
Level 3: Unobservable data	21	–
	807,662	**(4,538)**

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

*The Level 3 assets have been valued based on last traded prices.

15 Share movement
For the year ending 31 January 2023

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Gross Income	400,436,008	49,495,104	(93,674,332)	(15,810)	356,240,970
Class 3 Gross Income	356,537,582	46,954,557	(42,189,398)	(1,968)	361,300,773
Class 6 Gross Accumulation	61,665,666	15,482,400	(9,964,198)	10,262	67,194,130

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

16 Portfolio transaction costs
for the year ending 31 January 2023

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

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

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

16 Portfolio transaction costs (continued)

for the year ending 31 January 2022

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	498,182	–	–	–	–
Total purchases	**498,182**	**–**		**–**	
Total purchases including transaction costs	**498,182**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	364,637	–	–	–	–
Total sales	**364,637**	**–**		**–**	
Total sales net of transaction costs	**364,637**				
Derivative transaction costs		**57**		**–**	
Total transaction costs		**57**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**–**	

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

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.78% (2022: 0.58%).

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

17 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Gross Income share has decreased by 1.92% to 17 May 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

Sustainable Future Corporate Bond Fund (continued)

Distribution Tables
for the year ended 31 January 2023

Final distribution

Group 1 - Shares purchased prior to 1 November 2022

Group 2 - Shares purchased 1 November 2022 to 31 January 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2023 Pence per share	Distribution paid 31.3.2022 Pence per share
Class 2 Gross Income - Group 1	0.6932	–	0.6932	0.6718
Class 2 Gross Income - Group 2	0.2825	0.4107	0.6932	0.6718
Class 3 Gross Income - Group 1	0.9720	–	0.9720	0.9591
Class 3 Gross Income - Group 2	0.2924	0.6796	0.9720	0.9591
Class 6 Gross Accumulation - Group 1	1.2806	–	1.2806	1.1974
Class 6 Gross Accumulation - Group 2	0.5559	0.7247	1.2806	1.1974

Third interim distribution

Group 1 - Shares purchased prior to 1 August 2022

Group 2 - Shares purchased 1 August 2022 to 31 October 2022

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.12.2023 Pence per share	Distribution paid 31.12.2022 Pence per share
Class 2 Gross Income - Group 1	0.6753	–	0.6753	0.5615
Class 2 Gross Income - Group 2	0.2287	0.4466	0.6753	0.5615
Class 3 Gross Income - Group 1	0.9503	–	0.9503	0.8166
Class 3 Gross Income - Group 2	0.5727	0.3776	0.9503	0.8166
Class 6 Gross Accumulation - Group 1	1.2354	–	1.2354	0.9951
Class 6 Gross Accumulation - Group 2	0.5846	0.6508	1.2354	0.9951

Sustainable Future Corporate Bond Fund (continued)

Distribution Tables (continued)
for the year ended 31 January 2023

Second interim distribution

Group 1 - Shares purchased prior to 1 May 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2022 Pence per share	Distribution paid 30.9.2021 Pence per share
Class 2 Gross Income - Group 1	0.6470	–	0.6470	0.5673
Class 2 Gross Income - Group 2	0.2306	0.4164	0.6470	0.5673
Class 3 Gross Income - Group 1	0.9171	–	0.9171	0.8265
Class 3 Gross Income - Group 2	0.4332	0.4839	0.9171	0.8265
Class 6 Gross Accumulation - Group 1	1.1727	–	1.1727	0.9988
Class 6 Gross Accumulation - Group 2	0.5918	0.5809	1.1727	0.9988

First interim distribution

Group 1 - Shares purchased prior to 1 February 2022

Group 2 - Shares purchased 1 February 2022 to 30 April 2022

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.6.2022 Pence per share	Distribution paid 30.6.2021 Pence per share
Class 2 Gross Income - Group 1	0.5903	–	0.5903	0.5910
Class 2 Gross Income - Group 2	0.3030	0.2873	0.5903	0.5910
Class 3 Gross Income - Group 1	0.8441	–	0.8441	0.8557
Class 3 Gross Income - Group 2	0.2703	0.5738	0.8441	0.8557
Class 6 Gross Accumulation - Group 1	1.0619	–	1.0619	1.0337
Class 6 Gross Accumulation - Group 2	0.5619	0.5000	1.0619	1.0337

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

Sustainable Future Defensive Managed Fund

Report for the year from 1 February 2022 to 31 January 2023

Investment Objective

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

Investment Policy

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

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

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

Equity - 20-50%

Fixed Income - 10-60%

Cash - 0-20%

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

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

Sustainable Future Defensive Managed Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned -10.0% (Class 2 Net Income) over the year under review, versus the -3.8% IA Mixed Investment 20-60% Shares sector average (the comparator benchmark)*.

Over the last 22 years, our Sustainable Future (SF) investment process has focused on companies looking to enable and benefit from the progress towards a *cleaner*, *healthier and safer* economy.

Our process has served our clients well over the last two decades; however, 2022 was without doubt the most challenging year since the inception of the Sustainable Future range of funds. A sharp market rotation towards 'value' stocks, combined with an exceptionally challenging macroeconomic environment hit our Funds particularly hard over the majority of 2022. Moving into 2023, global equities started the year on a stronger footing following the re-opening of China after they dropped their zero-Covid policy and signs that inflation is beginning to ease in major regions improved market sentiment, with hopes that central banks are close to the peak of their respective interest rate hiking cycles.

In terms of market overview, we began the period under review with low central bank rates, stimulative government policies, and bottlenecks in global supply chains causing prices to rise for scarce products and labour. The first two were well-intentioned interventions to prop up economies through the shock of the Covid-19 pandemic, though in hindsight were applied for too long. Inflationary pressures were compounded by the Russian invasion of Ukraine, which exacerbated energy price inflation, and lockdowns in China, which put further strain on global supply chains.

Central banks reacted to worsening inflation by shifting to aggressive tightening of monetary policy. This was an abrupt change in macroeconomic backdrop which sent markets into a tailspin, with almost all asset classes falling to a greater or lesser extent in response to a higher cost of capital.

As interest rate expectations rose, bond yields moved significantly higher while equity markets suffered losses which were worse among long duration areas, such as the growth and quality-style equities the SF funds invest in.

From an asset allocation perspective, the market activity we saw over 2022 presented an opportunity to rebalance portfolios. The main change we have made is to deploy cash to take advantage of the improved valuation of UK government bonds. Following a decade being maximum underweight to gilts, we have started reducing the underweight and increasing duration. We have maintained the overweight position in corporate bonds, taking advantage of attractive yields to also increase duration.

Within the UK and global equity allocations, we have maintained neutral positioning, but sought to add to high-quality holdings that have sold off too heavily. The other asset allocation change has been to reduce the overweight infrastructure position, taking some profit from electricity generators after a strong performance.

Sub-fund performance over the year was somewhat held back by a negative return on its UK government bond allocation, as a market sell-off in the third quarter saw yields rise across the board. The market action was particularly severe in the UK market, where gilts tumbled following the UK Government's poorly received budget announcement.

In terms of individual stocks, Cadence Design Systems was among the top performers over the period under review. Exposed to our *Improving the efficiency of energy use* theme, Cadence provides EDA (electronic design automation) technology that designs and optimises semiconductor chips. Its technology facilitates innovation behind many of our themes related to the digitalisation of the global economy. Over the year, the company announced a number of positive trading updates, most notably a strong earnings per share beat in its second quarter release.

Private equity company 3i Group performed strongly after announcing a total return of £1.77bn in its first half earnings release, or 14% on opening shareholders' funds. The company noted that its position in discount retailer Action was a significant contributor to performance, with 3i also seeing strong earnings growth and momentum in a number of its portfolio companies in the consumer, healthcare, specialty industrial and business and technology service sectors.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Exposed to our *Increasing financial resilience* theme, 3i predominantly invests in retail, infrastructure, healthcare, technology and industrial and it has strong responsible investment policies and firm exclusions on no-go areas. The company has a model based on investing and supporting businesses for growth. This helps to develop the infrastructure and technologies we need in a sustainable transition.

Also among the positive contributors to returns over the year under review was Trainline, whose share price had fallen by c.35% in the six months from 1 August 2021 to 31 January 2022 and continued to drift downwards in the early part of 2022 as a result of uncertainty around the restructuring of the UK rail system. The shares rebounded following an amendment to its third-party retail licence with the Rail Delivery Group in late March, and rose again after a positive trading update and upward revisions to guidance in early July.

The ambiguity over the company's place in a reorganised UK rail market under a new public-sector body seems to have receded, and we feel Trainline is well placed to win the government's contract to white label the train ticket solution, as well as potentially benefiting from a major growth opportunity in Europe as that market is democratised and opens up to independent providers.

Ringkjoebing Landbobank (Rilba) is a long-term outperformer and was again among the notable contributors over the period under review. The Danish bank is exposed to our *Increasing financial resilience* theme, one we believe is crucial to ensuring a stable economy. You only have to go back to September 2008 to see the impact that weak financial institutions, inadequate regulation and supervision, and a lack of transparency had on the global economy. Businesses that provide simple products that consumers need, like current accounts and mortgages, contribute to a more resilient financial system – we believe Rilba, as one of the best-run banks in the industry, is doing just that.

The Danish bank performed strongly into the close of the year after raising its pre-tax profit forecast for the full year at the start of December; it upped its guidance to between Dkr1.70 billion to Dkr1.95 billion, compared with Dkr1.55 billion to Dkr1.80 billion previously. The company cited the primary reasons behind this upward adjustment as continued levels of positive activity, higher interest rates and growth in lending for the first three quarters of the year.

As has been the case since the value rotation began, the Sub-fund's weaker performers included several technology-focused businesses that suffered from higher discount rates, including DocuSign, PayPal and Spotify.

To reiterate our message on DocuSign, this US business saw a huge acceleration in terms of demand as it enables paperless contract signing and businesses needed its services to operate in a lockdown world. We are still only in the earliest stages of market penetration in terms of paperless signatures and DocuSign is the clear market leader. We see the company as a beneficiary of the move towards a more circular economy and greater resource efficiency, saving billions of sheets of paper (and therefore trees) based on its position today and potentially increasing this massively as the market continues to grow.

Spotify's shares have also been weak since its 2021 fourth-quarter results released at the start of February. The results for the quarter itself were solid and generally in line with analyst expectations but the company's guidance on Q1 2022 was slightly below expectations in terms of new monthly subscribers. Spotify put this down to an increasingly seasonal approach to marketing and acquiring new customers. Furthermore, in its most recent earnings release in October, the music streaming service announced that profit margins may narrow due to programming costs and that it was also considering raising prices in the US.

PayPal's situation is different and we are continuing to review our thesis and position. This has been a major performer for the portfolio over recent years but, earlier in 2022, the company missed analyst expectations for growth and earnings, downgraded guidance for 2022, and, most concerningly, provided new information that calls into question the growth algorithm investors had modelled. Management explained the business operates on a Pareto Principle – the concept that around 30% of customers drive the majority of revenues and profits. This is not uncommon but our concern is that it was the first time we had heard management mention this, having followed the company since 2017.

Shares in PayPal also fell sharply in the fourth quarter of 2022 as it trimmed its forecast for annual revenue amid a slowdown in spending volume on its platform. Payments volume increased 14% to $337 billion in the third quarter, which was below the average

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

estimates. PayPal now expects revenue for the year to increase 10% to $27.5 billion, which is a downgrade of an earlier forecast of $27.8 billion. In response, the company has vowed to reduce expenses – including job cuts and the shuttering of offices across the US – which it has said will result in $900 million in savings this year and $1.3 billion next year.

Home REIT was also among the detractors over the year with the company's share price falling sharply after the release of a short-selling report by Viceroy Research LLC.

Following the allegations made in the report and the full response from Home REIT on 30 November, Liontrust is continuing to engage with the management of Home REIT and are awaiting more information from and discussions with Home REIT before taking any decisions.

Over the two decades that the Sustainable investment team have been managing the Sustainable Future funds, a key lesson that we have learned is that 'sustainable' should not be taken to mean perfect. Investing involves making predictions about the future, which is extremely difficult. Therefore, we have to expect occasions – albeit rare – when the future does not turn out as predicted and the companies we hold become embroiled in a controversy that may challenge the initial assessment of their sustainability.

As soon as we are aware of any controversy, the next stage is to analyse the situation in detail, investigating to ascertain the involvement of the company in question, the seriousness of allegations made and how the business is responding.

Over the year, we trimmed some of our stronger performers, freeing up capital to add to a number of companies where indiscriminate selling has created opportunities. A new addition over Q1 was Masimo, under our *Enabling innovation in healthcare* theme. Headquartered in the US, Masimo's core product is pulse oximetry sensors, which enable a patient's vital signs to be monitored. The company places circuit boards (referred to as drivers) into bedside monitor machines and then sells the hospital sensors to pair with these devices.

We also initiated a position in Wise over the year. Exposed to our *Increasing financial resilience* theme, the financial technology company's mission is to bring transparency and fairness into moving money around the world; a resilient financial system helps support all in society and we look for businesses that dramatically improve access to financial services and reduce the costs for everyone. Wise offers a significantly better rate, lower fees, and a very simple app-based approach.

Within theme of *Delivering a circular materials economy*, we initiated a position in US firms Advanced Draining Systems and Trex. ADS is the leader in the supply of plastic-based storm water drainage in the US. ADS's products are made from recycled plastics and replace concrete-based drainage systems, which are a poorer quality product as well as being more carbon intensive to manufacture.

Trex manufactures non-wood decking and railing products from waste-wood fibres and recycled plastic, upcycling 400 million pounds of plastic each year from post-consumer and post-industrial. Although the products mimic wood, they require less maintenance and last longer.

We added AstraZeneca and Alcon under the *Enabling innovation in healthcare* theme. AstraZeneca is a pure-play Biopharmaceuticals company with a focus on oncology, diabetes, central nervous system disorders, and cardiovascular, autoimmune and respiratory diseases. Put simply, this is one of the highest-growth companies in the global pharmaceutical peer group.

Alcon is an American-Swiss medical device firm specialising in design and manufacture of interocular lenses, consumables used in ophthalmic surgery and consumer contact lenses.

We also added Agilent Technologies, a global leader in quality control and testing, ensuring the food we eat, the air we breathe and the water we drink does not contain harmful chemicals and contaminants. Exposed to our *Better monitoring of supply chains and quality control* theme, it is also a leader in the supply of Research & Development tools in the area of increasingly cutting-edge technology related to gene-editing.

Vestas Wind Systems was another new addition under our *Increasing electricity from renewable sources* theme. This Danish firm, one of the three main players outside of China, is the quality leader in the supply of wind turbines globally, which are key to the transition

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

away from Russian gas and fossil fuel dependency. Vestas' strategy to shift away from just turbine manufacturing towards turbine design, optimising connection to grid to yield highest cashflow and profitable service revenue look set to help them grow profitability for the next decade and beyond.

Admiral was another new purchase under our *Insuring a sustainable economy* theme. This is a motor and household insurer in the UK which is consistently rated highly by customers. We have long admired its very strong employee culture with a focus on promotion and share ownership from within that makes it stand out from other organisations. Its lower-cost operating model means it can be the most competitive on insurance rates without detracting from the quality of its cover.

Following the split from GlaxoSmithKline, we have a new holding in Haleon which we retain in the portfolio. Held under our *Providing affordable healthcare* theme, Haleon is a consumer healthcare business formed by the combination of GlaxoSmithKline and Pfizer's consumer healthcare units. We believe the company demonstrates strong sustainability credentials, aiming to help individuals take responsibility for their health before reaching the healthcare system, with over-the-counter products such as vitamins, toothpaste and painkillers. We also feel the entity has a robust credit profile given its large scale and strong diversification by geography and product line, with a dominant position across several markets. It is highly cash generative, with resilient cash flows, which should be supportive of its deleveraging ambitions over the coming years.

We added US insurance business Brown & Brown (B&B) under our *Insuring a sustainable economy t*heme. B&B is a commercial lines insurance broker, meaning that it works on behalf of clients, namely businesses needing risk cover, to find suitable contracts from insurers. In some cases, it also does the underwriting but the balance sheet risk is held with reinsurers; the latter are willing to do this because they want to earn the premiums but might not have the expertise in a given area and therefore entrust B&B with assessing that risk.

We also added NatWest, a UK-focused bank that sits within our theme of *increasing financial resilience*. We feel that NatWest will benefit from a higher interest rate environment and has ambitious targets around decarbonisation from its client base, including the provision of green mortgages to help households improve their energy ratings.

We added back a position in Kerry Group, a long-term favourite of ours that we had sold in 2021 as its share price had reached our five-year assessment of intrinsic value. However, with the share price falling c.20% between the end of January and the middle of June, we felt there was renewed upside following the derating. Kerry Group is exposed to our *Delivering healthier foods* theme, using its intellectual property (IP) to improve the nutritional characteristics of food, which remains a key part of reducing obesity and improving people's lives.

In order to fund these new acquisitions, we exited long-held positions in CSL, Waste Connections and Prudential. CSL has been in the Sub-fund more than a decade, and, whilst the business remains high quality, we were slightly concerned about its recent acquisition and further capital deployment. Waste Connections has performed well, but with the majority of the waste they collect being diverted to landfill, rather than being recycled, we decided to use this capital to focus on a better thematic fit for our *Circular economy* theme. Prudential has been a disappointing investment, and we felt that recycling the capital we had used for this position into Brown & Brown was a prudent investment decision.

We also exited positions in Abcam, Technogym and Knorr Bremse during the year. Abcam is a global life science company focused on identifying, developing and distributing high-quality reagents and tools for its customers. Heavy investment to set itself up for the future means Abcam's shorter-term returns are likely to be depressed. We were also unimpressed by Abcam's proposed long-term incentive plan for senior management, which in our view was unwarrantedly generous and caused us to downgrade our management quality rating for the firm.

We decided to exit our position in Technogym as we lost confidence in the long-term resilience of the company's business fundamentals. While Technogym's products remain best in class, demand from traditional customers such as gyms has collapsed, as it has from a newer channel in the shape of hotels. We remain concerned the pandemic may have long-lasting impacts upon aggregate demand for both gyms and hotels, and new gym equipment is a discretionary item that can be sacrificed in times of difficulty.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Knorr Bremse, a German braking system manufacturer was a relatively new position, which we first bought into in 2019. While we like the company from a product perspective, with strong exposure to transport safety (in trains and trucks), and returns have been high, we have been concerned about recent management churn: the company is on its fourth CEO since listing in 2018. Weaker fundamentals in China, Knorr Bremse's biggest market for rail safety and braking systems, have put medium-term group sales and earnings before interest and tax (EBIT) margin targets in doubt, while a botched attempt to buy automotive electronics manufacturer Hella gives us little confidence in the business's ability to execute a credible mergers & acquisition (M&A) strategy.

We also sold a long-term position in Hargreaves Lansdown (HL) on the back of weaker business fundamentals. Shares in HL have been falling since interim results and its Capital Markets Day in February revealed net new business and earnings per share which were weaker than expectations. The company also announced a higher cost trajectory for the next couple of years as it plans to reinvest in the business. We think these investments are the right thing to do for the long term, helping HL maintain its market-leading position, but they have taken too long and are not without execution risk.

We sold Splunk as we were concerned that its technological lead in unstructured data and big data analysis is coming under pressure from new competitors. Splunk's technology is increasingly adopted as a form of network digital security, and as this moves into the cloud, there is an increasing number of surveillance software competitors. We believe this may pressure pricing and returns for the business going forward.

We also completed our sale of Countryside Partnerships, with the company's share price underpinned by its bid for the company by Vistry, a fellow housebuilder. This was a disappointing conclusion to an investment based on meeting strong demand for affordable, rental and open market housing. In the end, we feel that the company executed very poorly on its strategy.

We sold our holding in Cellnex Telecom. Our belief is that the consolidation of the European telecommunication tower market is nearing the end of the road, with fewer options left in terms of acquisitions. This is coupled with higher valuations and increased costs of debt all of which we believe could result in reducing returns on capital.

**Source: Financial Express, bid-to-bid, net of fees, 31.01.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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

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

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
United Kingdom Gilt 0.875% 31/7/2033	United Kingdom Gilt 1.625% 22/10/2028
United Kingdom Gilt 4.25% 7/6/2032	United Kingdom Gilt 4.25% 7/6/2032
United Kingdom Gilt 1.5% 31/7/2053	United Kingdom Gilt 0.125% 31/1/2023
United Kingdom Gilt 0.125% 31/1/2023	United Kingdom Gilt 0.75% 22/7/2023
United Kingdom Gilt 0.75% 22/7/2023	United Kingdom Gilt 0.875% 31/7/2033
United Kingdom Gilt 1.75% 7/9/2022	United Kingdom Gilt 1.75% 7/9/2022
Barclays 8.407% 14/11/2032	Cadence Design Systems
Masimo	London Stock Exchange
Cadence Design Systems	Compass
Spotify Technology	Barclays 3.564% 23/9/2035

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Risk and Reward profile

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

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

1	2	3	4	5	6	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund is categorised 4 primarily for its exposure to a diversified portfolio of Global equities and bonds.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-fund;
  - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Sub-Fund;
  - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result;
  - the creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- The Sub-fund may, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Sub-fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- The Sub-fund may have both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign exchange contracts to protect returns in the base currency of the Sub-fund.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

- Outside of normal conditions, the Sub-fund may hold higher levels of cash which may be deposited with several credit counterparties (e.g. international banks). A credit risk arises should one or more of these counterparties be unable to return the deposited cash.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- ESG Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG.

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

Sustainable Future Defensive Managed Fund (continued)

Comparative Tables
for the year ended 31 January 2023

Class 2 Net Income Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	149.46	148.12	138.56
Return before operating charges	(13.70)	4.87	13.00
Operating charges	(1.16)	(1.37)	(1.23)
Return after operating charges	(14.86)	3.50	11.77
Distributions	(2.72)	(2.16)	(2.21)
Closing net asset value per share	**131.88**	**149.46**	**148.12**
After direct transaction costs of*	(0.06)	(0.09)	(0.19)
Performance			
Return after charges	(9.94%)	2.36%	8.50%
Other information			
Closing net asset value (£'000)	1,016,583	1,226,428	675,800
Closing number of shares	770,850,581	820,564,686	456,260,987
Operating charges**	0.86%	0.88%	0.87%
Direct transaction costs*	0.04%	0.05%	0.13%
Prices			
Highest share price	150.81	161.90	153.79
Lowest share price	120.05	146.95	119.04

* 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.

Sustainable Future Defensive Managed Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2023

Class 3 Net Income Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	152.90	151.10	140.96
Return before operating charges	(14.11)	4.85	13.18
Operating charges	(0.71)	(0.84)	(0.79)
Return after operating charges	(14.82)	4.01	12.39
Distributions	(2.79)	(2.21)	(2.25)
Closing net asset value per share	**135.29**	**152.90**	**151.10**
After direct transaction costs of*	(0.06)	(0.09)	(0.19)
Performance			
Return after charges	(9.69%)	2.65%	8.79%
Other information			
Closing net asset value (£'000)	81,850	93,778	60,399
Closing number of shares	60,498,011	61,332,400	39,973,592
Operating charges**	0.51%	0.53%	0.55%
Direct transaction costs*	0.04%	0.05%	0.13%
Prices			
Highest share price	154.28	165.45	156.86
Lowest share price	123.05	149.95	121.15

* 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.

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (42.99%)	**448,082**	**40.79**
	AUSTRALIA (0.58%)	**0**	**0.00**
	DENMARK (0.71%)	**12,992**	**1.18**
82,492	Ringkjoebing Landbobank	9,694	0.88
139,461	Vestas Wind Systems	3,298	0.30
	GERMANY (1.75%)	**12,283**	**1.12**
170,022	Evotec	2,694	0.25
144,837	Infineon Technologies	4,204	0.38
98,331	Puma	5,385	0.49
	IRELAND (0.79%)	**12,164**	**1.11**
48,109	Kerry	3,647	0.33
251,085	Smurfit Kappa	8,517	0.78
	ITALY (0.07%)	**0**	**0.00**
	JAPAN (1.78%)	**24,214**	**2.20**
9,925	Canadian Solar Infrastructure Fund	7,594	0.69
23,100	Daikin Industries	3,235	0.29
23,700	Keyence	8,756	0.80
184,800	TechnoPro	4,629	0.42
	NETHERLANDS (1.05%)	**12,653**	**1.15**
4,274	Adyen	5,194	0.47
14,032	ASML	7,459	0.68
	SPAIN (0.38%)	**0**	**0.00**
	SWEDEN (1.45%)	**15,610**	**1.42**
407,568	Avanza Bank	7,573	0.69
87,800	Spotify Technology	8,037	0.73
	SWITZERLAND (0.26%)	**10,642**	**0.97**
100,508	Alcon	6,100	0.56
18,013	Roche	4,542	0.41

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (16.85%)	**152,998**	**13.91**
540,021	3i	8,503	0.77
390,969	Abcam	4,405	0.40
208,930	Admiral	4,596	0.42
786,170	AJ Bell	2,646	0.24
87,786	Ashtead	4,663	0.42
47,504	AstraZeneca	5,031	0.46
6,285,643	Atrato Onsite Energy	5,777	0.53
290,180	Compass	5,603	0.51
543,712	Crest Nicholson	1,319	0.12
82,101	Croda International	5,653	0.51
1,064,794	DFS Furniture	1,593	0.15
724,758	GB	2,553	0.23
422,267	GSK	6,011	0.55
802,273	Gym	1,035	0.09
1,866,767	Haleon	6,053	0.55
160,927	Halma	3,455	0.31
2,021,251	Helios Towers	2,138	0.19
12,000,004	Home REIT^	4,566	0.42
123,441	Intertek	5,364	0.49
4,269,437	IP	2,602	0.24
2,069,314	Legal & General	5,256	0.48
68,832	London Stock Exchange	5,096	0.46
413,099	Molton Ventures	1,477	0.13
1,728,453	National Express	2,295	0.21
1,330,259	NatWest	4,096	0.37
718,899	Oxford Biomedica	3,059	0.28
929,205	Paragon Banking	5,580	0.51
343,469	Porvair	2,068	0.19
4,666,486	PRS REIT	4,247	0.39
974,919	Rotork	3,098	0.28
4,261,102	SDCL Energy Efficiency Income Trust	3,997	0.36
316,348	Softcat	3,815	0.35
588,999	St James's Place	7,195	0.66
1,451,305	Trainline	4,116	0.37
4,919,164	Triple Point Energy Efficiency Infrastructure	3,517	0.32
198,879	Unilever	8,171	0.74
433,401	Wise	2,349	0.21

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED STATES OF AMERICA (17.32%)	**194,526**	**17.73**
16,600	Adobe	4,993	0.45
31,900	Advanced Drainage Systems	2,614	0.24
54,400	Agilent Technologies	6,719	0.61
124,100	Alphabet 'A'	9,964	0.91
39,000	American Tower	7,077	0.64
36,800	ANSYS	7,964	0.73
36,900	Autodesk	6,449	0.59
71,800	Bright Horizons Family Solutions	4,477	0.41
102,100	Brown & Brown	4,856	0.44
66,600	Cadence Design Systems	9,885	0.90
122,436	Charles Schwab	7,704	0.70
105,600	DocuSign	5,200	0.47
53,900	Ecolab	6,778	0.62
10,321	Equinix	6,190	0.56
71,914	First Republic Bank	8,228	0.75
33,300	Illumina	5,793	0.53
18,700	Intuit	6,423	0.58
32,500	Intuitive Surgical	6,485	0.59
65,500	IQVIA	12,206	1.11
52,900	Masimo	7,308	0.67
140,100	Nasdaq	6,849	0.62
1,810	NVR	7,763	0.71
44,800	Palo Alto Networks	5,769	0.53
69,100	PayPal	4,573	0.42
62,100	PTC	6,802	0.62
15,577	Thermo Fisher Scientific	7,216	0.66
61,300	Trex	2,626	0.24
37,600	VeriSign	6,656	0.61
47,900	Visa 'A'	8,959	0.82
	BONDS (38.88%)	**555,507**	**50.57**
	UNITED KINGDOM GOVERNMENT BONDS (10.70%)	**206,244**	**18.77**
£ 211,700,000	United Kingdom Gilt 0.875% 31/7/2033	163,639	14.89
£ 71,000,000	United Kingdom Gilt 1.5% 31/7/2053	42,605	3.88

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (23.02%)	**298,964**	**27.22**
£ 2,900,000	3i 5.75% 3/12/2032	3,026	0.28
£ 5,300,000	Anglian Water Osprey Financing 2% 31/7/2028	4,268	0.39
£ 4,000,000	Annington Funding 3.184% 12/7/2029	3,457	0.31
£ 1,500,000	Annington Funding 3.935% 12/7/2047	1,136	0.10
£ 1,700,000	Assicurazioni Generali 6.269% Perpetual	1,685	0.15
£ 5,800,000	AT&T 7% 30/4/2040	6,748	0.61
£ 4,900,000	Aviva 4.375% 12/9/2049	4,466	0.41
£ 4,700,000	Aviva 5.125% 4/6/2050	4,408	0.40
£ 3,333,000	Aviva 6.875% Perpetual	3,095	0.28
£ 3,000,000	Banco Santander 1.75% 17/2/2027	2,621	0.24
£ 5,300,000	Banco Santander 2.25% 4/10/2032	4,432	0.40
£ 11,700,000	Barclays 8.407% 14/11/2032	12,578	1.15
£ 5,000,000	Blackstone Property Partners Europe Sarl 2.625% 20/10/2028	3,953	0.36
£ 3,000,000	BNP Paribas 5.75% 13/6/2032	3,101	0.28
£ 2,094,000	Bunzl Finance 1.5% 30/10/2030	1,620	0.15
£ 1,617,000	Bunzl Finance 2.25% 11/6/2025	1,528	0.14
£ 3,000,000	Cadent Finance 2.125% 22/9/2028	2,605	0.24
£ 4,500,000	Canary Wharf Investment 3.375% 23/4/2028	3,306	0.30
£ 4,150,000	Clarion Funding 1.25% 13/11/2032	2,999	0.27
£ 3,200,000	Compass 4.375% 8/9/2032	3,208	0.29
£ 2,700,000	Cooperatieve Rabobank UA 4.625% 23/5/2029	2,578	0.23
£ 3,916,000	Coventry Building Society 2% 20/12/2030	3,115	0.28
£ 3,700,000	Coventry Building Society 6.875% Perpetual	3,567	0.32
£ 4,000,000	CPUK Finance 3.69% 28/2/2047	3,558	0.32
£ 5,600,000	Deutsche Telekom International Finance 8.875% 27/11/2028	6,830	0.62
£ 6,050,000	Direct Line Insurance 4% 5/6/2032	4,823	0.44
£ 1,081,000	DWR Cymru Financing UK 1.625% 31/3/2026	986	0.09
£ 4,982,000	DWR Cymru Financing UK 2.375% 31/3/2034	3,780	0.34
£ 1,452,000	DWR Cymru Financing UK 2.5% 31/3/2036	1,152	0.10
£ 890,000	GlaxoSmithKline Capital 5.25% 19/12/2033	960	0.09
£ 745,000	GSK Consumer Healthcare Capital UK 2.875% 29/10/2028	688	0.06
£ 9,350,000	HSBC 7% 7/4/2038	10,180	0.93
£ 5,700,000	Legal & General 4.5% 1/11/2050	5,107	0.47
£ 1,250,000	Legal & General 5.5% 27/6/2064	1,163	0.11
£ 2,500,000	Liberty Living Finance 3.375% 28/11/2029	2,149	0.20
£ 16,742,000	Lloyds Banking 2.707% 3/12/2035	13,154	1.20
£ 4,700,000	Logicor Financing Sarl 2.75% 15/1/2030	3,752	0.34
£ 3,750,000	London & Quadrant Housing Trust 2% 20/10/2038	2,475	0.23

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (continued)		
£ 2,081,000	London Stock Exchange 1.625% 6/4/2030	1,727	0.16
£ 4,550,000	M&G 5.625% 20/10/2051	4,238	0.39
£ 1,000,000	M&G 6.34% 19/12/2063	911	0.08
£ 1,500,000	Motability Operations 1.75% 3/7/2029	1,292	0.12
£ 2,700,000	Motability Operations 3.625% 10/3/2036	2,459	0.22
£ 4,565,000	National Express 2.375% 20/11/2028	3,906	0.36
£ 3,500,000	National Express 4.25% Perpetual	3,084	0.28
£ 4,185,000	National Grid Gas 1.125% 14/1/2033	2,871	0.26
£ 2,800,000	Nationwide Building Society 5.875% Perpetual	2,702	0.25
£ 12,000,000	Natwest 2.105% 28/11/2031	10,317	0.94
£ 2,700,000	Natwest 3.622% 14/8/2030	2,537	0.23
£ 1,400,000	Natwest 7.416% 6/6/2033	1,468	0.13
£ 5,400,000	Next 3.625% 18/5/2028	5,049	0.46
£ 4,700,000	NGG Finance 5.625% 18/6/2073	4,565	0.42
£ 3,955,000	Optivo Finance 2.857% 7/10/2035	3,160	0.29
£ 2,800,000	Orange 8.125% 20/11/2028	3,306	0.30
£ 2,850,000	Orsted 2.125% 17/5/2027	2,620	0.24
£ 5,932,000	Orsted 2.5% 18/2/3021	4,157	0.38
£ 1,000,000	Peabody Capital No 2 2.75% 2/3/2034	821	0.07
£ 1,750,000	Pension Insurance 3.625% 21/10/2032	1,376	0.13
£ 2,700,000	Pension Insurance 4.625% 7/5/2031	2,343	0.21
£ 3,780,000	Pension Insurance 5.625% 20/9/2030	3,544	0.32
£ 7,850,000	Phoenix 5.625% 28/4/2031	7,234	0.66
£ 2,300,000	Places for People Homes 3.625% 22/11/2028	2,140	0.19
£ 700,000	Places for People Homes 5.875% 23/5/2031	730	0.07
£ 2,672,000	Realty Income 1.125% 13/7/2027	2,280	0.21
£ 7,052,000	RL Finance Bonds No. 4 4.875% 7/10/2049	5,636	0.51
£ 4,272,000	Severn Trent Utilities Finance 2% 2/6/2040	2,847	0.26
£ 4,200,000	Severn Trent Utilities Finance 2.625% 22/2/2033	3,504	0.32
£ 800,000	Severn Trent Utilities Finance 6.25% 7/6/2029	866	0.08
£ 2,750,000	Southern Gas Networks 1.25% 2/12/2031	2,045	0.19
£ 3,571,000	Southern Housing 2.375% 8/10/2036	2,657	0.24
£ 2,900,000	SP Transmission 2% 13/11/2031	2,387	0.22
£ 5,245,000	SSE 3.74% Perpetual	4,869	0.44
£ 4,700,000	Standard Chartered 5.125% 6/6/2034	4,572	0.42
£ 7,250,000	Telefonica Emisiones 5.375% 2/2/2026	7,364	0.67
£ 2,200,000	UNITE 3.5% 15/10/2028	1,961	0.18
£ 3,286,000	United Utilities Water Finance 0.875% 28/10/2029	2,608	0.24

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (continued)		
£ 7,800,000	Verizon Communications 3.375% 27/10/2036	6,613	0.60
£ 2,000,000	Vodafone 4.875% 3/10/2078	1,913	0.17
£ 5,900,000	Vodafone 5.9% 26/11/2032	6,437	0.59
£ 2,350,000	Western Power Distribution 3.5% 16/10/2026	2,245	0.20
£ 5,257,000	Whitbread 3% 31/5/2031	4,272	0.39
£ 3,950,000	Yorkshire Building Society 3.375% 13/9/2028	3,500	0.32
£ 5,410,000	Yorkshire Water Finance 1.75% 27/10/2032	4,113	0.37
£ 3,680,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	3,461	0.32
	EURO DEBT SECURITIES (1.93%)	**19,791**	**1.80**
€ 3,000,000	BNP Paribas 0.83667% Perpetual	1,949	0.18
€ 8,500,000	Cellnex Finance 2% 15/2/2033	5,844	0.53
€ 8,000,000	Infrastrutture Wireless Italiane 1.75% 19/4/2031	5,719	0.52
€ 7,126,225	Stichting AK Rabobank Certificaten 6.5% Perpetual	6,279	0.57
	US DOLLAR DEBT SECURITIES (3.23%)	**30,508**	**2.78**
$ 5,800,000	AXA 6.379% Perpetual	4,943	0.45
$ 5,000,000	Barclays Bank 3.8125% Perpetual	3,209	0.29
$ 3,000,000	BNP Paribas 4.24486% Perpetual	1,876	0.17
$ 4,000,000	BNP Paribas 4.5% Perpetual	2,702	0.25
$ 14,000,000	HSBC Bank 5.40114% Perpetual	8,586	0.78
$ 4,000,000	Swiss Re Finance Luxembourg 5% 2/4/2049	3,152	0.29
$ 9,383,000	Zurich Finance Ireland Designated Activity 3% 19/4/2051	6,040	0.55
	COLLECTIVE INVESTMENT SCHEMES (11.49%)	**105,750**	**9.63**
	GUERNSEY (0.50%)	**4,509**	**0.41**
3,463,322	Renewables Infrastructure	4,509	0.41
	IRELAND (6.95%)	**55,504**	**5.05**
55,504,007	HSBC Sterling Liquidity Fund	55,504	5.05
	UNITED KINGDOM (4.04%)	**45,737**	**4.17**
7,461,057	Aquila European Renewables Income Fund	5,727	0.52
7,472,320	Downing Renewables & Infrastructure Trust	7,734	0.71
3,122,123	Greencoat UK Wind	4,967	0.45
1,802,192	JLEN Environmental Assets	2,181	0.20

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	COLLECTIVE INVESTMENT SCHEMES (continued)		
	UNITED KINGDOM (continued)		
17,443,144	Liontrust Sustainable Future Corporate Bond Fund+	16,363	1.49
4,376,000	ThomasLloyd Energy Impact Trust	4,052	0.37
7,041,560	US Solar Fund	4,713	0.43
	Portfolio of investments	**1,109,339**	**100.99**
	Net other liabilities	**(10,906)**	**(0.99)**
	Total net assets	**1,098,433**	**100.00**

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2022.

Stocks shown as REITs represent Real Estate Investment Trust.

\+ Managed by Liontrust Fund Partners LLP.

^ Suspended Security.

Sustainable Future Defensive Managed Fund (continued)

Statement of Total Return
for the year ended 31 January 2023

	Notes	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Income					
Net capital losses	2		(152,226)		(6,200)
Revenue	3	28,043		17,082	
Expenses	4	(9,965)		(9,175)	
Interest payable and similar charges	6	(9)		(1)	
Net revenue before taxation		18,069		7,906	
Taxation	5	(1,998)		(387)	
Net revenue after taxation			16,071		7,519
Total return before distributions			**(136,155)**		**1,319**
Distributions	7		(24,042)		(14,859)
Change in net assets attributable to shareholders from investment activities			**(160,197)**		**(13,540)**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2023

	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Opening net assets attributable to shareholders		**1,320,206**		**736,199**
Amounts received on issue of shares	84,628		612,633	
Amounts paid on cancellation of shares	(146,204)		(15,086)	
		(61,576)		597,547
Change in net assets attributable to shareholders from investment activities		(160,197)		(13,540)
Closing net assets attributable to shareholders		**1,098,433**		**1,320,206**

Sustainable Future Defensive Managed Fund (continued)

Balance Sheet
as at 31 January 2023

	Notes	31.1.2023 (£'000)	31.1.2022 (£'000)
Assets			
Fixed assets			
Investments		1,109,339	1,232,559
Current assets:			
Debtors	8	9,603	13,449
Cash and bank balances	9	823	115,940
Total assets		**1,119,765**	**1,361,948**
Liabilities			
Provision for liabilities	10	(22)	(28)
Creditors:			
Distribution payable		(11,718)	(9,313)
Other creditors	11	(9,592)	(32,401)
Total liabilities		**(21,332)**	**(41,742)**
Net assets attributable to shareholders		**1,098,433**	**1,320,206**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements
for the year ended 31 January 2023

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

2 Net capital losses

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
The net capital losses comprise:		
Non-derivative securities	(152,094)	(5,956)
Foreign currency losses	(132)	(244)
Net capital losses	**(152,226)**	**(6,200)**

3 Revenue

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Bank interest	8	1
Equity distributions on CIS holdings	827	491
Interest distributions on CIS holdings	640	599
Interest from overseas fixed income securities	3,742	2,602
Interest from UK fixed income securities	12,168	6,197
Management fee rebates on CIS	50	60
Non-taxable overseas dividends	2,503	1,779
Overseas REIT dividends	417	479
Revenue from short-term money market funds	766	–
Stock lending income	114	65
Taxable overseas dividends	–	4
UK dividends	5,755	4,405
UK REIT dividends	683	115
US REIT dividends	370	285
Total revenue	**28,043**	**17,082**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

4 Expenses

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	8,676	7,822
General administration charges*	1,289	1,353
Total expenses	**9,965**	**9,175**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,850 (2022: £9,975). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

5 Taxation

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
a) Analysis of charge in year		
Corporation tax	1,797	221
Less: Double taxation relief	(92)	(71)
Overseas tax	299	220
Deferred tax (credit)/charge [see note(c)]	(6)	17
Total tax charge [see note(b)]	**1,998**	**387**

b) Factors affecting tax charge for the year
The taxation assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Net revenue before taxation	18,069	7,906
Corporation tax at 20% (2022 - 20%)	3,614	1,581
Effects of:		
Double taxation relief	(98)	(79)
Overseas tax	299	220
Revenue not subject to tax	(1,817)	(1,335)
Total tax charge [see note(a)]	**1,998**	**387**

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

c) Deferred tax

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Opening deferred tax liability	28	11
Deferred tax (credit)/charge for the year (see note 5a)	(6)	17
Closing deferred tax liability	**22**	**28**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

6 Interest payable and similar charges

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Overdraft interest	9	1
Total interest payable and similar charges	**9**	**1**

7 Distributions

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Interim distribution	11,547	7,572
Final distribution	11,718	9,313
	23,265	**16,885**
Amounts deducted on cancellation of shares	991	74
Amounts received on issue of shares	(214)	(2,100)
Distributions	**24,042**	**14,859**

The distributable amount has been calculated as follows:		
Net revenue after taxation	16,071	7,519
Less: Tax relief on capitalised expenses	(1,994)	(1,835)
Add: ACD's charge reimbursed by capital	8,676	7,822
Add: Other expenses reimbursed by capital	1,289	1,353
Distributions	**24,042**	**14,859**

The distribution per share is set out in the tables on page 126.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

8 Debtors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued management fee rebates on CIS	4	5
Accrued revenue	6,749	6,632
Amounts receivable for issue of shares	1,288	6,120
Currency sales awaiting settlement	19	–
Income tax recoverable	–	1
Overseas withholding tax	257	104
Sales awaiting settlement	1,286	587
Total debtors	**9,603**	**13,449**

9 Cash and bank balances

	31.1.2023 (£'000)	31.1.2022 (£'000)
Cash and bank balances	823	115,940
Total cash and bank balances	**823**	**115,940**

10 Provision for liabilities

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

	Deferred tax provision (£'000)	Total (£'000)
At 31 January 2021	11	11
Origination and reversal of timing differences	17	17
At 31 January 2022	**28**	**28**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

11 Creditors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued expenses	93	126
Accrued ACD's charge	677	828
Amounts payable for cancellation of shares	3,796	156
Corporation tax	1,001	90
Currency purchases awaiting settlement	19	–
Purchases awaiting settlement	4,006	31,201
Total other creditors	**9,592**	**32,401**

12 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: £nil).

13 Related party transactions

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

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

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £770,000 (2022: £954,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £9,965,000 (2022: £9,175,000).

The total rebate of expenses paid by Liontrust Fund Partners LLP and its associates for the year was £50,000 (2022: £60,000).

The total rebate of expenses balance due from Liontrust Fund Partners LLP and its associates at the year end was £4,000 (2022: £5,000).

At the year-end there are Liontrust Fund Partners LLP products within the Sub-fund. Details of these investments are outlined in the Portfolio Statement.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Securities lending

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

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

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

Return and cost

The tables below show the net income earned by the Sub-funds from securities lending activity during the year to 31 January 2023.

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

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2022.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	65	–	28	93
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Securities lending (continued)

Securities on loan and collateral received

The following table details the value of securities on loan and associated collateral received, analysed by borrowing counterparty as at the Balance Sheet date.

Counterparty	Counterparty's country of establishment	31 January 2023 Securities on loan (£'000)	31 January 2023 Collateral received (£'000)	31 January 2022 Securities on loan (£'000)	31 January 2022 Collateral received (£'000)
BNP Paribas	France	–	–	11,032	11,425
Citigroup Global Markets Limited	UK	–	–	28,328	29,264
J.P. Morgan Securities Plc	UK	–	–	16,057	16,416
Merrill Lynch International	UK	–	–	663	709
Morgan Stanley International	UK	–	–	2,016	2,209
The Bank of Nova Scotia	Canada	–	–	4,087	4,496
UBS AG	Switzerland	–	–	321	351
Total		**–**	**–**	**62,504**	**64,870**

At 31 January 2023, there were no securities on loan or related collateral outstanding (31 January 2022: as above).

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

Management of counterparty credit risk related to securities lending

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

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

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 Risk management policies

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

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

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

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

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

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 January 2023 and 31 January 2022 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

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 Risk management policies (continued)

Market price risk (continued)
movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

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

As at 31 January 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%.

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.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

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

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

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 Risk management policies (continued)

Currency risk (continued)

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

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	7,679	7,679
Canadian Dollar	2	–	2
Danish Krone	11	9,356	9,367
Euro	337	76,623	76,960
Japanese Yen	254	23,431	23,685
Swedish Krona	18	6,198	6,216
Swiss Franc	–	3,414	3,414
United States Dollar	433	277,065	277,498
	1,055	**403,766**	**404,821**

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

If the exchange rate at 31 January 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 0.31%/(0.31)% 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.

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

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

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 Risk management policies (continued)

Interest rate risk (continued)

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

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

The interest rate risk profile of financial assets and liabilities at 31 January 2022 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non-Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	17,837	495,406	719,316	1,232,559
Investment liabilities	–	–	–	–

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

At 31 January 2022, if interest rates had strengthened/weakened by 1.00% with all other variables held constant this would have increased/decreased the net fixed income assets attributable to investors in the Sub-fund by approximately 6.47%.

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 wholly of readily realisable securities which can be sold to meet liquidity requirements.

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

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

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 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 table below summarises the credit quality of the Sub-fund debt portfolio as at 31 January 2023 and 31 January 2022.

Summary of Credit ratings	31.1.2023 (£'000)	31.1.2022 (£'000)
Investment grade	486,177	446,161
Below Investment grade	58,783	55,246
Not Rated	10,547	11,836
Total	**555,507**	**513,243**

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

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

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

At the balance sheet date, there were no counterparties to open derivative contracts. 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 January 2023 was A (Standard & Poor's rating).

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

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 Risk management policies (continued)

Counterparty credit risk (continued)

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

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

Maturity profile of financial liabilities

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

Fair value of financial assets and liabilities

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

Valuation of financial investments

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

31.1.2022	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	744,482	–
Level 2: Observable market data	488,077	–
	1,232,559	**–**

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

*The Level 3 assets have been valued based on last traded prices.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

16 Share movement

For the year ending 31 January 2023

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Income	820,564,686	50,492,607	(100,206,712)	–	770,850,581
Class 3 Net Income	61,332,400	8,872,081	(9,706,470)	–	60,498,011

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

17 Portfolio transaction costs
for the year ending 31 January 2023

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

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

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

17 Portfolio transaction costs (continued)
for the year ending 31 January 2022

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	308,402	120	0.04	385	0.12
Debt instruments (direct)	365,997	–	–	–	–
Collective investment schemes	17,210	7	0.04	41	0.24
Total purchases	**691,609**	**127**		**426**	
Total purchases including transaction costs	**692,162**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	88,960	39	0.04	–	–
Debt instruments (direct)	130,822	–	–	–	–
Total sales	**219,782**	**39**		**–**	
Total sales net of transaction costs	**219,743**				
Total transaction costs		**166**		**426**	
Total transaction costs as a % of average net assets		**0.02%**		**0.04%**	

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

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

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.38% (2022: 0.33%).

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

18 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Net Income share has decreased by 2.02% to 17 May 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

Sustainable Future Defensive Managed Fund (continued)

Distribution Tables
for the year ended 31 January 2023

Final distribution

Group 1 - Shares purchased prior to 1 August 2022

Group 2 - Shares purchased 1 August 2022 to 31 January 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2023 Pence per share	Distribution paid 31.3.2022 Pence per share
Class 2 Net Income - Group 1	1.4069	–	1.4069	1.0543
Class 2 Net Income - Group 2	0.7687	0.6382	1.4069	1.0543
Class 3 Net Income - Group 1	1.4423	–	1.4423	1.0779
Class 3 Net Income - Group 2	0.6167	0.8256	1.4423	1.0779

Interim distribution

Group 1 - Shares purchased prior to 1 February 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2022 Pence per share	Distribution paid 30.9.2021 Pence per share
Class 2 Net Income - Group 1	1.3125	–	1.3125	1.1085
Class 2 Net Income - Group 2	0.7943	0.5182	1.3125	1.1085
Class 3 Net Income - Group 1	1.3436	–	1.3436	1.1316
Class 3 Net Income - Group 2	0.8302	0.5134	1.3436	1.1316

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

Sustainable Future European Growth Fund

Report for the year from 1 February 2022 to 31 January 2023

Investment Objective

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

Investment Policy

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

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

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

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

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

Sustainable Future European Growth Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned -14.2% (Class 2 Net Accumulation) over the year under review, versus the 4.2% return from the MSCI Europe ex-UK Index and the 2.9% IA Europe ex-UK sector average (both of which are comparator benchmarks)*.

2022 has been the most challenging year since the inception of the Sustainable Future range of funds in 2001. We are continually challenging our conviction in our companies, and we are pleased with how our portfolio companies are navigating an extremely difficult period where supply chains have been disrupted and customer demand has been extremely difficult to forecast. So, despite the sharp decline in valuation multiples, we remain confident in the Sub-fund's prospect over the next five years with sustainable growth drivers, high quality companies and attractive valuations.

A legitimate challenge to our approach would be to ask whether our sustainable investment themes have run their course. This would only be the case if we had solved every problem and satisfied every need; we are a long way from that! There is still plenty of growing to do for sustainable companies.

We are now operating in a very different environment to the past decade, with higher interest rates in place to try and contain runaway inflation. This abrupt change in macroeconomic backdrop has sent markets into a tailspin, with all asset classes falling to a greater or lesser extent in response to a higher cost of capital. Our job in these turbulent times is to focus resolutely on the long term and on our investment process which has delivered strong performance until the past year.

We also want to take the opportunity in these periods of extreme market dislocation to add to our holdings with the most conviction and highest risk-adjusted upside, as well as take the opportunity to buy businesses we have long admired but were not previously attractively valued.

French payment company Edenred was among the notable contributors to relative performance over the year. We believe the company is a good fit for our Improving the resource efficiency of industrial and agricultural processes theme, with its payment solutions bringing efficiency and value for money for customers. Edenred provided encouraging earnings updates through the year, first announcing record earnings and growth for 2021, with this cash generation allowing the business to strengthen its financial profile and propose a higher dividend than before the pandemic, while also maintaining an ambitious mergers and acquisition (M&A) strategy. Towards the end of the year, the company received another share price boost after announcing an increase in EBITDA (earnings before interest, tax, depreciation and amortisation) guidance for the full year.

Ringkjoebing Landbobank (Rilba) is a long-term outperformer and was again among the notable contributors over the fourth quarter. The company is exposed to our *Increasing financial resilience* theme, a theme we believe is crucial to ensuring a stable economy. You only have to go back to September 2008 to see the impact that weak financial institutions, inadequate regulation and supervision, and a lack of transparency had on the global economy. Businesses that provide simple products that consumers need, like current accounts and mortgages, contribute to a more resilient financial system – we believe Rilba, as one of the best-run banks in the industry, is doing just that.

The Danish bank performed strongly into the close of the year after raising its pre-tax profit forecast for the full year at the start of December; it now sees profit between Dkr1.70 billion to Dkr1.95 billion, compared with Dkr1.55 billion to Dkr1.80 billion previously. The company cited the primary reasons behind this upward adjustment as continued levels of positive activity, higher interest rates and growth in lending for the first three quarters of the year.

Danish wind turbine manufacturer, Vestas Wind Systems, a Q3 addition to the portfolio, was also among the top performers despite cutting its 2022 forecast in Q3 results, as upbeat pricing comments overshadowed profit margin pressures. Exposed to our *Increasing electricity from renewable sources* theme, the Danish wind turbine manufacturer highlighted that while the energy crisis incentivises a faster transition to an energy system built on renewables, project development remains impeded by uncertainties in the energy market and red tape.

Among the weaker performers was GN Store Nord, a global leader in the hearing aid and unified communication markets (professional headset and connectivity), operating under the ReSound, Beltone and Jabra brands.

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

It issued a profit warning relating mainly to the professional headset part of the business. The company manufactures the majority of its products in China, where recent shipments have been impeded by Covid-19 lockdowns. The company has stated that demand and its order backlog remain strong but it has not been able to satisfy this with supply. The lack of profits has had a deleterious impact on leverage ratio but the company has recently restructured its balance sheet, raising over €500m, with debt and profitability normalising post the China lockdowns.

We have spoken with the company's head of investor relations, who reiterated the improving supply chain situation and pointed to the previous resilience of the hearing aid market in an economic downturn. Despite the very poor performance, we continue to believe that this is a high-quality business in two attractive markets (high margins, high returns and reliable long-term growth) and is attractively valued for the longer-term prospects.

Zur Rose was also among the detractors over the year. The Swiss-listed online pharmacy operates across Europe via its DocMorris brand, with the German market – valued at over €60 billion per annum – appearing to present a huge opportunity following a change in legislation which mandated the use of digital prescriptions. However, Zur Rose's share price suffered in 2022 due to a delay to the rollout of the new digital system, as well as the general trend of technology-focused businesses suffering from higher discount rates amid the market rotation towards value stocks. The position was placed under review earlier in the year as the regulatory backdrop shifted, before it was exited in Q3.

Spotify's shares have also been weak since its 2021 fourth-quarter results released at the start of February. The results for the quarter itself were solid and generally in line with analyst expectations but the company's guidance on Q1 2022 was slightly below what the market had been expecting in terms of new monthly subscribers. Spotify put this down to an increasingly seasonal approach to marketing and acquiring new customers. The company also announced it would no longer be providing annual guidance, just focusing on the next quarter. Furthermore, in its most recent earnings release in October, the music streaming service announced that profit margins may narrow due to programming costs and that it was also considering raising prices in the US.

Basic-Fit was another to register a negative return. It is Europe's largest gym group, targeting the low-cost end of the market at around €20 per month fee, and is exposed to our theme of *Enabling healthier lifestyles*. Despite a good recovery in its gym membership, the company is grappling with increased costs and concerns regarding the number of gyms it can open next year amid a weak consumer environment. On a longer term basis, we believe the company is well placed to grow the market with a low cost and high return business model.

Following a period of poor performance and a deterioration in business fundamentals, we took the decision to sell National Express from the Sub-fund. The bus operator is a beneficiary of safety and efficiency in public transport but has seen a marked increase in costs which has squeezed margins, whilst they have also struggled to recruit drivers for their highly profitable US school bus business. This fall in profitability has put further pressure on the balance sheet and we see better risk reward in other parts of the portfolio.

We added German bioprocessing equipment and consumables manufacturer Sartorius Stedim over the year under review. The biologics market (which includes ground-breaking treatments such as gene and cell therapy) is growing around 8-10% per annum, as these more effective and targeted treatments overtake small-molecule drugs. As for bioprocessing, this is expected to grow more like 10-12% as products in clinical trials move through to commercial manufacture and, with a shift from reusable to single-use technology, companies focused on the latter have an additional tailwind.

Like Sartorius Stedim, we had been watching Danish medical device company Ambu for some time and were able to start a small position at what we consider to be an attractive valuation following a derating in the share price. Both these new holdings come under our *Enabling innovation in healthcare* theme. Ambu is a pioneer in the development of single-use endoscopes, particularly its bronchoscope (for examining the lungs), which has reached market penetration rates of more than 30%. While more traditional reusable endoscopes may carry pathogens that could seriously hurt and even kill patients, single-use scopes are sterile by definition, reducing the infection risk in endoscopy patients as well as the costs of reprocessing.

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

We also started a position in Information Technology (IT) services firm Netcompany, another long-admired company where we were able to take advantage of share price weakness. Netcompany has a consulting business model, with thousands of IT engineers helping businesses across sectors to modernise and digitise their operations, improving efficiency, customer experience, resilience and digital security. Its fixed cost model is key to winning projects (particularly in the public sector), with a strong track record of delivering projects both on time and on budget. While we hold the stock under our *Improving the resource efficiency of industrial and agricultural processes* theme, we also like the strong culture at the business.

We initiated a position in Scandinavian insurance company Tryg, which provides property & casualty (P&C), or non-life insurance to businesses and individuals. Held under our *Insuring a sustainable economy* theme, the vast majority of Tryg's insurance portfolios is providing accident cover. It also has elements of health insurance within its portfolio in child and adult insurance, as well as workers' compensation products.

Vestas Wind Systems was another new addition over the quarter. This Danish firm, one of the three main players outside of China, is the quality leader in the supply of wind turbines globally, which are key to the transition away from Russian gas and fossil fuel dependency. Vestas' strategy to shift away from *just* turbine manufacturing towards turbine design, optimising connection to grid to yield highest cashflow and profitable service revenue look set to help it grow profitability for the next decade and beyond.

We opened a position in Haleon, the consumer healthcare business formed by the combination of GlaxoSmithKline and Pfizer's consumer healthcare units. We believe the company demonstrates strong sustainability credentials, aiming to help individuals take responsibility for their health before reaching the healthcare system, with over-the-counter products such as vitamins, toothpaste and painkillers. We also feel the entity has a robust credit profile given its large scale and strong diversification by geography and product line, with a dominant position across several markets. It is highly cash generative, with resilient cash flows, which should be supportive of its deleveraging ambitions over the coming years.

In terms of sells, we exited Zur Rose, the Swiss-listed online pharmacy which operates across Europe via its DocMorris brand, with the German market – valued at over €60 billion per annum – appearing to present a huge opportunity following a change in legislation which mandated the use of digital prescriptions. However, Zur Rose's share price has suffered in 2022 due to a delay to the rollout of the new digital system, as well as the general trend of technology-focused businesses suffering from higher discount rates amid the market rotation towards value stocks. The position was placed under review earlier this year as the regulatory backdrop shifted, before it was exited in Q3.

We sold a few of our long term holdings over the period under review, namely Cellnex, AXA and AssaAbloy. With regard to Cellnex, our belief is that the consolidation of the European telecommunication tower market is nearing the end of the road with fewer options left in terms of acquisitions. This is coupled with higher valuations and increased costs of debt all of which we believe could result in reducing returns on capital.

AXA, the large European insurance company, was one of the Sub-fund's strongest performers in 2022 and a position which we had increased in 2020 due to attractive valuations. We sold the position to fund our new position in Nordic insurer Tryg which has a higher return on equity and a stronger growth rate.

Assa Abloy has been successful holding for us, with an excellent management team consolidating the lock and digital entrance market. However, we believe that the valuation does not reflect the reduced opportunity for market consolidation and potential for a slowdown in the residential construction market. We used the proceeds to fund our new position in Vestas.

Knorr Bremse, the German braking system manufacturer, was sold from the portfolio. While we like the company from a product perspective, with strong exposure to transport safety (in trains and trucks), and with strong returns on capital, we have been concerned about recent management churn; the company is on its fourth CEO since listing in 2018. Weaker fundamentals in China, Knorr Bremse's biggest market for rail safety and braking systems, have put medium-term group sales and earnings before interest and tax (EBIT) margin targets in doubt, while a botched attempt to buy automotive electronics manufacturer Hella gives us little confidence in the business's ability to execute a credible M&A strategy.

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

**Source: Financial Express, bid-to-bid, net of fees, 31.01.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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

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

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
Netcompany	AXA
Sartorius Stedim Biotech	Assa Abloy
Tryg	Unilever
Haleon	Edenred
Vestas Wind Systems	ASML
ASML	Knorr-Bremse
Nagarro	National Express
Trustpilot	Cellnex Telecom
Puma	Svenska Handelsbanken
Ambu	Nagarro

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

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

Typically lower rewards, lower risk ◄——► Typically higher rewards, higher risk

1	2	3	4	5	6	7

- The Synthetic Risk and Reward Indicator ("SRRI") is based upon historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or Index's value has moved up and down in the past.
- The Sub-fund is categorised 6 primarily due to its exposure to European (ex UK) equities.
- The SRRI may not fully take into account the following risks:
  - That a company may fail thus reducing its value within the Sub-fund;
  - Any overseas investments carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Sub-fund.
- The Sub-fund may, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Sub-fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- The Sub-fund may have both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign exchange contracts to protect returns in the base currency of the Sub-fund.
- Outside of normal conditions, the Sub-fund may hold higher levels of cash which may be deposited with several credit counterparties (e.g. international banks). A credit risk arises should one or more of these counterparties be unable to return the deposited cash.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

- ESG Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG.

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

Sustainable Future European Growth Fund (continued)

Comparative Tables
for the year ended 31 January 2023

Class 2 Net Accumulation Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	312.05	297.50	247.60
Return before operating charges	(42.40)	17.51	52.33
Operating charges	(2.32)	(2.96)	(2.43)
Return after operating charges	(44.72)	14.55	49.90
Distributions	(2.26)	(1.95)	(1.34)
Retained distributions on accumulation shares	2.26	1.95	1.34
Closing net asset value per share	**267.33**	**312.05**	**297.50**
After direct transaction costs of*	(0.14)	(0.23)	(0.27)
Performance			
Return after charges	(14.33%)	4.89%	20.15%
Other information			
Closing net asset value (£'000)	223,070	379,171	206,965
Closing number of shares	83,443,622	121,507,785	69,567,707
Operating charges**	0.88%	0.89%	0.91%
Direct transaction costs*	0.05%	0.07%	0.10%
Prices			
Highest share price	320.04	367.93	315.33
Lowest share price	222.20	297.13	193.46

* 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.

Sustainable Future European Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2023

Class 3 Net Accumulation **Accounting year ended**	**31 January 2023** **per share (p)**	**31 January 2022** **per share (p)**	**31 January 2021** **per share (p)**
Change in net assets per share			
Opening net asset value per share	448.38	425.63	352.62
Return before operating charges	(60.91)	24.89	74.73
Operating charges	(1.71)	(2.14)	(1.72)
Return after operating charges	(62.62)	22.75	73.01
Distributions	(4.10)	(4.18)	(2.71)
Retained distributions on accumulation shares	4.10	4.18	2.71
Closing net asset value per share	**385.76**	**448.38**	**425.63**
After direct transaction costs of*	(0.20)	(0.33)	(0.38)
Performance			
Return after charges	(13.97%)	5.35%	20.71%
Other information			
Closing net asset value (£'000)	135,503	167,939	159,760
Closing number of shares	35,125,956	37,454,337	37,535,316
Operating charges**	0.45%	0.45%	0.45%
Direct transaction costs*	0.05%	0.07%	0.10%
Prices			
Highest share price	459.87	528.15	451.00
Lowest share price	320.24	425.27	275.68

* 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.

Sustainable Future European Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2023

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

+ Launched on 9 August 2021.

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

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

Sustainable Future European Growth Fund (continued)

Portfolio Statement
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (97.46%)	**352,625**	**98.23**
	BELGIUM (1.33%)	**3,346**	**0.93**
858,122	Unifiedpost	3,346	0.93
	DENMARK (6.46%)	**44,232**	**12.33**
210,040	Ambu	2,333	0.65
274,452	GN Store Nord	5,486	1.53
288,199	Netcompany	9,227	2.57
89,823	Ringkjoebing Landbobank	10,556	2.94
621,425	Tryg	11,511	3.21
216,453	Vestas Wind Systems	5,119	1.43
	FINLAND (1.97%)	**4,100**	**1.14**
92,607	Kone	4,100	1.14
	FRANCE (4.88%)	**21,569**	**6.00**
167,278	Edenred	7,340	2.04
50,592	Sartorius Stedim Biotech	14,229	3.96
	GERMANY (20.17%)	**63,472**	**17.68**
334,426	Cancom	9,305	2.59
247,632	Evotec	3,923	1.09
301,841	Infineon Technologies	8,762	2.44
157,882	Nagarro	17,410	4.85
239,068	Puma	13,093	3.65
115,042	SAP	10,979	3.06
	IRELAND (2.33%)	**10,112**	**2.82**
298,355	Smurfit Kappa	10,112	2.82
	ITALY (2.32%)	**7,759**	**2.16**
1,081,787	Technogym	7,759	2.16
	LUXEMBOURG (3.12%)	**11,237**	**3.13**
241,938	Befesa	11,237	3.13

Sustainable Future European Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	NETHERLANDS (14.18%)	**55,393**	**15.44**
5,987	Adyen	7,276	2.03
32,153	ASML	17,093	4.76
315,617	Basic-Fit	8,347	2.33
317,731	Qiagen	12,535	3.49
219,500	Topicus.com	10,142	2.83
	NORWAY (3.52%)	**11,917**	**3.32**
788,042	DNB Bank	11,917	3.32
	SPAIN (3.28%)	**5,393**	**1.50**
505,199	Grifols	5,393	1.50
	SWEDEN (15.98%)	**49,931**	**13.91**
597,232	Avanza Bank	11,097	3.09
372,708	Kinnevik	4,642	1.29
826,829	Lifco	12,236	3.41
91,200	Spotify Technology	8,348	2.33
1,612,908	Svenska Handelsbanken	13,608	3.79
	SWITZERLAND (11.12%)	**37,306**	**10.39**
257,552	Alcon	15,630	4.35
18,817	Lonza	8,641	2.41
51,696	Roche	13,035	3.63
	UNITED KINGDOM (6.80%)	**26,858**	**7.48**
3,346,220	Haleon	10,850	3.02
5,146,523	Trustpilot	5,270	1.47
261,277	Unilever	10,738	2.99
	Portfolio of investments	**352,625**	**98.23**
	Net other assets	**6,351**	**1.77**
	Total net assets	**358,976**	**100.00**

Sustainable Future European Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2022.

Sustainable Future European Growth Fund (continued)

Statement of Total Return
for the year ended 31 January 2023

	Notes	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Income					
Net capital (losses)/gains	2		(86,467)		8,155
Revenue	3	7,602		8,102	
Expenses	4	(3,067)		(3,771)	
Interest payable and similar charges	6	(5)		(2)	
Net revenue before taxation		4,530		4,329	
Taxation	5	(774)		(1,735)	
Net revenue after taxation			3,756		2,594
Total return before distributions			**(82,711)**		**10,749**
Distributions	7		(4,240)		(3,130)
Change in net assets attributable to shareholders from investment activities			**(86,951)**		**7,619**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2023

	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Opening net assets attributable to shareholders		**547,253**		**366,725**
Amounts received on issue of shares	31,829		195,912	
Amounts paid on cancellation of shares	(137,082)		(26,598)	
		(105,253)		169,314
Dilution adjustment		–		1
Change in net assets attributable to shareholders from investment activities		(86,951)		7,619
Retained distributions on accumulation shares		3,927		3,594
Closing net assets attributable to shareholders		**358,976**		**547,253**

Sustainable Future European Growth Fund (continued)

Balance Sheet
as at 31 January 2023

	Notes	31.1.2023 (£'000)	31.1.2022 (£'000)
Assets			
Fixed assets			
Investments		352,625	533,327
Current assets:			
Debtors	8	3,602	7,144
Cash and bank balances	9	6,761	11,525
Total assets		**362,988**	**551,996**
Liabilities			
Creditors:			
Other creditors	10	(4,012)	(4,743)
Total liabilities		**(4,012)**	**(4,743)**
Net assets attributable to shareholders		**358,976**	**547,253**

Sustainable Future European Growth Fund (continued)

Notes to the financial statements
for the year ended 31 January 2023

1 Accounting policies

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

2 Net capital (losses)/gains

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities	(86,484)	8,293
Foreign currency gains/(losses)	17	(138)
Net capital (losses)/gains	**(86,467)**	**8,155**

3 Revenue

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Bank interest	16	–
Non-taxable overseas dividends	6,931	7,585
Stock lending income	43	35
UK dividends	612	482
Total revenue	**7,602**	**8,102**

4 Expenses

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	2,649	3,226
General administration charges*	418	545
Total expenses	**3,067**	**3,771**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £9,200 (2022: £8,400). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

5 Taxation

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
a) Analysis of charge in year		
Overseas tax	774	1,735
Total tax charge [see note(b)]	**774**	**1,735**

b) Factors affecting tax charge for the year
The taxation assessed for the year is lower (2022: higher) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Net revenue before taxation	4,530	4,329
Corporation tax at 20% (2022 - 20%)	906	866
Effects of:		
Movement in unrecognised tax losses	602	748
Overseas tax	774	1,735
Revenue not subject to tax	(1,508)	(1,614)
Total tax charge [see note(a)]	**774**	**1,735**

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 £3,731,000 (2022: £3,129,000) due to tax losses of £18,656,000 (2022: £15,644,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Overdraft interest	5	2
Total interest payable and similar charges	**5**	**2**

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

7 Distributions

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Interim distribution	3,928	3,448
Final distribution	3	146
	3,931	**3,594**
Amounts deducted on cancellation of shares	377	28
Amounts received on issue of shares	(68)	(492)
Distributions	**4,240**	**3,130**
The distributable amount has been calculated as follows:		
Net revenue after taxation	3,756	2,594
Shortfall of income taken to capital	484	536
Distributions	**4,240**	**3,130**

The distribution per share is set out in the tables on page 158.

8 Debtors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Amounts receivable for issue of shares	16	2,348
Currency sales awaiting settlement	1,107	2,593
Overseas withholding tax	1,511	883
Sales awaiting settlement	968	1,320
Total debtors	**3,602**	**7,144**

9 Cash and bank balances

	31.1.2023 (£'000)	31.1.2022 (£'000)
Cash and bank balances	6,761	11,525
Total cash and bank balances	**6,761**	**11,525**

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

10 Creditors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued expenses	25	44
Accrued ACD's charge	186	308
Amounts payable for cancellation of shares	1,050	469
Corporation tax	35	35
Currency purchases awaiting settlement	1,102	2,605
Purchases awaiting settlement	1,614	1,282
Total other creditors	**4,012**	**4,743**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: £nil).

12 Related party transactions

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

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

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £212,000 (2022: £353,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £3,067,000 (2022: £3,771,000).

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

13 Securities lending

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

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

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

Return and cost

The tables below show the net income earned by the Sub-funds from securities lending activity during the year to 31 January 2023.

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

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2022.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	35	–	15	50
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

13 Securities lending (continued)

Securities on loan and collateral received

The following table details the value of securities on loan and associated collateral received, analysed by borrowing counterparty as at the Balance Sheet date.

Counterparty	Counterparty's country of establishment	31 January 2023 Securities on loan (£'000)	31 January 2023 Collateral received (£'000)	31 January 2022 Securities on loan (£'000)	31 January 2022 Collateral received (£'000)
BNP Paribas	France	–	–	5,677	6,306
Citigroup Global Markets Limited	UK	–	–	1,671	1,840
Credit Suisse International	Switzerland	–	–	1,577	1,817
J.P. Morgan Securities Plc	UK	–	–	1,723	1,846
Merrill Lynch International	UK	–	–	9,606	10,313
The Bank of Nova Scotia	Canada	–	–	557	612
UBS AG	Switzerland	–	–	2,626	2,785
Total		**–**	**–**	**23,437**	**25,519**

At 31 January 2023, there were no securities on loan or related collateral outstanding (31 January 2022: as above).

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

Management of counterparty credit risk related to securities lending

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

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

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies

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

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

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

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

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

Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in 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 January 2023 and 31 January 2022 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

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

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

As at 31 January 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 9.6%.

Some limitations of sensitivity analysis are;

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

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

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

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.

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

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

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	–	10,142	10,142
Danish Krone	165	44,232	44,397
Euro	1,231	182,976	184,207
Norwegian Krone	61	11,917	11,978
Swedish Krona	694	41,584	42,278
Swiss Franc	29	37,307	37,336
United States Dollar	43	8,348	8,391
	2,223	**336,506**	**338,729**

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

Currency risk (continued)

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

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	–	14,381	14,381
Danish Krone	53	35,314	35,367
Euro	557	297,289	297,846
Norwegian Krone	–	19,244	19,244
Swedish Krona	308	75,960	76,268
Swiss Franc	–	60,910	60,910
United States Dollar	–	11,476	11,476
	918	**514,574**	**515,492**

If the exchange rate at 31 January 2023 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.94%/(0.94)% respectively.

If the exchange rate at 31 January 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 0.94%/(0.94)% respectively.

Interest rate risk

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

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 wholly 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

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

Liquidity risk (continued)
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.

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 January 2023 was A (Standard & Poor's rating).

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

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

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

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

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

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

Valuation of financial investments

31.1.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	352,625	–
	352,625	**–**

31.1.2022	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	533,327	–
	533,327	**–**

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

15 Share movement

For the year ending 31 January 2023

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	121,507,785	9,551,434	(47,615,597)	–	83,443,622
Class 3 Net Accumulation	37,454,337	967,907	(3,296,288)	–	35,125,956
Class 6 Income	157,987	556,076	(187,724)	–	526,339

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

16 Portfolio transaction costs
for the year ending 31 January 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	80,609	37	0.05	107	0.13
Total purchases	**80,609**	**37**		**107**	
Total purchases including transaction costs	**80,753**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	175,011	73	0.04	–	–
Total sales	**175,011**	**73**		**–**	
Total sales net of transaction costs	**174,938**				

Total transaction costs		**110**		**107**	
Total transaction costs as a % of average net assets		**0.03%**		**0.02%**	

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

16 Portfolio transaction costs (continued)
for the year ending 31 January 2022

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	302,495	121	0.04	177	0.06
Total purchases	**302,495**	**121**		**177**	
Total purchases including transaction costs	**302,793**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	131,079	55	0.04	–	–
Total sales	**131,079**	**55**		**–**	
Total sales net of transaction costs	**131,024**				
Total transaction costs		**176**		**177**	
Total transaction costs as a % of average net assets		**0.03%**		**0.04%**	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.19% (2022: 0.15%).

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

17 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Net Accumulation share has decreased by 1.93% to 17 May 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

Sustainable Future European Growth Fund (continued)

Distribution Tables
for the year ended 31 January 2023

Final distribution

Group 1 - Shares purchased prior to 1 August 2022

Group 2 - Shares purchased 1 August 2022 to 31 January 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2023 Pence per share	Distribution paid 31.3.2022 Pence per share
Class 2 Net Accumulation - Group 1	–	–	–	–
Class 2 Net Accumulation - Group 2	–	–	–	–
Class 3 Net Accumulation - Group 1	0.0094	–	0.0094	0.3905
Class 3 Net Accumulation - Group 2	–	0.0094	0.0094	0.3905
Class 6 Income - Group 1+	–	–	–	–
Class 6 Income - Group 2+	–	–	–	–

\+ Launched on 9 August 2021.

Interim distribution

Group 1 - Shares purchased prior to 1 February 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2022 Pence per share	Distribution paid 30.9.2021 Pence per share
Class 2 Net Accumulation - Group 1	2.2594	–	2.2594	1.9530
Class 2 Net Accumulation - Group 2	1.2095	1.0499	2.2594	1.9530
Class 3 Net Accumulation - Group 1	4.0936	–	4.0936	3.7876
Class 3 Net Accumulation - Group 2	2.4100	1.6836	4.0936	3.7876
Class 6 Income - Group 1+	0.6612	–	0.6612	–
Class 6 Income - Group 2+	0.3237	0.3375	0.6612	–

\+ Launched on 9 August 2021.

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

Sustainable Future Global Growth Fund

Report for the year from 1 February 2022 to 31 January 2023

Investment Objective

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

Investment Policy

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

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

The Sub-fund will typically invest 95% (minimum 90%) in equities or equity related derivatives, but may also invest in collective investment schemes (up to 10% of Sub-fund's assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.

Investments in emerging market securities will be limited to 20%.

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

Sustainable Future Global Growth Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned -6.4% (Class 2 Net Accumulation) over the year under review, underperforming the 0.9% return from the MSCI World Index and the 0.1% IA Global sector average (both of which are comparator benchmarks)*.

2022 was the most challenging year since the inception of the Sustainable Future range of funds in 2001. We are continually challenging our conviction in our companies, and we are pleased with how our portfolio of companies are navigating an extremely difficult period where supply chains have been disrupted and customer demand has been extremely difficult to forecast. Moving into the 2023, global equities started the year on a stronger footing following the re-opening of China after they dropped their zero-Covid policy and signs that inflation is beginning to ease in major regions improved market sentiment, with hopes that central banks are close to the peak of their respective interest rate hiking cycles.

Despite the sharp decline in valuation multiples, we remain confident in the Sub-fund's prospects over the next five years with sustainable growth drivers, high quality companies and attractive valuations.

A legitimate challenge to our approach would be to ask whether our sustainable investment themes have run their course. This would only be the case if we had solved every problem and satisfied every need; we are a long way from that! There is still plenty of growing to do for sustainable companies.

We are now operating in a very different environment to the past decade, with higher interest rates in place to try and contain runaway inflation. This abrupt change in macroeconomic backdrop has sent markets into a tailspin, with all asset classes falling to a greater or lesser extent in response to a higher cost of capital. Our job in these turbulent times is to focus resolutely on the long term and on our investment process which has delivered strong performance until the past year.

We also want to take the opportunity in these periods of extreme market dislocation to add to our holdings with the most conviction and highest risk-adjusted upside, as well as take the opportunity to buy businesses we have long admired but were not previously attractively valued.

In terms of individual stocks, Cadence Design Systems was among the top performers over the period under review. Exposed to our *Improving the efficiency of energy use* theme, Cadence provides EDA (electronic design automation) technology that designs and optimises semiconductor chips. Its technology facilitates innovation behind many of our themes related to the digitalisation of the global economy. Over the year, the company announced a number of positive trading updates, most notably a strong earnings per share beat in its second quarter release.

PTC was another strong contributor to performance over the year. As a leading player in areas such as the Internet of Things and Augmented Reality, the computer software and services firm's goal is to make its manufacturing customers more efficient, bringing digitalisation to the factory floor, and the company is therefore a good fit for our *Improving the resource efficiency of industrial and agricultural processes* theme. PTC delivered strong second-quarter results that exceeded expectations, allowing it to raise guidance for fiscal 2022 revenues and free cashflow.

Ringkjoebing Landbobank (Rilba) is a long-term outperformer and was again among the notable contributors over the period under review. The company is exposed to our *Increasing financial resilience* theme, one we believe is crucial to ensuring a stable economy. You only have to go back to September 2008 to see the impact that weak financial institutions, inadequate regulation and supervision, and a lack of transparency had on the global economy. Businesses that provide simple products that consumers need, like current accounts and mortgages, contribute to a more resilient financial system – we believe Rilba, as one of the best-run banks in the industry, is doing just that.

The Danish bank performed strongly into the close of the year after raising its pre-tax profit forecast for the full year at the start of December; it upped its guidance to between Dkr1.70 billion to Dkr1.95 billion, compared with Dkr1.55 billion to Dkr1.80 billion previously. The company cited the primary reasons behind this upward adjustment as continued levels of positive activity, higher interest rates and growth in lending for the first three quarters of the year.

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

As has been the case since the value rotation began, the Sub-fund's weaker performers included several technology-focused businesses that suffered from higher discount rates, including DocuSign, PayPal and Spotify.

To reiterate our message on DocuSign, this US business saw a huge acceleration in terms of demand as it enables paperless contract signing and businesses needed its services to operate in a lockdown world. We are still only in the earliest stages of market penetration in terms of paperless signatures and DocuSign is the clear market leader. We see the company as a beneficiary of the move towards a more circular economy and greater resource efficiency, saving billions of sheets of paper (and therefore trees) based on its position today and potentially increasing this massively as the market continues to grow.

Spotify's shares have also been weak since its 2021 fourth-quarter results released at the start of February. The results for the quarter itself were solid and generally in line with analyst expectations but the company's guidance on Q1 2022 was slightly below expectations for new monthly subscribers. Spotify put this down to an increasingly seasonal approach to marketing and acquiring new customers. Furthermore, in its most recent earnings release in October, the music streaming service announced that profit margins may narrow due to programming costs and that it was also considering raising prices in the US.

PayPal's situation is different and we are continuing to review our thesis and position. This has been a major performer for the portfolio over recent years but, earlier in 2022, the company missed analyst expectations for growth and earnings, downgraded guidance for 2022, and, most concerningly, provided new information that calls into question the growth algorithm investors had modelled. Management explained the business operates on a Pareto Principle – the concept that around 30% of customers drive the majority of revenues and profits. This is not uncommon but our concern is that it was the first time we had heard management mention this, having followed the company since 2017.

Shares in PayPal also fell sharply in the fourth quarter of 2022 as it trimmed its forecast for annual revenue amid a slowdown in spending volume on its platform. Payments volume increase 14% to $337 billion in the third quarter, which was below the average estimates. PayPal now expects revenue for the year to increase 10% to $27.5 billion, which is a downgrade of an earlier forecast of $27.8 billion. In response, the company has vowed to reduce expenses – including job cuts and the shuttering of offices across the US – which it has said will result in $900 million in savings this year and $1.3 billion next year.

Over the year, we trimmed some of our stronger performers, freeing up capital to add to a selection of companies where indiscriminate selling has created opportunities. A new addition over Q1 was Masimo, under our *Enabling innovation in healthcare* theme. Headquartered in the US, Masimo's core product is pulse oximetry sensors, which enable a patient's vital signs to be monitored. The company places circuit boards (referred to as drivers) into bedside monitor machines and then sells the hospital sensors to pair with these devices.

Within our *Delivering a circular materials economy* theme, we initiated positions in US firms Advanced Draining Systems and Trex. ADS is the leader in the supply of plastic-based storm water drainage in the US. ADS's products are made from recycled plastics and replace concrete-based drainage systems, which are a poorer quality product as well as being more carbon intensive to manufacture.

Trex manufactures non-wood decking and railing products from waste-wood fibres and recycled plastic, upcycling 400 million pounds of post-consumer and post-industrial plastic each year. Although the products mimic wood, they require less maintenance and last longer.

We added US insurance business Brown & Brown (B&B) under our *Insuring a sustainable economy* theme. B&B is a commercial lines insurance broker, meaning that it works on behalf of clients, namely businesses needing risk cover, to find suitable contracts from insurers. In some cases, it also does the underwriting but the balance sheet risk is held with reinsurers; the latter are willing to do this because they want to earn the premiums but might not have the expertise in a given area and therefore entrust B&B with assessing that risk.

We added American-Swiss medical device firm, Alcon under the *Enabling innovation in healthcare* theme. The company specialises in the design and manufacture of interocular lenses, consumables used in ophthalmic surgery and consumer contact lenses.

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

We also added Agilent Technologies, a global leader in quality control and testing, ensuring the food we eat, the air we breathe and the water we drink does not contain harmful chemicals and contaminants. Exposed to our *Better monitoring of supply chains and quality control* theme, it is also a leader in the supply of Research & Development tools in the area of increasingly cutting-edge technology related to gene-editing.

Vestas Wind Systems was another new addition under our *Increasing electricity from renewable sources* theme. This Danish firm, one of the three main players outside of China, is the quality leader in the supply of wind turbines globally, which are key to the transition away from Russian gas and fossil fuel dependency. Vestas' strategy to shift away from *just* turbine manufacturing towards turbine design, optimising connection to grid to yield highest cashflow and profitable service revenue, looks set to help it grow profitability for the next decade and beyond.

In order to fund these new acquisitions, we exited long held positions in CSL, Waste Connections and Prudential. CSL has been in the Sub-fund more than a decade, and whilst the business remains high quality, we were slightly concerned about its recent acquisition and further capital deployment. Waste Connections has performed well, but with the majority of the waste it collects being diverted to landfill, rather than being recycled, we decided to use this capital to focus on a better thematic fit for our *Circular economy* theme. Prudential has been a disappointing investment, and we felt that recycling the capital we had used for this position into Brown & Brown was a prudent investment decision.

We also exited positions in Abcam, Technogym and Knorr Bremse during the year. Abcam is a global life science company focused on identifying, developing and distributing high-quality reagents and tools for its customers. Heavy investment to set itself up for the future means Abcam's shorter-term returns are likely to be depressed. We were also unimpressed by Abcam's proposed long-term incentive plan for senior management, which in our view was unwarrantedly generous and caused us to downgrade our management quality rating for the firm.

We decided to exit our position in Technogym as we lost confidence in the long-term resilience of the company's business fundamentals. While Technogym's products remain best in class, demand from traditional customers such as gyms has collapsed, as it has from a newer channel in the shape of hotels. We remain concerned the pandemic may have long-lasting impacts upon aggregate demand for both gyms and hotels, and new gym equipment is a discretionary item that can be sacrificed in times of difficulty.

Knorr Bremse, a German braking system manufacturer was a relatively new position, which we first bought into in 2019. While we like the company from a product perspective, with strong exposure to transport safety (in trains and trucks), and returns have been high, we have been concerned about recent management churn: the company is on its fourth CEO since listing in 2018. Weaker fundamentals in China, Knorr Bremse's biggest market for rail safety and braking systems, have put medium-term group sales and earnings before interest and tax (EBIT) margin targets in doubt, while a botched attempt to buy automotive electronics manufacturer Hella gives us little confidence in the business's ability to execute a credible mergers and acquisitions (M&A) strategy.

We also sold Splunk in the third quarter, as we were concerned that its technological lead in unstructured data and big data analysis is coming under pressure from new competitors. Splunk's technology is increasingly adopted as a form of network digital security, and, as this moves into the cloud, there is an increasing number of surveillance software competitors. We believe this may pressure pricing and returns for the business going forward.

Lastly, we sold our holding in Cellnex Telecom. Our belief is that the consolidation of the European telecommunication tower market is nearing the end of the road, with fewer options left in terms of acquisitions. This is coupled with higher valuations and increased costs of debt, all of which we believe could result in reducing returns on capital.

**Source: Financial Express, bid-to-bid, net of fees, 31.01.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Sub-fund review (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.

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
Masimo	Waste Connections
Agilent Technologies	Knorr-Bremse
Alcon	CSL
Brown & Brown	Cadence Design Systems
Vestas Wind Systems	Alphabet 'A'
Adobe	Visa 'A'
Advanced Drainage Systems	Cellnex Telecom
Trex	Thermo Fisher Scientific
Intuit	American Tower
ANSYS	Splunk

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

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

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

1	2	3	4	5	**6**	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund is categorised 6 primarily due to its exposure to global equities.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-fund;
  - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Sub-fund.
- The Sub-fund may, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Sub-fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- The Sub-fund may have both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign exchange contracts to protect returns in the base currency of the Sub-fund.
- Outside of normal conditions, the Sub-fund may hold higher levels of cash which may be deposited with several credit counterparties (e.g. international banks). A credit risk arises should one or more of these counterparties be unable to return the deposited cash.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

- ESG Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG.

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

Sustainable Future Global Growth Fund (continued)

Comparative Tables
for the year ended 31 January 2023

Class 2 Net Accumulation Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	277.32	255.13	201.84
Return before operating charges	(16.82)	24.68	55.32
Operating charges	(2.15)	(2.49)	(2.03)
Return after operating charges	(18.97)	22.19	53.29
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**258.35**	**277.32**	**255.13**
After direct transaction costs of*	(0.07)	(0.22)	(0.16)
Performance			
Return after charges	(6.84%)	8.70%	26.40%
Other information			
Closing net asset value (£'000)	1,297,953	1,535,420	790,319
Closing number of shares	502,391,668	553,654,539	309,771,314
Operating charges**	0.86%	0.87%	0.89%
Direct transaction costs*	0.03%	0.08%	0.07%
Prices			
Highest share price	280.17	318.98	273.08
Lowest share price	219.93	249.22	165.53

* 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.

Sustainable Future Global Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2023

Class 3 Net Accumulation Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	398.67	365.23	287.67
Return before operating charges	(24.13)	35.28	79.02
Operating charges	(1.62)	(1.84)	(1.46)
Return after operating charges	(25.75)	33.44	77.56
Distributions	(0.71)	(0.15)	(0.48)
Retained distributions on accumulation shares	0.71	0.15	0.48
Closing net asset value per share	**372.92**	**398.67**	**365.23**
After direct transaction costs of*	(0.10)	(0.32)	(0.23)
Performance			
Return after charges	(6.46%)	9.16%	26.96%
Other information			
Closing net asset value (£'000)	412,404	457,490	375,607
Closing number of shares	110,588,243	114,753,297	102,840,028
Operating charges**	0.45%	0.45%	0.45%
Direct transaction costs*	0.03%	0.08%	0.07%
Prices			
Highest share price	402.77	458.12	390.84
Lowest share price	316.65	356.92	236.05

* 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.

Sustainable Future Global Growth Fund (continued)

Portfolio Statement
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (98.28%)	**1,688,604**	**98.73**
	AUSTRALIA (1.58%)	**0**	**0.00**
	DENMARK (2.15%)	**60,008**	**3.51**
330,638	Ringkjoebing Landbobank	38,856	2.27
894,345	Vestas Wind Systems	21,152	1.24
	GERMANY (8.10%)	**82,421**	**4.82**
1,265,074	Evotec	20,044	1.17
1,052,789	Infineon Technologies	30,561	1.79
580,953	Puma	31,816	1.86
	ITALY (0.32%)	**0**	**0.00**
	JAPAN (5.26%)	**104,765**	**6.13**
199,822	Daikin Industries	27,983	1.64
118,033	Keyence	43,609	2.55
1,324,428	TechnoPro	33,173	1.94
	NETHERLANDS (3.93%)	**68,739**	**4.02**
27,883	Adyen	33,886	1.98
65,561	ASML	34,853	2.04
	SPAIN (1.35%)	**0**	**0.00**
	SWEDEN (4.62%)	**75,291**	**4.40**
2,191,849	Avanza Bank	40,727	2.38
377,600	Spotify Technology	34,564	2.02
	SWITZERLAND (1.26%)	**66,401**	**3.88**
606,599	Alcon	36,813	2.15
117,342	Roche	29,588	1.73
	UNITED KINGDOM (8.20%)	**105,809**	**6.18**
2,073,239	Compass	40,034	2.34
720,720	Intertek	31,315	1.83
465,426	London Stock Exchange	34,460	2.01

Sustainable Future Global Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED STATES OF AMERICA (61.51%)	**1,125,170**	**65.79**
126,301	Adobe	37,993	2.22
189,200	Advanced Drainage Systems	15,502	0.91
322,700	Agilent Technologies	39,858	2.33
674,660	Alphabet 'A'	54,171	3.17
211,746	American Tower	38,423	2.25
204,400	ANSYS	44,232	2.59
223,449	Autodesk	39,052	2.28
343,600	Bright Horizons Family Solutions	21,427	1.25
494,700	Brown & Brown	23,527	1.38
272,308	Cadence Design Systems	40,416	2.36
821,137	Charles Schwab	51,665	3.02
490,338	DocuSign	24,145	1.41
216,287	Ecolab	27,198	1.59
83,795	Equinix	50,257	2.94
297,933	First Republic Bank	34,086	1.99
212,300	Illumina	36,933	2.16
117,681	Intuit	40,423	2.36
177,100	Intuitive Surgical	35,341	2.07
244,385	IQVIA	45,540	2.66
301,700	Masimo	41,681	2.44
826,488	Nasdaq	40,401	2.36
12,610	NVR	54,082	3.16
211,421	Palo Alto Networks	27,223	1.59
437,092	PayPal	28,925	1.69
450,500	PTC	49,346	2.89
112,670	Thermo Fisher Scientific	52,197	3.05
376,000	Trex	16,105	0.94
265,600	VeriSign	47,015	2.75
363,596	Visa 'A'	68,006	3.98

Sustainable Future Global Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	COLLECTIVE INVESTMENT SCHEMES (3.85%)	**25,979**	**1.52**
	IRELAND (3.85%)	**25,979**	**1.52**
25,979,374	HSBC Sterling Liquidity Fund	25,979	1.52
	Portfolio of investments	**1,714,583**	**100.25**
	Net other liabilities	**(4,226)**	**(0.25)**
	Total net assets	**1,710,357**	**100.00**

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2022.

Sustainable Future Global Growth Fund (continued)

Statement of Total Return
for the year ended 31 January 2023

	Notes	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Income					
Net capital (losses)/gains	2		(144,718)		79,435
Revenue	3	12,909		8,507	
Expenses	4	(13,331)		(13,027)	
Interest payable and similar charges	6	(14)		(13)	
Net expense before taxation		(436)		(4,533)	
Taxation	5	(1,448)		(1,337)	
Net expense after taxation			(1,884)		(5,870)
Total return before distributions			**(146,602)**		**73,565**
Distributions	7		(840)		(155)
Change in net assets attributable to shareholders from investment activities			**(147,442)**		**73,410**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2023

	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Opening net assets attributable to shareholders		**1,992,910**		**1,165,926**
Amounts received on issue of shares	143,658		849,035	
Amounts paid on cancellation of shares	(279,587)		(95,698)	
		(135,929)		753,337
Dilution adjustment		–		70
Change in net assets attributable to shareholders from investment activities		(147,442)		73,410
Retained distributions on accumulation shares		818		167
Closing net assets attributable to shareholders		**1,710,357**		**1,992,910**

Sustainable Future Global Growth Fund (continued)

Balance Sheet
as at 31 January 2023

	Notes	31.1.2023 (£'000)	31.1.2022 (£'000)
Assets			
Fixed assets			
Investments		1,714,583	2,035,447
Current assets:			
Debtors	8	1,294	3,002
Cash and bank balances	9	231	69
Total assets		**1,716,108**	**2,038,518**
Liabilities			
Creditors:			
Other creditors	10	(5,751)	(45,608)
Total liabilities		**(5,751)**	**(45,608)**
Net assets attributable to shareholders		**1,710,357**	**1,992,910**

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements
for the year ended 31 January 2023

1 Accounting policies

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

2 Net capital (losses)/gains

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities	(144,438)	79,542
Foreign currency losses	(280)	(107)
Net capital (losses)/gains	**(144,718)**	**79,435**

3 Revenue

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Non-taxable overseas dividends	8,160	6,008
Revenue from short-term money market funds	308	–
Stock lending income	28	24
Taxable overseas dividends	–	3
UK dividends	2,272	922
US REIT dividends	2,141	1,550
Total revenue	**12,909**	**8,507**

4 Expenses

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	11,684	11,303
General administration charges*	1,647	1,724
Total expenses	**13,331**	**13,027**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £9,200 (2022: £8,400). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

5 Taxation

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
a) Analysis of charge in year		
Overseas tax	1,448	1,337
Total tax charge [see note(b)]	**1,448**	**1,337**

b) Factors affecting tax charge for the year
The taxation assessed for the year is higher (2022: higher) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Net expense before taxation	(436)	(4,533)
Corporation tax at 20% (2022 - 20%)	(87)	(907)
Effects of:		
Movement in unrecognised tax losses	2,214	2,365
Overseas tax	1,448	1,337
Prior year adjustment to unrecognised tax losses	24	(20)
Relief on overseas tax expensed	(65)	(52)
Revenue not subject to tax	(2,086)	(1,386)
Total tax charge [see note(a)]	**1,448**	**1,337**

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 £7,332,000 (2022: £5,118,000) due to tax losses of £36,661,000 (2022: £25,592,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Overdraft interest	14	13
Total interest payable and similar charges	**14**	**13**

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

7 Distributions

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Interim distribution	773	167
Final distribution	45	–
	818	**167**
Amounts deducted on cancellation of shares	40	2
Amounts received on issue of shares	(18)	(14)
Distributions	**840**	**155**
The distributable amount has been calculated as follows:		
Net expense after taxation	(1,884)	(5,870)
Shortfall of income taken to capital	2,724	6,025
Distributions	**840**	**155**

The distribution per share is set out in the tables on page 189.

8 Debtors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued revenue	911	502
Amounts receivable for issue of shares	40	2,315
Overseas withholding tax	343	185
Total debtors	**1,294**	**3,002**

9 Cash and bank balances

	31.1.2023 (£'000)	31.1.2022 (£'000)
Cash and bank balances	231	69
Total cash and bank balances	**231**	**69**

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

10 Creditors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued expenses	124	155
Accrued ACD's charge	939	1,175
Amounts payable for cancellation of shares	4,688	23,527
Purchases awaiting settlement	–	20,751
Total other creditors	**5,751**	**45,608**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: £nil).

12 Related party transactions

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

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

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £1,063,000 (2022: £1,330,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £13,331,000 (2022: £13,027,000).

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

13 Securities lending

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

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

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

Return and cost

The tables below show the net income earned by the Sub-funds from securities lending activity during the year to 31 January 2023.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Global Growth Fund				
Securities lending				
Gross return	28	–	12	40
% of total	70%	0%	30%	100%
Cost	–	–	–	–

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2022.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	24	–	10	34
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

13 Securities lending (continued)

Securities on loan and collateral received

The following table details the value of securities on loan and associated collateral received, analysed by borrowing counterparty as at the Balance Sheet date.

		31 January 2023		31 January 2022	
Counterparty	**Counterparty's country of establishment**	**Securities on loan (£'000)**	**Collateral received (£'000)**	**Securities on loan (£'000)**	**Collateral received (£'000)**
BNP Paribas	France	–	–	41,515	45,755
Citigroup Global Markets Limited	UK	–	–	905	996
Merrill Lynch International	UK	–	–	459	491
The Bank of Nova Scotia	Canada	–	–	38	41
UBS AG	Switzerland	–	–	1,117	1,224
Total		**–**	**–**	**44,034**	**48,507**

At 31 January 2023, there were no securities on loan or related collateral outstanding (31 January 2022: as above).

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

Management of counterparty credit risk related to securities lending

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

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

14 Risk management policies

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

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

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

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

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

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

Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in 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 January 2023 and 31 January 2022 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.3%.

As at 31 January 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 10.1%.

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

Market price risk (continued)
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.

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.

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

Currency risk (continued)

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

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	41	–	41
Danish Krone	77	60,007	60,084
Euro	260	151,160	151,420
Japanese Yen	185	104,765	104,950
Swedish Krona	–	40,727	40,727
Swiss Franc	–	66,401	66,401
United States Dollar	359	1,159,734	1,160,093
	922	**1,582,794**	**1,583,716**

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

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	31,492	31,492
Canadian Dollar	23	–	23
Danish Krone	61	42,810	42,871
Euro	121	273,267	273,388
Japanese Yen	163	104,855	105,018
Swedish Krona	–	42,587	42,587
Swiss Franc	–	25,127	25,127
United States Dollar	30	1,254,185	1,254,215
	398	**1,774,323**	**1,774,721**

If the exchange rate at 31 January 2023 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.93%/(0.93)% respectively.

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

Currency risk (continued)

If the exchange rate at 31 January 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 0.89%/(0.89)% 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 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 wholly of readily realisable securities which can be sold to meet liquidity requirements.

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

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

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

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

Counterparty credit risk

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

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

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

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

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

At the balance sheet date, there were no counterparties to open derivative contracts. 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 January 2023 was A (Standard & Poor's rating).

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

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

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

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

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

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

Valuation of financial investments

31.1.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	1,688,604	–
Level 2: Observable market data	25,979	–
	1,714,583	**–**

31.1.2022	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	1,958,650	–
Level 2: Observable market data	76,797	–
	2,035,447	**–**

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

15 Share movement

For the year ending 31 January 2023

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	553,654,539	49,230,793	(100,438,843)	(54,821)	502,391,668
Class 3 Net Accumulation	114,753,297	4,960,956	(9,164,068)	38,058	110,588,243

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

16 Portfolio transaction costs
for the year ending 31 January 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	418,911	216	0.05	28	0.01
Total purchases	**418,911**	**216**		**28**	
Total purchases including transaction costs	**419,155**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	544,945	258	0.05	8	–
Total sales	**544,945**	**258**		**8**	
Total sales net of transaction costs	**544,679**				
Total transaction costs		**474**		**36**	
Total transaction costs as a % of average net assets		**0.03%**		**-**	

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

16 Portfolio transaction costs (continued)
for the year ending 31 January 2022

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	1,093,926	445	0.04	716	0.07
Total purchases	**1,093,926**	**445**		**716**	
Total purchases including transaction costs	**1,095,087**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	336,797	161	0.05	2	-
Total sales	**336,797**	**161**		**2**	
Total sales net of transaction costs	**336,634**				
Total transaction costs		**606**		**718**	
Total transaction costs as a % of average net assets		**0.04%**		**0.04%**	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.05% (2022: 0.08%).

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

17 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Net Accumulation share has decreased by 3.16% to 17 May 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

Sustainable Future Global Growth Fund (continued)

Distribution Tables
for the year ended 31 January 2023

Final distribution

Group 1 - Shares purchased prior to 1 August 2022

Group 2 - Shares purchased 1 August 2022 to 31 January 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2023 Pence per share	Distribution paid 31.3.2022 Pence per share
Class 2 Net Accumulation - Group 1	–	–	–	–
Class 2 Net Accumulation - Group 2	–	–	–	–
Class 3 Net Accumulation - Group 1	0.0402	–	0.0402	–
Class 3 Net Accumulation - Group 2	0.0060	0.0342	0.0402	–

Interim distribution

Group 1 - Shares purchased prior to 1 February 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2022 Pence per share	Distribution paid 30.9.2021 Pence per share
Class 2 Net Accumulation - Group 1	–	–	–	–
Class 2 Net Accumulation - Group 2	–	–	–	–
Class 3 Net Accumulation - Group 1	0.6684	–	0.6684	0.1529
Class 3 Net Accumulation - Group 2	0.4292	0.2392	0.6684	0.1529

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

Sustainable Future Managed Fund

Report for the year from 1 February 2022 to 31 January 2023

Investment Objective

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

Investment Policy

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

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

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

Equity – 60-85%

Fixed income – 10-40%

Cash – 0-10%

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

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

Sustainable Future Managed Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned -8.0% (Class 2 Net Income) over the year under review, underperforming the -2.3% average return of the IA Mixed Investment 40-85% Shares sector (the comparator benchmark)*.

Over the last 22 years, our Sustainable Future investment process has focused on companies looking to enable and benefit from the progress towards a *cleaner*, *healthier and safer* economy.

Our process has served our clients well over the last two decades; however, 2022 was without doubt the most challenging year since the inception of the Sustainable Future range of funds. A sharp market rotation towards 'value' stocks, combined with an exceptionally challenging macroeconomic environment hit our Funds particularly hard over the majority of 2022. Moving into the 2023, global equities started the year on a stronger footing following the re-opening of China after they dropped their zero-Covid policy and signs that inflation is beginning to ease in major regions improved market sentiment, with hopes that central banks are close to the peak of their respective interest rate hiking cycles.

In terms of market overview, we began the year under review with low central bank rates, stimulative government policies, and bottlenecks in global supply chains causing prices to rise for scarce products and labour. The first two were well-intentioned interventions to prop up economies through the shock of the Covid-19 pandemic, though in hindsight were applied for too long. Inflationary pressures were compounded by the Russian invasion of Ukraine, which exacerbated energy price inflation, and lockdowns in China, which put further strain on global supply chains.

Central banks reacted to worsening inflation by shifting to aggressive tightening of monetary policy. This was an abrupt change in macroeconomic backdrop which sent markets into a tailspin, with almost all asset classes falling to a greater or lesser extent in response to a higher cost of capital.

As interest rate expectations rose, bond yields moved significantly higher while equity markets suffered losses which were worse among long duration areas, such as the growth and quality-style equities the SF funds invest in.

From an asset allocation perspective, the market activity we saw over 2022 presented an opportunity to rebalance portfolios. The main change we have made is to deploy cash to take advantage of the improved valuation of UK government bonds. Following a decade being maximum underweight to gilts, we have started reducing the underweight and increasing duration. We have maintained the overweight position in corporate bonds, taking advantage of attractive yields to also increase duration.

Within the UK and global equity allocations, we have maintained neutral positioning, but sought to add to high-quality holdings that have sold off too heavily. The other asset allocation change has been to reduce the overweight infrastructure position, taking some profit from electricity generators after a strong performance.

In terms of individual stocks, Cadence Design Systems was among the top performers over the period under review. Exposed to our *Improving the efficiency of energy use* theme, Cadence provides EDA (electronic design automation) technology that designs and optimises semiconductor chips. Its technology facilitates innovation behind many of our themes related to the digitalisation of the global economy. Over the period, the company announced a number of positive trading updates, most notably a strong earnings per share beat in its second quarter release.

PTC was another strong contributor to performance over the year. As a leading player in areas such as the Internet of Things and Augmented Reality, the computer software and services firm's goal is to make its manufacturing customers more efficient, bringing digitalisation to the factory floor, and the company is therefore a good fit for our *Improving the resource efficiency of industrial and agricultural processes* theme. PTC delivered strong second-quarter results that exceeded expectations, allowing it to raise guidance for fiscal 2022 revenues and free cashflow.

Ringkjoebing Landbobank (Rilba) is a long-term outperformer and was again among the notable contributors over the period under review. The Danish bank is exposed to our *Increasing financial resilience* theme, one we believe is crucial to ensuring a stable economy. You only have to go back to September 2008 to see the impact that weak financial institutions, inadequate regulation and

Sustainable Future Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

supervision, and a lack of transparency had on the global economy. Businesses that provide simple products that consumers need, like current accounts and mortgages, contribute to a more resilient financial system – we believe Rilba, as one of the best-run banks in the industry, is doing just that.

The Danish bank performed strongly into the close of the year after raising its pre-tax profit forecast for the full year at the start of December; it upped its guidance to between Dkr1.70 billion to Dkr1.95 billion, compared with Dkr1.55 billion to Dkr1.80 billion previously. The company cited the primary reasons behind this upward adjustment as continued levels of positive activity, higher interest rates and growth in lending for the first three quarters of the year.

As has been the case since the value rotation began, the Sub-fund's weaker performers included several technology-focused businesses that suffered from higher discount rates, including DocuSign, PayPal and Spotify.

To reiterate our message on DocuSign, this US business saw a huge acceleration in terms of demand as it enables paperless contract signing and businesses needed its services to operate in a lockdown world. We are still only in the earliest stages of market penetration in terms of paperless signatures and DocuSign is the clear market leader. We see the company as a beneficiary of the move towards a more circular economy and greater resource efficiency, saving billions of sheets of paper (and therefore trees) based on its position today and potentially increasing this massively as the market continues to grow.

Spotify's shares have also been weak since its 2021 fourth-quarter results released at the start of February. The results for the quarter itself were solid and generally in line with analyst expectations but the company's guidance on Q1 2022 was slightly below expectations in terms of new monthly subscribers. Spotify put this down to an increasingly seasonal approach to marketing and acquiring new customers. Furthermore, in its most recent earnings release in October, the music streaming service announced that profit margins may narrow due to programming costs and that it was also considering raising prices in the US.

PayPal's situation is different and we are continuing to review our thesis and position. This has been a major performer for the portfolio over recent years but, earlier in 2022, the company missed analyst expectations for growth and earnings, downgraded guidance for 2022, and, most concerningly, provided new information that calls into question the growth algorithm investors had modelled. Management explained the business operates on a Pareto Principle – the concept that around 30% of customers drive the majority of revenues and profits. This is not uncommon but our concern is that it was the first time we had heard management mention this, having followed the company since 2017.

Shares in PayPal also fell sharply in the fourth quarter of 2022 as it trimmed its forecast for annual revenue amid a slowdown in spending volume on its platform. Payments volume increase 14% to $337 billion in the third quarter, which was below the average estimates. PayPal now expects revenue for the year to increase 10% to $27.5 billion, which is a downgrade of an earlier forecast of $27.8 billion. In response, the company has vowed to reduce expenses – including job cuts and the shuttering of offices across the US – which it has said will result in $900 million in savings this year and $1.3 billion next year.

Over the year, we trimmed some of our stronger performers, freeing up capital to add to a number of companies where indiscriminate selling has created opportunities. A new addition over Q1 was Masimo, under our *Enabling innovation in healthcare* theme. Headquartered in the US, Masimo's core product is pulse oximetry sensors, which enable a patient's vital signs to be monitored. The company places circuit boards (referred to as drivers) into bedside monitor machines and then sells the hospital sensors to pair with these devices.

We also initiated a position in Wise within our *Increasing financial resilience* theme. The financial technology company's mission is to bring transparency and fairness into moving money around the world; a resilient financial system helps support all in society and we look for businesses that dramatically improve access to financial services and reduce the costs for everyone. Wise offers a significantly better rate, lower fees, and a very simple app-based approach.

Within our *Delivering a circular materials economy* theme, we initiated positions in US firms Advanced Draining Systems and Trex. ADS is the leader in the supply of plastic-based storm water drainage in the US. ADS's products are made from recycled plastics and replace concrete-based drainage systems, which are a poorer quality product as well as being more carbon intensive to manufacture.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Trex manufactures non-wood decking and railing products from waste-wood fibres and recycled plastic, upcycling 400 million pounds of post-consumer and post-industrial plastic each year. Although the products mimic wood, they require less maintenance and last longer.

We added AstraZeneca and Alcon under *Enabling innovation in healthcare* theme. AstraZeneca is a pure-play biopharmaceuticals company with a focus on oncology, diabetes, central nervous system disorders, and cardiovascular, autoimmune and respiratory diseases. Put simply, this is one of the highest growth companies in the global pharmaceutical peer group.

Alcon is an American-Swiss medical device firm specialising in design and manufacture of interocular lenses, consumables used in ophthalmic surgery and consumer contact lenses.

We also added Agilent Technologies, a global leader in quality control and testing, ensuring the food we eat, the air we breathe and the water we drink does not contain harmful chemicals and contaminants. Exposed to our *Better monitoring of supply chains and quality control* theme, it is also a leader in the supply of Research & Development tools in the area of increasingly cutting-edge technology related to gene-editing.

Vestas Wind Systems was another new addition under our *Increasing electricity from renewable sources* theme. This Danish firm, one of the three main players outside of China, is the quality leader in the supply of wind turbines globally, which are key to the transition away from Russian gas and fossil fuel dependency. Vestas' strategy to shift away from *just* turbine manufacturing towards turbine design, optimising connection to grid to yield highest cashflow and profitable service revenue, looks set to help it grow profitability for the next decade and beyond.

Admiral was another new purchase under our *Insuring a sustainable economy* theme. This is a motor and household insurer in the UK which is consistently rated highly by customers. We have long admired its very strong employee culture with a focus on promotion and share ownership from within that makes it stand out from other organisations. Its lower cost operating model means it can be the most competitive on insurance rates without detracting from the quality of its cover.

Following the split from GSK, the Sub-fund received a new holding in Haleon which has been retained. Held under our *Providing affordable healthcare* theme, Haleon is a consumer healthcare business formed by the combination of GSK and Pfizer's consumer healthcare units. We believe the company demonstrates strong sustainability credentials, aiming to help individuals take responsibility for their health before reaching the healthcare system, with over-the-counter products such as vitamins, toothpaste and painkillers. We also feel the entity has a robust credit profile given its large scale and strong diversification by geography and product line, with a dominant position across several markets. It is highly cash generative, with resilient cash flows, which should be supportive of its deleveraging ambitions over the coming years.

We added US insurance business Brown & Brown (B&B) under our *Insuring a sustainable economy* theme. B&B is a commercial lines insurance broker, meaning that it works on behalf of clients, namely businesses needing risk cover, to find suitable contracts from insurers. In some cases, it also does the underwriting but the balance sheet risk is held with reinsurers; the latter are willing to do this because they want to earn the premiums but might not have the expertise in a given area and therefore entrust B&B with assessing that risk.

We also added NatWest, a UK-focused bank that sits within our theme of *Increasing financial resilience*. We feel that NatWest will benefit from a higher interest rate environment and has ambitious targets around decarbonisation from its client base, including the provision of green mortgages to help households improve their energy ratings.

We added back a position in Kerry Group, a long-term favourite of ours that we had sold in 2021 as its share price had reached our five-year assessment of intrinsic value. However, with the share price falling c.20% between the end of January and the middle of June, we felt there was renewed upside following the derating. Kerry Group is exposed to our *Delivering healthier foods* theme, using its IP to improve the nutritional characteristics of food, which remains a key part of reducing obesity and improving people's lives.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

In order to fund these new acquisitions, we exited long-held positions in CSL, Waste Connections and Prudential. CSL has been in the Sub-fund more than a decade, and, whilst the business remains high quality, we were slightly concerned about its recent acquisition and further capital deployment. Waste Connections has performed well, but with the majority of the waste they collect being diverted to landfill, rather than being recycled, we decided to use this capital to focus on a better thematic fit for our *Circular economy* theme. Prudential has been a disappointing investment, and we felt that recycling the capital we had used for this position into Brown & Brown was a prudent investment decision.

We also exited positions in Abcam, Technogym and Knorr Bremse during the year. Abcam is a global life science company focused on identifying, developing and distributing high-quality reagents and tools for its customers. Heavy investment to set itself up for the future means Abcam's shorter-term returns are likely to be depressed. We were also unimpressed by Abcam's proposed long-term incentive plan for senior management, which in our view was unwarrantedly generous and caused us to downgrade our management quality rating for the firm.

We decided to exit our position in Technogym as we lost confidence in the long-term resilience of the company's business fundamentals. While Technogym's products remain best in class, demand from traditional customers such as gyms has collapsed, as it has from a newer channel in the shape of hotels. We remain concerned the pandemic may have long-lasting impacts upon aggregate demand for both gyms and hotels, and new gym equipment is a discretionary item that can be sacrificed in times of difficulty.

Knorr Bremse, a German braking system manufacturer was a relatively new position, which we first bought into in 2019. While we like the company from a product perspective, with strong exposure to transport safety (in trains and trucks), and returns have been high, we have been concerned about recent management churn: the company is on its fourth CEO since listing in 2018. Weaker fundamentals in China, Knorr Bremse's biggest market for rail safety and braking systems, have put medium-term group sales and earnings before interest and tax (EBIT) margin targets in doubt, while a botched attempt to buy automotive electronics manufacturer Hella gives us little confidence in the business's ability to execute a credible mergers and acquisitions (M&A) strategy.

We also sold a long-term position in Hargreaves Lansdown (HL) on the back of weaker business fundamentals. Shares in HL have been falling since interim results and its Capital Markets Day in February revealed net new business and earnings per share which were weaker than expectations. The company also announced a higher cost trajectory for the next couple of years as it plans to reinvest in the business. We think these investments are the right thing to do for the long term, helping HL maintain its market-leading position, but they have taken too long and are not without execution risk.

We sold Splunk as we were concerned that its technological lead in unstructured data and big data analysis is coming under pressure from new competitors. Splunk's technology is increasingly adopted as a form of network digital security, and as this moves into the cloud, there is an increasing number of surveillance software competitors. We believe this may pressure pricing and returns for the business going forward.

We also completed our sale of Countryside Partnerships, with the company's share price underpinned by its bid for the company by Vistry, a fellow housebuilder. This was a disappointing conclusion to an investment based on meeting strong demand for affordable, rental and open market housing. In the end, we feel that the company executed very poorly on its strategy.

We sold our holding in Cellnex Telecom. Our belief is that the consolidation of the European telecommunication tower market is nearing the end of the road, with fewer options left in terms of acquisitions. This is coupled with higher valuations and increased costs of debt all of which we believe could result in reducing returns on capital.

**Source: Financial Express, bid-to-bid, net of fees, 31.01.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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

Sustainable Future Managed Fund (continued)

Investment review (continued)

Sub-fund review (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.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
United Kingdom Gilt 0.875% 31/7/2033	United Kingdom Gilt 4.25% 7/6/2032
United Kingdom Gilt 4.25% 7/6/2032	Waste Connections
United Kingdom Gilt 1.5% 31/7/2053	CSL
Masimo	United Kingdom Gilt 0.125% 31/1/2023
Agilent Technologies	Knorr-Bremse
United Kingdom Gilt 0.125% 31/1/2023	London Stock Exchange
Alcon	Cadence Design Systems
United Kingdom Gilt 0.75% 22/7/2023	Alphabet 'A'
AstraZeneca	Visa 'A'
Brown & Brown	Thermo Fisher Scientific

Sustainable Future Managed Fund (continued)

Investment review (continued)

Risk and Reward profile

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

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

1	2	3	4	5	6	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund is categorised 5 primarily for its exposure to a diversified portfolio of global equities and bonds.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-fund;
  - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Sub-fund;
  - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result;
  - the creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- The Sub-fund may, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Sub-fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- The Sub-fund may have both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign exchange contracts to protect returns in the base currency of the Sub-fund.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

- Outside of normal conditions, the Sub-fund may hold higher levels of cash which may be deposited with several credit counterparties (e.g. international banks). A credit risk arises should one or more of these counterparties be unable to return the deposited cash.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- ESG Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG.

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

Sustainable Future Managed Fund (continued)

Comparative Tables
for the year ended 31 January 2023

Class 2 Net Income Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	201.09	191.18	163.90
Return before operating charges	(14.93)	12.43	29.72
Operating charges	(1.54)	(1.80)	(1.53)
Return after operating charges	(16.47)	10.63	28.19
Distributions	(1.48)	(0.72)	(0.91)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	**183.14**	**201.09**	**191.18**
After direct transaction costs of*	(0.09)	(0.16)	(0.14)
Performance			
Return after charges	(8.19%)	5.56%	17.20%
Other information			
Closing net asset value (£'000)	608,271	727,146	496,611
Closing number of shares	332,135,495	361,596,819	259,766,021
Operating charges**	0.85%	0.86%	0.88%
Direct transaction costs*	0.05%	0.08%	0.08%
Prices			
Highest share price	203.62	225.97	201.58
Lowest share price	163.46	189.06	134.11

* 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.

Sustainable Future Managed Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2023

Class 3 Net Income Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	268.89	255.65	219.13
Return before operating charges	(20.23)	16.56	39.59
Operating charges	(1.09)	(1.26)	(1.05)
Return after operating charges	(21.32)	15.30	38.54
Distributions	(2.67)	(2.06)	(2.02)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	**244.90**	**268.89**	**255.65**
After direct transaction costs of*	(0.11)	(0.21)	(0.18)
Performance			
Return after charges	(7.93%)	5.98%	17.59%
Other information			
Closing net asset value (£'000)	1,083,576	1,224,796	1,096,554
Closing number of shares	442,457,094	455,496,759	428,934,229
Operating charges**	0.45%	0.45%	0.45%
Direct transaction costs*	0.05%	0.08%	0.08%
Prices			
Highest share price	272.28	302.53	269.96
Lowest share price	218.71	252.92	179.40

* 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.

Sustainable Future Managed Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2023

Class 6 Net Accumulation **Accounting year ended**	**31 January 2023** **per share (p)**	**31 January 2022** **per share (p)**	**31 January 2021** **per share (p)**
Change in net assets per share			
Opening net asset value per share	259.77	246.11	209.93
Return before operating charges	(19.33)	15.98	38.15
Operating charges	(1.99)	(2.32)	(1.97)
Return after operating charges	(21.32)	13.66	36.18
Distributions	(1.89)	(0.93)	(1.17)
Retained distributions on accumulation shares	1.89	0.93	1.17
Closing net asset value per share	**238.45**	**259.77**	**246.11**
After direct transaction costs of*	(0.11)	(0.21)	(0.18)
Performance			
Return after charges	(8.21%)	5.55%	17.23%
Other information			
Closing net asset value (£'000)	1,080,273	1,103,582	616,789
Closing number of shares	453,040,653	424,834,370	250,616,322
Operating charges**	0.85%	0.86%	0.88%
Direct transaction costs*	0.05%	0.08%	0.08%
Prices			
Highest share price	263.03	291.53	259.07
Lowest share price	212.08	243.38	171.79

* 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.

Sustainable Future Managed Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2023

Class 7 Net Accumulation Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	268.27	253.19	215.24
Return before operating charges	(20.21)	16.33	38.98
Operating charges	(1.11)	(1.25)	(1.03)
Return after operating charges	(21.32)	15.08	37.95
Distributions	(2.64)	(2.04)	(2.01)
Retained distributions on accumulation shares	2.64	2.04	2.01
Closing net asset value per share	**246.95**	**268.27**	**253.19**
After direct transaction costs of*	(0.11)	(0.21)	(0.18)
Performance			
Return after charges	(7.95%)	5.96%	17.63%
Other information			
Closing net asset value (£'000)	4,975	2,642	1,328
Closing number of shares	2,014,512	984,858	524,676
Operating charges**	0.46%	0.45%	0.45%
Direct transaction costs*	0.05%	0.08%	0.08%
Prices			
Highest share price	271.65	300.81	266.47
Lowest share price	219.50	250.48	176.21

* 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.

Sustainable Future Managed Fund (continued)

Portfolio Statement
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (74.86%)	**1,995,912**	**71.87**
	UNITED STATES OF AMERICA (36.49%)	**1,011,252**	**36.40**
	Banks (0.85%)	**29,898**	**1.08**
261,325	First Republic Bank	29,898	1.08
	Biotechnology (1.54%)	**31,331**	**1.13**
180,100	Illumina	31,331	1.13
	Building Materials (0.00%)	**12,995**	**0.47**
303,400	Trex	12,995	0.47
	Chemicals (1.32%)	**33,355**	**1.20**
265,248	Ecolab	33,355	1.20
	Commercial Services (2.71%)	**43,559**	**1.57**
299,600	Bright Horizons Family Solutions	18,683	0.67
375,905	PayPal	24,876	0.90
	Diversified Financial Services (4.70%)	**130,235**	**4.68**
530,895	Charles Schwab	33,404	1.20
859,468	Nasdaq	42,013	1.51
293,088	Visa 'A'	54,818	1.97
	Electronics (0.00%)	**31,200**	**1.12**
252,600	Agilent Technologies	31,200	1.12
	Environmental Control (1.11%)		
	Healthcare Products (3.42%)	**110,195**	**3.96**
148,100	Intuitive Surgical	29,554	1.06
265,900	Masimo	36,735	1.32
94,773	Thermo Fisher Scientific	43,906	1.58
	Healthcare Services (2.10%)	**65,309**	**2.35**
350,473	IQVIA	65,309	2.35

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED STATES OF AMERICA (continued)		
	Home Builders (1.61%)	**49,665**	**1.79**
11,580	NVR	49,665	1.79
	Insurance (0.00%)	**18,710**	**0.67**
393,400	Brown & Brown	18,710	0.67
	Internet (5.48%)	**114,583**	**4.12**
617,280	Alphabet 'A'	49,564	1.78
201,281	Palo Alto Networks	25,917	0.93
220,900	VeriSign	39,102	1.41
	Metal & Hardware (0.00%)	**12,135**	**0.44**
148,100	Advanced Drainage Systems	12,135	0.44
	Real Estate Investment Trusts (3.31%)	**90,448**	**3.26**
235,786	American Tower	42,785	1.54
79,470	Equinix	47,663	1.72
	Software (8.34%)	**237,634**	**8.56**
101,733	Adobe	30,602	1.10
212,400	ANSYS	45,963	1.66
198,096	Autodesk	34,621	1.25
250,160	Cadence Design Systems	37,129	1.34
407,199	DocuSign	20,051	0.72
87,303	Intuit	29,988	1.08
358,600	PTC	39,280	1.41
	UNITED KINGDOM (21.33%)	**550,620**	**19.83**
	Banks (0.73%)	**40,949**	**1.47**
5,609,116	NatWest	17,270	0.62
3,943,151	Paragon Banking	23,679	0.85

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Biotechnology (1.19%)	**25,911**	**0.94**
1,669,742	Abcam	18,812	0.68
1,668,398	Oxford Biomedica	7,099	0.26
	Chemicals (0.84%)	**24,031**	**0.87**
348,986	Croda International	24,031	0.87
	Commercial Services (1.30%)	**42,584**	**1.53**
372,454	Ashtead	19,785	0.71
524,708	Intertek	22,799	0.82
	Computers (1.44%)	**26,499**	**0.96**
2,892,425	GB	10,187	0.37
1,352,563	Softcat	16,312	0.59
	Cosmetics & Personal Care (1.37%)	**60,070**	**2.16**
7,814,344	Haleon	25,338	0.91
845,369	Unilever	34,732	1.25
	Diversified Financial Services (3.38%)	**63,992**	**2.31**
3,341,745	AJ Bell	11,248	0.41
292,583	London Stock Exchange	21,663	0.78
2,544,460	St James's Place	31,081	1.12
	Electronics (0.60%)	**26,639**	**0.95**
627,342	Halma	13,469	0.48
4,144,053	Rotork	13,170	0.47
	Engineering & Construction (0.39%)	**8,869**	**0.32**
8,382,366	Helios Towers	8,869	0.32
	Food Services (1.13%)	**23,456**	**0.84**
1,214,705	Compass	23,456	0.84

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Home Builders (0.85%)	**7,758**	**0.28**
3,197,777	Crest Nicholson	7,758	0.28
	Insurance (2.17%)	**41,349**	**1.49**
865,705	Admiral	19,045	0.69
8,781,284	Legal & General	22,304	0.80
	Internet (0.61%)	**17,336**	**0.62**
6,112,712	Trainline	17,336	0.62
	Investment Companies (0.26%)	**7,160**	**0.26**
7,632,922	SDCL Energy Efficiency Income Trust	7,160	0.26
	Miscellaneous Manufacturing (0.35%)	**7,675**	**0.28**
1,275,005	Porvair	7,675	0.28
	Pharmaceuticals (1.32%)	**48,068**	**1.73**
201,319	AstraZeneca	21,320	0.77
1,879,167	GSK	26,748	0.96
	Private Equity (2.58%)	**53,923**	**1.94**
2,295,448	3i	36,142	1.30
18,953,671	IP	11,552	0.42
1,741,891	Molton Ventures	6,229	0.22
	Real Estate Investment & Services (0.01%)	**218**	**0.01**
427,000	Ethical Property~	218	0.01
	Retail (0.25%)	**4,761**	**0.17**
3,182,259	DFS Furniture	4,761	0.17
	Software (0.00%)	**9,985**	**0.36**
1,842,244	Wise	9,985	0.36

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Transportation (0.56%)	**9,387**	**0.34**
7,068,495	National Express	9,387	0.34
	JAPAN (3.00%)	**91,141**	**3.28**
	Building Materials (1.30%)	**27,119**	**0.98**
193,651	Daikin Industries	27,119	0.98
	Commercial Services (0.60%)	**22,602**	**0.81**
902,369	TechnoPro	22,602	0.81
	Machinery Diversified (1.10%)	**41,420**	**1.49**
112,110	Keyence	41,420	1.49
	SWEDEN (2.66%)	**65,568**	**2.36**
	Diversified Financial Services (1.10%)	**33,604**	**1.21**
1,808,504	Avanza Bank	33,604	1.21
	Internet (1.56%)	**31,964**	**1.15**
349,200	Spotify Technology	31,964	1.15
	DENMARK (1.40%)	**64,655**	**2.33**
	Alternative Energy Sources (0.00%)	**16,862**	**0.61**
712,988	Vestas Wind Systems	16,862	0.61
	Banks (1.40%)	**47,793**	**1.72**
406,693	Ringkjoebing Landbobank	47,793	1.72
	GERMANY (4.17%)	**61,170**	**2.21**
	Apparel (1.33%)	**26,347**	**0.95**
481,081	Puma	26,347	0.95

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	GERMANY (continued)		
	Healthcare Services (0.80%)	**13,484**	**0.49**
851,067	Evotec	13,484	0.49
	Miscellaneous Manufacturing (1.26%)		
	Semiconductors (0.78%)	**21,339**	**0.77**
735,118	Infineon Technologies	21,339	0.77
	SWITZERLAND (0.73%)	**55,130**	**1.99**
	Healthcare Products (0.00%)	**29,993**	**1.08**
494,223	Alcon	29,993	1.08
	Pharmaceuticals (0.73%)	**25,137**	**0.91**
99,689	Roche	25,137	0.91
	IRELAND (1.39%)	**51,647**	**1.86**
	Food Producers (0.00%)	**15,445**	**0.56**
203,722	Kerry	15,445	0.56
	Forest Products & Paper (1.39%)	**36,202**	**1.30**
1,067,283	Smurfit Kappa	36,202	1.30
	NETHERLANDS (1.71%)	**44,729**	**1.61**
	Commercial Services (0.50%)	**13,390**	**0.48**
11,018	Adyen	13,390	0.48
	Semiconductors (1.21%)	**31,339**	**1.13**
58,951	ASML	31,339	1.13
	AUSTRALIA (1.02%)	**0**	**0.00**
	Biotechnology (1.02%)	**0**	**0.00**
	SPAIN (0.84%)	**0**	**0.00**
	Engineering & Construction (0.84%)	**0**	**0.00**

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	ITALY (0.12%)	**0**	**0.00**
	Leisure Time (0.12%)	**0**	**0.00**
	BONDS (16.15%)	**612,689**	**22.06**
	UNITED KINGDOM GOVERNMENT BONDS (0.00%)	**161,754**	**5.82**
£ 118,200,000	United Kingdom Gilt 0.875% 31/7/2033	91,365	3.29
£ 117,300,000	United Kingdom Gilt 1.5% 31/7/2053	70,389	2.53
	UK STERLING DEBT SECURITIES (13.34%)	**380,652**	**13.72**
£ 6,500,000	Anglian Water Osprey Financing 2% 31/7/2028	5,234	0.19
£ 2,200,000	Annington Funding 3.935% 12/7/2047	1,666	0.06
£ 5,500,000	Annington Funding 3.184% 12/7/2029	4,753	0.17
£ 5,200,000	Assicurazioni Generali 6.269% Perpetual	5,154	0.19
£ 7,250,000	AT&T 7% 30/4/2040	8,434	0.30
£ 8,550,000	Aviva 5.125% 4/6/2050	8,018	0.29
£ 4,667,000	Aviva 6.875% Perpetual	4,333	0.16
£ 5,700,000	Banco Santander 2.25% 4/10/2032	4,767	0.17
£ 4,000,000	Barclays 8.407% 14/11/2032	4,300	0.15
£ 9,200,000	Blackstone Property Partners Europe Sarl 2.625% 20/10/2028	7,274	0.26
£ 6,800,000	Blend Funding 2.922% 5/4/2056	4,603	0.17
£ 4,000,000	BNP Paribas 5.75% 13/6/2032	4,134	0.15
£ 5,235,000	Bunzl Finance 1.5% 30/10/2030	4,050	0.15
£ 6,600,000	Cadent Finance 2.25% 10/10/2035	4,815	0.17
£ 4,865,000	Canary Wharf Investment 3.375% 23/4/2028	3,574	0.13
£ 7,200,000	Clarion Funding 1.25% 13/11/2032	5,203	0.19
£ 5,600,000	Compass 4.375% 8/9/2032	5,614	0.20
£ 4,000,000	Coventry Building Society 6.875% Perpetual	3,857	0.14
£ 8,500,000	Direct Line Insurance 4% 5/6/2032	6,777	0.24
£ 7,355,000	DWR Cymru Financing UK 2.5% 31/3/2036	5,833	0.21
£ 2,866,000	DWR Cymru Financing UK 1.625% 31/3/2026	2,614	0.09
£ 6,158,000	DWR Cymru Financing UK 2.375% 31/3/2034	4,672	0.17
£ 1,988,000	GlaxoSmithKline Capital 5.25% 19/12/2033	2,145	0.08
£ 501,000	GSK Consumer Healthcare Capital UK 2.875% 29/10/2028	463	0.02
£ 9,000,000	HSBC 7% 7/4/2038	9,799	0.35
£ 5,000,000	HSBC 6% 29/3/2040	4,922	0.18
£ 6,500,000	Legal & General 5.5% 27/6/2064	6,048	0.22
£ 5,850,000	Legal & General 4.5% 1/11/2050	5,241	0.19
£ 6,600,000	Liberty Living Finance 3.375% 28/11/2029	5,674	0.20

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (continued)		
£ 9,085,000	Lloyds Banking 2.707% 3/12/2035	7,138	0.26
£ 9,250,000	Logicor Financing Sarl 2.75% 15/1/2030	7,383	0.27
£ 6,000,000	London & Quadrant Housing Trust 2% 20/10/2038	3,961	0.14
£ 4,515,000	London Stock Exchange 1.625% 6/4/2030	3,747	0.13
£ 2,500,000	M&G 6.34% 19/12/2063	2,278	0.08
£ 6,500,000	M&G 5.625% 20/10/2051	6,055	0.22
£ 3,200,000	Motability Operations 3.625% 10/3/2036	2,914	0.11
£ 7,500,000	Motability Operations 1.75% 3/7/2029	6,460	0.23
£ 6,377,000	National Express 2.375% 20/11/2028	5,456	0.20
£ 2,500,000	National Express 4.25% Perpetual	2,203	0.08
£ 4,355,000	National Grid Gas 1.125% 14/1/2033	2,988	0.11
£ 9,000,000	Nationwide Building Society 5.875% Perpetual	8,685	0.31
£ 4,800,000	Natwest 3.622% 14/8/2030	4,511	0.16
£ 6,837,000	Natwest 2.105% 28/11/2031	5,878	0.21
£ 5,000,000	Natwest 7.416% 6/6/2033	5,243	0.19
£ 4,585,000	Next 3.625% 18/5/2028	4,286	0.15
£ 7,900,000	NGG Finance 5.625% 18/6/2073	7,673	0.28
£ 5,292,000	Optivo Finance 2.857% 7/10/2035	4,228	0.15
£ 6,000,000	Orange 8.125% 20/11/2028	7,084	0.26
£ 7,200,000	Orsted 2.5% 18/2/3021	5,045	0.18
£ 13,210,000	Pension Insurance 5.625% 20/9/2030	12,387	0.45
£ 1,000,000	Pension Insurance 4.625% 7/5/2031	868	0.03
£ 9,100,000	Phoenix 5.625% 28/4/2031	8,386	0.30
£ 4,009,000	Realty Income 1.125% 13/7/2027	3,421	0.12
£ 8,871,000	RL Finance Bonds No. 4 4.875% 7/10/2049	7,090	0.26
£ 3,750,000	Severn Trent Utilities Finance 6.25% 7/6/2029	4,061	0.15
£ 4,788,000	Severn Trent Utilities Finance 2% 2/6/2040	3,191	0.11
£ 5,500,000	Southern Gas Networks 1.25% 2/12/2031	4,091	0.15
£ 4,571,000	Southern Housing 2.375% 8/10/2036	3,401	0.12
£ 7,650,000	SP Transmission 2% 13/11/2031	6,296	0.23
£ 8,977,000	SSE 3.74% Perpetual	8,334	0.30
£ 15,360,000	Standard Chartered 5.125% 6/6/2034	14,941	0.54
£ 6,000,000	Telefonica Emisiones 5.375% 2/2/2026	6,094	0.22
£ 5,640,000	Travis Perkins 3.75% 17/2/2026	5,060	0.18
£ 4,500,000	United Utilities Water Finance 2.625% 12/2/2031	3,944	0.14
£ 2,571,000	United Utilities Water Finance 0.875% 28/10/2029	2,040	0.07
£ 11,250,000	Verizon Communications 1.875% 19/9/2030	9,269	0.33
£ 5,900,000	Vodafone 5.9% 26/11/2032	6,437	0.23

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (continued)		
£ 4,000,000	Vodafone 4.875% 3/10/2078	3,825	0.14
£ 5,900,000	Western Power Distribution 3.5% 16/10/2026	5,637	0.20
£ 2,614,000	Whitbread 3% 31/5/2031	2,124	0.08
£ 9,300,000	Yorkshire Building Society 3.375% 13/9/2028	8,241	0.30
£ 4,600,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	4,327	0.16
	EURO DEBT SECURITIES (0.93%)	**22,050**	**0.79**
€ 8,200,000	Cellnex Finance 2% 15/2/2033	5,638	0.20
€ 7,700,000	Infrastrutture Wireless Italiane 1.75% 19/4/2031	5,505	0.20
€ 12,378,675	Stichting AK Rabobank Certificaten 6.5% Perpetual	10,907	0.39
	US DOLLAR DEBT SECURITIES (1.88%)	**48,233**	**1.73**
$ 10,100,000	AXA 6.379% Perpetual	8,608	0.31
$ 13,000,000	Barclays Bank 3.8125% Perpetual	8,342	0.30
$ 8,900,000	BNP Paribas 4.24486% Perpetual	5,566	0.20
$ 20,400,000	HSBC Bank 5.40114% Perpetual	12,511	0.45
$ 5,400,000	Swiss Re Finance Luxembourg 5% 2/4/2049	4,255	0.15
$ 13,905,000	Zurich Finance Ireland Designated Activity 3% 19/4/2051	8,951	0.32
	COLLECTIVE INVESTMENT SCHEMES (10.18%)	**169,809**	**6.12**
	GUERNSEY (0.36%)	**12,060**	**0.44**
9,262,477	Renewables Infrastructure	12,060	0.44
	IRELAND (9.71%)	**153,975**	**5.54**
26,310,679	HSBC Sterling Liquidity Fund	26,311	0.95
3,000,000	Liontrust GF Sustainable Future European Corporate Bond Fund+	24,818	0.89
9,837,558	Liontrust GF Sustainable Future Global Growth Fund+	102,846	3.70

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	COLLECTIVE INVESTMENT SCHEMES (continued)		
	UNITED KINGDOM (0.11%)	**3,774**	**0.14**
2,371,772	Greencoat UK Wind	3,774	0.14
	Portfolio of investments	**2,778,410**	**100.05**
	Net other liabilities	**(1,315)**	**(0.05)**
	Total net assets	**2,777,095**	**100.00**

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2022.

\+ Managed by Liontrust Investment Partners Limited.

~ Unquoted security.

Sustainable Future Managed Fund (continued)

Statement of Total Return
for the year ended 31 January 2023

	Notes	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Income					
Net capital (losses)/gains	2		(281,033)		82,610
Revenue	3	46,579		35,100	
Expenses	4	(19,310)		(19,170)	
Interest payable and similar charges	6	(10)		(1)	
Net revenue before taxation		27,259		15,929	
Taxation	5	(1,213)		3,745	
Net revenue after taxation			26,046		19,674
Total return before distributions			**(254,987)**		**102,284**
Distributions	7		(25,980)		(14,264)
Change in net assets attributable to shareholders from investment activities			**(280,967)**		**88,020**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2023

	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Opening net assets attributable to shareholders		**3,058,166**		**2,211,282**
Amounts received on issue of shares	173,759		794,150	
Amounts paid on cancellation of shares	(182,567)		(38,753)	
		(8,808)		755,397
Change in net assets attributable to shareholders from investment activities		(280,967)		88,020
Retained distributions on accumulation shares		8,704		3,467
Closing net assets attributable to shareholders		**2,777,095**		**3,058,166**

Sustainable Future Managed Fund (continued)

Balance Sheet
as at 31 January 2023

	Notes	31.1.2023 (£'000)	31.1.2022 (£'000)
Assets			
Fixed assets			
Investments		2,778,410	3,094,509
Current assets:			
Debtors	8	15,018	21,255
Cash and bank balances	9	975	74
Total assets		**2,794,403**	**3,115,838**
Liabilities			
Creditors:			
Distribution payable		(7,327)	(5,104)
Other creditors	10	(9,981)	(52,568)
Total liabilities		**(17,308)**	**(57,672)**
Net assets attributable to shareholders		**2,777,095**	**3,058,166**

Sustainable Future Managed Fund (continued)

Notes to the financial statements
for the year ended 31 January 2023

1 Accounting policies

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

2 Net capital (losses)/gains

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities	(279,286)	83,346
Foreign currency losses	(1,747)	(736)
Net capital (losses)/gains	**(281,033)**	**82,610**

3 Revenue

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Bank interest	7	1
Equity distributions on CIS holdings	180	142
Interest from overseas fixed income securities	5,069	3,687
Interest from UK fixed income securities	14,527	9,314
Management fee rebates on CIS	591	675
Non-taxable overseas dividends	8,925	7,249
Revenue from short-term money market funds	810	6
Stock lending income	112	55
UK dividends	14,228	12,352
US REIT dividends	2,130	1,619
Total revenue	**46,579**	**35,100**

4 Expenses

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	17,132	16,850
General administration charges*	2,178	2,320
Total expenses	**19,310**	**19,170**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,850 (2022: £9,975). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

5 Taxation

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
a) Analysis of charge in year		
Overseas tax	1,279	1,665
Deferred tax credit [see note(c)]	(66)	(5,410)
Total tax charge/(credit) [see note(b)]	**1,213**	**(3,745)**

b) Factors affecting tax charge for the year
The taxation assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Net revenue before taxation	27,259	15,929
Corporation tax at 20% (2022 - 20%)	5,452	3,186
Effects of:		
Capitalised income subject to tax	–	(5,403)
Double taxation relief	–	21
Movement in unrecognised tax losses	(787)	787
Overseas tax	1,279	1,665
Relief on overseas tax expensed	(64)	(53)
Revenue not subject to tax	(4,667)	(3,948)
Total tax charge/(credit) [see note(a)]	**1,213**	**(3,745)**

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

c) Deferred tax

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Opening deferred tax liability	–	5,410
Deferred tax credit for the year (see note 5a)	(66)	(5,410)
Closing deferred tax asset	**(66)**	**–**

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

6 Interest payable and similar charges

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Overdraft interest	10	1
Total interest payable and similar charges	**10**	**1**

7 Distributions

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Interim distribution	14,633	8,526
Final distribution	11,128	6,540
	25,761	**15,066**
Amounts deducted on cancellation of shares	492	66
Amounts received on issue of shares	(273)	(868)
Distributions	**25,980**	**14,264**
The distributable amount has been calculated as follows:		
Net revenue after taxation	26,046	19,674
Less: Deferred tax	(66)	(5,410)
Distributions	**25,980**	**14,264**

The distribution per share is set out in the tables on page 233.

8 Debtors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued management fee rebates on CIS	52	58
Accrued revenue	9,318	8,758
Amounts receivable for issue of shares	1,184	10,466
Corporation tax recoverable	–	71
Deferred tax	66	–
Overseas withholding tax	1,236	528
Sales awaiting settlement	3,162	1,374
Total debtors	**15,018**	**21,255**

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

9 Cash and bank balances

	31.1.2023 (£'000)	31.1.2022 (£'000)
Cash and bank balances	975	74
Total cash and bank balances	**975**	**74**

10 Provision for liabilities
There is no provision for liabilities for the current year.

	Deferred tax provision (£'000)	Total (£'000)
At 31 January 2021	5,410	5,410
Origination and reversal of timing differences	(5,410)	(5,410)
At 31 January 2022	**–**	**–**

11 Creditors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued expenses	173	197
Accrued ACD's charge	1,419	1,622
Amounts payable for cancellation of shares	3,199	590
Purchases awaiting settlement	5,190	50,159
Total other creditors	**9,981**	**52,568**

12 Contingent liabilities and outstanding commitments
There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: £nil).

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

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

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £1,592,000 (2022: £1,819,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £19,310,000 (2022: £19,170,000).

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

13 Related party transactions (continued)

The total rebate of expenses paid by Liontrust Fund Partners LLP and its associates for the year was £591,000 (2022: £675,000).

The total rebate of expenses balance due from Liontrust Fund Partners LLP and its associates at the year end was £52,000 (2022: £58,000).

At the year-end there are Liontrust Fund Partners LLP products within the Sub-fund. Details of these investments are outlined in the Portfolio Statement.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Securities lending

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

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

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

Return and cost

The tables below show the net income earned by the Sub-funds from securities lending activity during the year to 31 January 2023.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Managed Fund				
Securities lending				
Gross return	112	–	48	160
% of total	70%	0%	30%	100%
Cost	–	–	–	–

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2022.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	55	–	24	79
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Securities lending (continued)

Securities on loan and collateral received

The following table details the value of securities on loan and associated collateral received, analysed by borrowing counterparty as at the Balance Sheet date.

Counterparty	Counterparty's country of establishment	31 January 2023 Securities on loan (£'000)	31 January 2023 Collateral received (£'000)	31 January 2022 Securities on loan (£'000)	31 January 2022 Collateral received (£'000)
BNP Paribas	France	–	–	18,666	20,659
Citigroup Global Markets Limited	UK	–	–	2,118	2,323
J.P. Morgan Securities Plc	UK	–	–	4,132	4,589
Jeffries LLC	USA	–	–	4,415	4,507
Merrill Lynch International	UK	–	–	6,223	6,665
The Bank of Nova Scotia	Canada	–	–	14,559	16,015
UBS AG	Switzerland	–	–	1,631	1,758
Total		**–**	**–**	**51,744**	**56,516**

At 31 January 2023, there were no securities on loan or related collateral outstanding (31 January 2022: as above).

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

Management of counterparty credit risk related to securities lending

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

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

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 Risk management policies

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

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

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

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

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

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 January 2023 and 31 January 2022 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

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 Risk management policies (continued)

Market price risk (continued)
movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 12.3%.

As at 31 January 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 11.7%.

Some limitations of sensitivity analysis are;

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

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

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

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.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

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

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	16	–	16
Danish Krone	83	64,656	64,739
Euro	1,084	168,212	169,296
Japanese Yen	127	91,141	91,268
Swedish Krona	400	33,604	34,004
Swiss Franc	–	55,130	55,130
United States Dollar	1,276	1,213,108	1,214,384
	2,986	**1,625,851**	**1,628,837**

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 Risk management policies (continued)

Currency risk (continued)
At 31 January 2022 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	**Monetary Exposures (£'000)**	**Non-Monetary Exposures (£'000)**	**Total (£'000)**
Australian Dollar	–	31,152	31,152
Canadian Dollar	15	–	15
Danish Krone	86	42,725	42,811
Euro	601	264,031	264,632
Japanese Yen	113	91,910	92,023
Swedish Krona	108	33,527	33,635
Swiss Franc	–	22,277	22,277
United States Dollar	(22,063)	1,330,441	1,308,378
	(21,140)	**1,816,063**	**1,794,923**

If the exchange rate at 31 January 2023 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.59%/(0.59)% respectively.

If the exchange rate at 31 January 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 0.59%/(0.59)% respectively.

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

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

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

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 Risk management policies (continued)

Interest rate risk (continued)
The interest rate risk profile of financial assets and liabilities at 31 January 2023 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non-Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	26,419	586,270	2,165,721	2,778,410
Investment liabilities	–	–	–	–

The interest rate risk profile of financial assets and liabilities at 31 January 2022 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non-Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	25,491	468,265	2,600,753	3,094,509
Investment liabilities	–	–	–	–

At 31 January 2023, if interest rates had strengthened/weakened by 1.00% with all other variables held constant this would have increased/decreased the net fixed income assets attributable to investors in the Sub-fund by approximately 9.81%.

At 31 January 2022, if interest rates had strengthened/weakened by 1.00% with all other variables held constant this would have increased/decreased the net fixed income assets attributable to investors in the Sub-fund by approximately 7.30%.

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 wholly of readily realisable securities which can be sold to meet liquidity requirements.

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

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

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 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 table below summarises the credit quality of the Sub-fund debt portfolio as at 31 January 2023 and 31 January 2022.

Summary of Credit ratings	31.1.2023 (£'000)	31.1.2022 (£'000)
Investment grade	530,984	410,093
Below Investment grade	65,564	66,588
Not Rated	16,141	17,075
Total	**612,689**	**493,756**

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

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

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

At the balance sheet date, there were no counterparties to open derivative contracts. 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 January 2023 was A (Standard & Poor's rating).

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

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

15 Risk management policies (continued)

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

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

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

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

Valuation of financial investments

31.1.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	2,173,282	–
Level 2: Observable market data	604,910	–
Level 3: Unobservable data	218	–
	2,778,410	**–**

31.1.2022	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	2,303,712	–
Level 2: Observable market data	790,573	–
Level 3: Unobservable data	224	–
	3,094,509	**–**

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

*The Level 3 assets have been valued based on last traded prices.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

16 Share movement
For the year ending 31 January 2023

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Income	361,596,819	16,464,634	(45,822,823)	(103,135)	332,135,495
Class 3 Net Income	455,496,759	10,218,942	(23,258,607)	–	442,457,094
Class 6 Net Accumulation	424,834,370	47,560,889	(19,532,221)	177,615	453,040,653
Class 7 Net Accumulation	984,858	1,201,496	(77,440)	(94,402)	2,014,512

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

17 Portfolio transaction costs
for the year ending 31 January 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	446,437	232	0.05	805	0.18
Debt instruments (direct)	450,900	–	–	–	–
Collective investment schemes	1,218	–	–	–	–
Total purchases	**898,555**	**232**		**805**	
Total purchases including transaction costs	**899,592**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	558,448	280	0.05	6	–
Debt instruments (direct)	241,107	–	–	–	–
Total sales	**799,555**	**280**		**6**	
Total sales net of transaction costs	**799,269**				
Total transaction costs		**512**		**811**	
Total transaction costs as a % of average net assets		**0.02%**		**0.03%**	

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

17 Portfolio transaction costs (continued)
for the year ending 31 January 2022

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	983,565	421	0.04	1,546	0.16
Debt instruments (direct)	222,031	–	–	–	–
Collective investment schemes	2,588	1	0.04	2	0.08
Total purchases	**1,208,184**	**422**		**1,548**	
Total purchases including transaction costs	**1,210,154**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	407,888	182	0.04	2	-
Debt instruments (direct)	84,007	–	–	–	–
Total sales	**491,895**	**182**		**2**	
Total sales net of transaction costs	**491,711**				
Total transaction costs		**604**		**1,550**	
Total transaction costs as a % of average net assets		**0.02%**		**0.05%**	

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

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

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.21% (2022: 0.17%).

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

18 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Net Income share has decreased by 2.18% to 17 May 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

Sustainable Future Managed Fund (continued)

Distribution Tables
for the year ended 31 January 2023

Final distribution

Group 1 - Shares purchased prior to 1 August 2022

Group 2 - Shares purchased 1 August 2022 to 31 January 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2023 Pence per share	Distribution paid 31.3.2022 Pence per share
Class 2 Net Income - Group 1	0.6560	–	0.6560	0.2597
Class 2 Net Income - Group 2	0.3366	0.3194	0.6560	0.2597
Class 3 Net Income - Group 1	1.1636	–	1.1636	0.9144
Class 3 Net Income - Group 2	0.5285	0.6351	1.1636	0.9144
Class 6 Net Accumulation - Group 1	0.8337	–	0.8337	0.3358
Class 6 Net Accumulation - Group 2	0.4057	0.4280	0.8337	0.3358
Class 7 Net Accumulation - Group 1	1.1685	–	1.1685	0.9103
Class 7 Net Accumulation - Group 2	1.1685	–	1.1685	0.9103

Interim distribution

Group 1 - Shares purchased prior to 1 February 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2022 Pence per share	Distribution paid 30.9.2021 Pence per share
Class 2 Net Income - Group 1	0.8233	–	0.8233	0.4633
Class 2 Net Income - Group 2	0.4824	0.3409	0.8233	0.4633
Class 3 Net Income - Group 1	1.5018	–	1.5018	1.1409
Class 3 Net Income - Group 2	0.7428	0.7590	1.5018	1.1409
Class 6 Net Accumulation - Group 1	1.0606	–	1.0606	0.5976
Class 6 Net Accumulation - Group 2	0.6163	0.4443	1.0606	0.5976
Class 7 Net Accumulation - Group 1	1.4736	–	1.4736	1.1308
Class 7 Net Accumulation - Group 2	0.1082	1.3654	1.4736	1.1308

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

Sustainable Future Managed Growth Fund

Report for the year from 1 February 2022 to 31 January 2023

Investment Objective

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

Investment Policy

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

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

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

Equity – 60-100%

Fixed income – 0-20%

Cash – 0-20%

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

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

Sustainable Future Managed Growth Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned -6.3% (Class 2 Net Accumulation) over the year under review, underperforming the IA Flexible Investment sector average of -1.2% (which is the comparator benchmark)*.

2022 was the most challenging year since the inception of the Sustainable Future range of funds in 2001. We are continually challenging our conviction in our companies, and we are pleased with how our portfolio of companies are navigating an extremely difficult period where supply chains have been disrupted and customer demand has been extremely difficult to forecast. Moving into the 2023, global equities started the year on a stronger footing following the re-opening of China after they dropped their zero-Covid policy and signs that inflation is beginning to ease in major regions improved market sentiment, with hopes that central banks are close to the peak of their respective interest rate hiking cycles.

Despite the sharp decline in valuation multiples, we remain confident in the Sub-fund's prospects over the next five years with sustainable growth drivers, high quality companies and attractive valuations.

A legitimate challenge to our approach would be to ask whether our sustainable investment themes have run their course. This would only be the case if we had solved every problem and satisfied every need; we are a long way from that! There is still plenty of growing to do for sustainable companies.

We are now operating in a very different environment to the past decade, with higher interest rates in place to try and contain runaway inflation. This abrupt change in macroeconomic backdrop has sent markets into a tailspin, with all asset classes falling to a greater or lesser extent in response to a higher cost of capital. Our job in these turbulent times is to focus resolutely on the long term and on our investment process which has delivered strong performance until the past year.

We also want to take the opportunity in these periods of extreme market dislocation to add to our holdings with the most conviction and highest risk-adjusted upside, as well as take the opportunity to buy businesses we have long admired but were not previously attractively valued.

In terms of individual stocks, Cadence Design Systems was among the top performers over the period under review. Exposed to our *Improving the efficiency of energy use* theme, Cadence provides EDA (electronic design automation) technology that designs and optimises semiconductor chips. Its technology facilitates innovation behind many of our themes related to the digitalisation of the global economy. Over the year, the company announced a number of positive trading updates, most notably a strong earnings per share beat in its second quarter release.

PTC was another strong contributor to performance over the year. As a leading player in areas such as the Internet of Things and Augmented Reality, the computer software and services firm's goal is to make its manufacturing customers more efficient, bringing digitalisation to the factory floor, and the company is therefore a good fit for our *Improving the resource efficiency of industrial and agricultural processes* theme. PTC delivered strong second-quarter results that exceeded expectations, allowing it to raise guidance for fiscal 2022 revenues and free cashflow.

Ringkjoebing Landbobank (Rilba) is a long-term outperformer and was again among the notable contributors over the period under review. The company is exposed to our *Increasing financial resilience* theme, one we believe is crucial to ensuring a stable economy. You only have to go back to September 2008 to see the impact that weak financial institutions, inadequate regulation and supervision, and a lack of transparency had on the global economy. Businesses that provide simple products that consumers need, like current accounts and mortgages, contribute to a more resilient financial system – we believe Rilba, as one of the best-run banks in the industry, is doing just that.

The Danish bank performed strongly into the close of the year after raising its pre-tax profit forecast for the full year at the start of December; it upped its guidance to between Dkr1.70 billion to Dkr1.95 billion, compared with Dkr1.55 billion to Dkr1.80 billion previously. The company cited the primary reasons behind this upward adjustment as continued levels of positive activity, higher interest rates and growth in lending for the first three quarters of the year.

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

As has been the case since the value rotation began, the Fund's weaker performers included several technology-focused businesses that suffered from higher discount rates, including DocuSign, PayPal and Spotify.

To reiterate our message on DocuSign, this US business saw a huge acceleration in terms of demand as it enables paperless contract signing and businesses needed its services to operate in a lockdown world. We are still only in the earliest stages of market penetration in terms of paperless signatures and DocuSign is the clear market leader. We see the company as a beneficiary of the move towards a more circular economy and greater resource efficiency, saving billions of sheets of paper (and therefore trees) based on its position today and potentially increasing this massively as the market continues to grow.

Spotify's shares have also been weak since its 2021 fourth-quarter results released at the start of February. The results for the quarter itself were solid and generally in line with analyst expectations but the company's guidance on Q1 2022 was slightly below expectations for new monthly subscribers. Spotify put this down to an increasingly seasonal approach to marketing and acquiring new customers. Furthermore, in its most recent earnings release in October, the music streaming service announced that profit margins may narrow due to programming costs and that it was also considering raising prices in the US.

PayPal's situation is different and we are continuing to review our thesis and position. This has been a major performer for the portfolio over recent years but, earlier in 2022, the company missed analyst expectations for growth and earnings, downgraded guidance for 2022, and, most concerningly, provided new information that calls into question the growth algorithm investors had modelled. Management explained the business operates on a Pareto Principle – the concept that around 30% of customers drive the majority of revenues and profits. This is not uncommon but our concern is that it was the first time we had heard management mention this, having followed the company since 2017.

Shares in PayPal also fell sharply in the fourth quarter of 2022 as it trimmed its forecast for annual revenue amid a slowdown in spending volume on its platform. Payments volume increase 14% to $337 billion in the third quarter, which was below the average estimates. PayPal now expects revenue for the year to increase 10% to $27.5 billion, which is a downgrade of an earlier forecast of $27.8 billion. In response, the company has vowed to reduce expenses – including job cuts and the shuttering of offices across the US – which it has said will result in $900 million in savings this year and $1.3 billion next year.

Over the year, we trimmed some of our stronger performers, freeing up capital to add to a selection of companies where indiscriminate selling has created opportunities. A new addition over Q1 was Masimo, under our *Enabling innovation in healthcare* theme. Headquartered in the US, Masimo's core product is pulse oximetry sensors, which enable a patient's vital signs to be monitored. The company places circuit boards (referred to as drivers) into bedside monitor machines and then sells the hospital sensors to pair with these devices.

Within our *Delivering a circular materials economy* theme, we initiated positions in US firms Advanced Draining Systems and Trex. ADS is the leader in the supply of plastic-based storm water drainage in the US. ADS's products are made from recycled plastics and replace concrete-based drainage systems, which are a poorer quality product as well as being more carbon intensive to manufacture.

Trex manufactures non-wood decking and railing products from waste-wood fibres and recycled plastic, upcycling 400 million pounds of post-consumer and post-industrial plastic each year. Although the products mimic wood, they require less maintenance and last longer.

We added US insurance business Brown & Brown (B&B) under our *Insuring a sustainable economy* theme. B&B is a commercial lines insurance broker, meaning that it works on behalf of clients, namely businesses needing risk cover, to find suitable contracts from insurers. In some cases, it also does the underwriting but the balance sheet risk is held with reinsurers; the latter are willing to do this because they want to earn the premiums but might not have the expertise in a given area and therefore entrust B&B with assessing that risk.

We added American-Swiss medical device firm, Alcon under the *Enabling innovation in healthcare* theme. The company specialises in the design and manufacture of interocular lenses, consumables used in ophthalmic surgery and consumer contact lenses.

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

We also added Agilent Technologies, a global leader in quality control and testing, ensuring the food we eat, the air we breathe and the water we drink does not contain harmful chemicals and contaminants. Exposed to our *Better monitoring of supply chains and quality control* theme, it is also a leader in the supply of Research & Development tools in the area of increasingly cutting-edge technology related to gene-editing.

Vestas Wind Systems was another new addition under our *Increasing electricity from renewable sources* theme. This Danish firm, one of the three main players outside of China, is the quality leader in the supply of wind turbines globally, which are key to the transition away from Russian gas and fossil fuel dependency. Vestas' strategy to shift away from *just* turbine manufacturing towards turbine design, optimising connection to grid to yield highest cashflow and profitable service revenue, looks set to help it grow profitability for the next decade and beyond.

In order to fund these new acquisitions, we exited long held positions in CSL, Waste Connections and Prudential. CSL has been in the Sub-fund more than a decade, and whilst the business remains high quality, we were slightly concerned about its recent acquisition and further capital deployment. Waste Connections has performed well, but with the majority of the waste it collects being diverted to landfill, rather than being recycled, we decided to use this capital to focus on a better thematic fit for our *Circular economy* theme. Prudential has been a disappointing investment, and we felt that recycling the capital we had used for this position into Brown & Brown was a prudent investment decision.

We also exited positions in Abcam, Technogym and Knorr Bremse during the year. Abcam is a global life science company focused on identifying, developing and distributing high-quality reagents and tools for its customers. Heavy investment to set itself up for the future means Abcam's shorter-term returns are likely to be depressed. We were also unimpressed by Abcam's proposed long-term incentive plan for senior management, which in our view was unwarrantedly generous and caused us to downgrade our management quality rating for the firm.

We decided to exit our position in Technogym as we lost confidence in the long-term resilience of the company's business fundamentals. While Technogym's products remain best in class, demand from traditional customers such as gyms has collapsed, as it has from a newer channel in the shape of hotels. We remain concerned the pandemic may have long-lasting impacts upon aggregate demand for both gyms and hotels, and new gym equipment is a discretionary item that can be sacrificed in times of difficulty.

Knorr Bremse, a German braking system manufacturer was a relatively new position, which we first bought into in 2019. While we like the company from a product perspective, with strong exposure to transport safety (in trains and trucks), and returns have been high, we have been concerned about recent management churn: the company is on its fourth CEO since listing in 2018. Weaker fundamentals in China, Knorr Bremse's biggest market for rail safety and braking systems, have put medium-term group sales and earnings before interest and tax (EBIT) margin targets in doubt, while a botched attempt to buy automotive electronics manufacturer Hella gives us little confidence in the business's ability to execute a credible mergers and acquisition (M&A) strategy.

We also sold Splunk in the third quarter, as we were concerned that its technological lead in unstructured data and big data analysis is coming under pressure from new competitors. Splunk's technology is increasingly adopted as a form of network digital security, and, as this moves into the cloud, there is an increasing number of surveillance software competitors. We believe this may pressure pricing and returns for the business going forward.

Lastly, we sold our holding in Cellnex Telecom. Our belief is that the consolidation of the European telecommunication tower market is nearing the end of the road, with fewer options left in terms of acquisitions. This is coupled with higher valuations and increased costs of debt, all of which we believe could result in reducing returns on capital.

**Source: Financial Express, bid-to-bid, net of fees, 31.01.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Sub-fund review (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	Sales
Masimo	Waste Connections
Agilent Technologies	Knorr-Bremse
Alcon	CSL
Brown & Brown	Cadence Design Systems
Adobe	Cellnex Telecom
Vestas Wind Systems	ASML
Advanced Drainage Systems	Intuitive Surgical
Keyence	Abcam
Trex	Splunk
Avanza Bank	Prudential

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

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

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

1	2	3	4	5	**6**	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund is categorised 6 primarily due to its exposure to a diversified portfolio of global equities and bonds.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-fund;
  - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Sub-fund;
  - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result;
  - the creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- The Sub-fund may, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Sub-fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- The Sub-fund may have both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign exchange contracts to protect returns in the base currency of the Sub-fund.

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

- Outside of normal conditions, the Sub-fund may hold higher levels of cash which may be deposited with several credit counterparties (e.g. international banks). A credit risk arises should one or more of these counterparties be unable to return the deposited cash.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- ESG Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG.

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

Sustainable Future Managed Growth Fund (continued)

Comparative Tables
for the year ended 31 January 2023

Class 2 Net Accumulation Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	282.69	261.13	205.14
Return before operating charges	(16.50)	24.12	58.09
Operating charges	(2.20)	(2.56)	(2.10)
Return after operating charges	(18.70)	21.56	55.99
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**263.99**	**282.69**	**261.13**
After direct transaction costs of*	(0.05)	(0.21)	(0.14)
Performance			
Return after charges	(6.62%)	8.26%	27.29%
Other information			
Closing net asset value (£'000)	745,832	763,599	392,939
Closing number of shares	282,526,906	270,116,046	150,478,822
Operating charges**	0.86%	0.88%	0.90%
Direct transaction costs*	0.02%	0.07%	0.06%
Prices			
Highest share price	285.61	322.91	278.81
Lowest share price	227.06	255.57	171.15

* 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.

Sustainable Future Managed Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2023

Class 3 Net Accumulation Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	406.57	373.93	292.44
Return before operating charges	(23.67)	34.52	82.99
Operating charges	(1.66)	(1.88)	(1.50)
Return after operating charges	(25.33)	32.64	81.49
Distributions	(0.81)	(0.13)	(0.42)
Retained distributions on accumulation shares	0.81	0.13	0.42
Closing net asset value per share	**381.24**	**406.57**	**373.93**
After direct transaction costs of*	(0.08)	(0.30)	(0.20)
Performance			
Return after charges	(6.23%)	8.73%	27.86%
Other information			
Closing net asset value (£'000)	254,152	278,253	234,122
Closing number of shares	66,664,529	68,438,900	62,611,161
Operating charges**	0.45%	0.45%	0.45%
Direct transaction costs*	0.02%	0.07%	0.06%
Prices			
Highest share price	410.77	463.94	399.16
Lowest share price	327.07	366.14	244.11

* 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.

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (93.29%)	**967,114**	**96.71**
	AUSTRALIA (1.51%)	**0**	**0.00**
	DENMARK (2.11%)	**39,100**	**3.91**
225,337	Ringkjoebing Landbobank	26,481	2.65
533,562	Vestas Wind Systems	12,619	1.26
	GERMANY (7.65%)	**43,105**	**4.32**
755,622	Evotec	11,972	1.20
484,524	Infineon Technologies	14,065	1.41
311,651	Puma	17,068	1.71
	ITALY (0.32%)	**0**	**0.00**
	JAPAN (4.83%)	**61,026**	**6.10**
121,300	Daikin Industries	16,987	1.70
74,400	Keyence	27,488	2.75
660,800	TechnoPro	16,551	1.65
	NETHERLANDS (4.14%)	**42,711**	**4.27**
17,736	Adyen	21,555	2.15
39,797	ASML	21,156	2.12
	SPAIN (1.31%)	**0**	**0.00**
	SWEDEN (4.73%)	**45,633**	**4.57**
1,343,499	Avanza Bank	24,964	2.50
225,800	Spotify Technology	20,669	2.07
	SWITZERLAND (1.21%)	**38,063**	**3.80**
359,932	Alcon	21,843	2.18
64,325	Roche	16,220	1.62
	UNITED KINGDOM (7.80%)	**57,928**	**5.79**
1,059,009	Compass	20,449	2.04
375,349	Intertek	16,309	1.63
285,923	London Stock Exchange	21,170	2.12

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED STATES OF AMERICA (57.68%)	**639,548**	**63.95**
74,800	Adobe	22,501	2.25
111,500	Advanced Drainage Systems	9,136	0.91
190,200	Agilent Technologies	23,493	2.35
426,000	Alphabet 'A'	34,205	3.42
125,200	American Tower	22,718	2.27
115,900	ANSYS	25,081	2.51
131,300	Autodesk	22,947	2.29
178,100	Bright Horizons Family Solutions	11,106	1.11
294,400	Brown & Brown	14,001	1.40
179,400	Cadence Design Systems	26,627	2.66
460,206	Charles Schwab	28,956	2.90
283,800	DocuSign	13,974	1.40
113,455	Ecolab	14,267	1.43
43,420	Equinix	26,041	2.60
165,803	First Republic Bank	18,969	1.90
123,200	Illumina	21,433	2.14
52,200	Intuit	17,931	1.79
105,600	Intuitive Surgical	21,073	2.11
131,600	IQVIA	24,523	2.45
168,800	Masimo	23,320	2.33
436,308	Nasdaq	21,328	2.13
6,760	NVR	28,993	2.90
125,100	Palo Alto Networks	16,108	1.61
230,900	PayPal	15,280	1.53
260,100	PTC	28,490	2.85
66,270	Thermo Fisher Scientific	30,701	3.07
223,300	Trex	9,564	0.96
131,500	VeriSign	23,277	2.33
232,600	Visa 'A'	43,505	4.35

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	COLLECTIVE INVESTMENT SCHEMES (6.70%)	**33,618**	**3.36**
	IRELAND (6.70%)	**33,618**	**3.36**
33,618,179	HSBC Sterling Liquidity Fund	33,618	3.36
	Portfolio of investments	**1,000,732**	**100.07**
	Net other liabilities	**(748)**	**(0.07)**
	Total net assets	**999,984**	**100.00**

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2022.

Sustainable Future Managed Growth Fund (continued)

Statement of Total Return
for the year ended 31 January 2023

	Notes	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Income					
Net capital (losses)/gains	2		(68,732)		47,015
Revenue	3	7,301		4,418	
Expenses	4	(7,416)		(6,754)	
Interest payable and similar charges	6	(1)		–	
Net expense before taxation		(116)		(2,336)	
Taxation	5	(734)		(754)	
Net expense after taxation			(850)		(3,090)
Total return before distributions			**(69,582)**		**43,925**
Distributions	7		(554)		(79)
Change in net assets attributable to shareholders from investment activities			**(70,136)**		**43,846**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2023

	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Opening net assets attributable to shareholders		**1,041,852**		**627,061**
Amounts received on issue of shares	95,298		388,806	
Amounts paid on cancellation of shares	(67,582)		(17,945)	
		27,716		370,861
Change in net assets attributable to shareholders from investment activities		(70,136)		43,846
Retained distributions on accumulation shares		552		84
Closing net assets attributable to shareholders		**999,984**		**1,041,852**

Sustainable Future Managed Growth Fund (continued)

Balance Sheet
as at 31 January 2023

	Notes	31.1.2023 (£'000)	31.1.2022 (£'000)
Assets			
Fixed assets			
Investments		1,000,732	1,041,732
Current assets:			
Debtors	8	591	3,078
Cash and bank balances	9	209	25,221
Total assets		**1,001,532**	**1,070,031**
Liabilities			
Creditors:			
Other creditors	10	(1,548)	(28,179)
Total liabilities		**(1,548)**	**(28,179)**
Net assets attributable to shareholders		**999,984**	**1,041,852**

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements
for the year ended 31 January 2023

1 Accounting policies

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

2 Net capital (losses)/gains

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities	(68,859)	46,741
Foreign currency gains	127	274
Net capital (losses)/gains	**(68,732)**	**47,015**

3 Revenue

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Bank interest	1	–
Non-taxable overseas dividends	4,293	3,117
Revenue from short-term money market funds	743	3
Stock lending income	20	10
UK dividends	1,134	467
US REIT dividends	1,110	821
Total revenue	**7,301**	**4,418**

4 Expenses

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	6,466	5,810
General administration charges*	950	944
Total expenses	**7,416**	**6,754**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £9,200 (2022: £8,400). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

5 Taxation

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
a) Analysis of charge in year		
Overseas tax	734	754
Total tax charge [see note(b)]	**734**	**754**

b) Factors affecting tax charge for the year

The taxation assessed for the year is higher (2022: higher) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Net expense before taxation	(116)	(2,336)
Corporation tax at 20% (2022 - 20%)	(23)	(467)
Effects of:		
Movement in unrecognised tax losses	1,131	1,222
Overseas tax	734	754
Prior year adjustment to unrecognised tax losses	11	(9)
Relief on overseas tax expensed	(34)	(29)
Revenue not subject to tax	(1,085)	(717)
Total tax charge [see note(a)]	**734**	**754**

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

c) Deferred tax

At the year end there is a potential deferred tax asset of £4,062,000 (2022: £2,931,000) due to tax losses of £20,310,000 (2022: £14,657,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Overdraft interest	1	–
Total interest payable and similar charges	**1**	**–**

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

7 Distributions

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Interim distribution	460	84
Final distribution	92	–
	552	**84**
Amounts deducted on cancellation of shares	16	2
Amounts received on issue of shares	(14)	(7)
Distributions	**554**	**79**
The distributable amount has been calculated as follows:		
Net expense after taxation	(850)	(3,090)
Shortfall of income taken to capital	1,404	3,169
Distributions	**554**	**79**

The distribution per share is set out in the tables on page 263.

8 Debtors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued revenue	483	241
Amounts receivable for issue of shares	7	2,742
Overseas withholding tax	101	95
Total debtors	**591**	**3,078**

9 Cash and bank balances

	31.1.2023 (£'000)	31.1.2022 (£'000)
Cash and bank balances	209	25,221
Total cash and bank balances	**209**	**25,221**

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

10 Creditors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued expenses	78	85
Accrued ACD's charge	544	592
Amounts payable for cancellation of shares	926	2,379
Purchases awaiting settlement	–	25,123
Total other creditors	**1,548**	**28,179**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: £nil).

12 Related party transactions

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

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

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £622,000 (2022: £677,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £7,416,000 (2022: £6,754,000).

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

13 Securities lending

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

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

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

Return and cost

The tables below show the net income earned by the Sub-funds from securities lending activity during the year to 31 January 2023.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Managed Growth Fund				
Securities lending				
Gross return	20	–	9	29
% of total	70%	0%	30%	100%
Cost	–	–	–	–

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2022.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	10	–	4	14
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

13 Securities lending (continued)

Securities on loan and collateral received

The following table details the value of securities on loan and associated collateral received, analysed by borrowing counterparty as at the Balance Sheet date.

		31 January 2023		31 January 2022	
Counterparty	Counterparty's country of establishment	Securities on loan (£'000)	Collateral received (£'000)	Securities on loan (£'000)	Collateral received (£'000)
BNP Paribas	France	–	–	112	170
Citigroup Global Markets Limited	UK	–	–	85	94
Merrill Lynch International	UK	–	–	32	34
The Bank of Nova Scotia	Canada	–	–	731	805
Total		**–**	**–**	**960**	**1,103**

At 31 January 2023, there were no securities on loan or related collateral outstanding (31 January 2022: as above).

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

Management of counterparty credit risk related to securities lending

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

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

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies

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

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

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

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

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

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 January 2023 and 31 January 2022 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

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

Market price risk (continued)
movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 12.5%.

As at 31 January 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 11.8%.

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.

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

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

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Canadian Dollar	9	–	9
Danish Krone	37	39,100	39,137
Euro	57	85,816	85,873
Japanese Yen	93	61,026	61,119
Swedish Krona	–	24,964	24,964
Swiss Franc	–	38,063	38,063
United States Dollar	234	660,218	660,452
	430	**909,187**	**909,617**

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

Currency risk (continued)
At 31 January 2022 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	15,718	15,718
Canadian Dollar	10	–	10
Danish Krone	27	21,939	21,966
Euro	55	139,686	139,741
Japanese Yen	80	50,306	50,386
Swedish Krona	–	21,266	21,266
Swiss Franc	–	12,611	12,611
United States Dollar	(25,107)	629,219	604,112
	(24,935)	**890,745**	**865,810**

If the exchange rate at 31 January 2023 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.91%/(0.91)% respectively.

If the exchange rate at 31 January 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 0.83%/(0.83)% 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 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 wholly 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

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

Liquidity risk (continued)
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.

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 January 2023 was A (Standard & Poor's rating).

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

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

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

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

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

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

Valuation of financial investments

31.1.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	967,114	–
Level 2: Observable market data	33,618	–
	1,000,732	**–**

31.1.2022	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	971,970	–
Level 2: Observable market data	69,762	–
	1,041,732	**–**

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

15 Share movement

For the year ending 31 January 2023

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	270,116,046	32,414,275	(20,003,415)	–	282,526,906
Class 3 Net Accumulation	68,438,900	2,952,564	(4,726,935)	–	66,664,529

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

16 Portfolio transaction costs
for the year ending 31 January 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	220,905	120	0.05	–	–
Total purchases	**220,905**	**120**		**–**	
Total purchases including transaction costs	**221,025**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	157,041	84	0.05	2	–
Total sales	**157,041**	**84**		**2**	
Total sales net of transaction costs	**156,955**				
Total transaction costs		**204**		**2**	
Total transaction costs as a % of average net assets		**0.02%**		**-**	

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

16 Portfolio transaction costs (continued)
for the year ending 31 January 2022

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	516,193	219	0.04	340	0.07
Total purchases	**516,193**	**219**		**340**	
Total purchases including transaction costs	**516,752**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	172,721	84	0.05	1	-
Total sales	**172,721**	**84**		**1**	
Total sales net of transaction costs	**172,636**				
Total transaction costs		**303**		**341**	
Total transaction costs as a % of average net assets		**0.03%**		**0.04%**	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.05% (2022: 0.08%).

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

17 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Net Accumulation share has decreased by 2.67% to 17 May 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

Sustainable Future Managed Growth Fund (continued)

Distribution Tables
for the year ended 31 January 2023

Final distribution

Group 1 - Shares purchased prior to 1 August 2022

Group 2 - Shares purchased 1 August 2022 to 31 January 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2023 Pence per share	Distribution paid 31.3.2022 Pence per share
Class 2 Net Accumulation - Group 1	–	–	–	–
Class 2 Net Accumulation - Group 2	–	–	–	–
Class 3 Net Accumulation - Group 1	0.1379	–	0.1379	–
Class 3 Net Accumulation - Group 2	0.0577	0.0802	0.1379	–

Interim distribution

Group 1 - Shares purchased prior to 1 February 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2022 Pence per share	Distribution paid 30.9.2021 Pence per share
Class 2 Net Accumulation - Group 1	–	–	–	–
Class 2 Net Accumulation - Group 2	–	–	–	–
Class 3 Net Accumulation - Group 1	0.6703	–	0.6703	0.1260
Class 3 Net Accumulation - Group 2	0.4611	0.2092	0.6703	0.1260

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

Sustainable Future UK Growth Fund

Report for the year from 1 February 2022 to 31 January 2023

Investment Objective

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

Investment Policy

The Sub-fund will invest at least 80% in companies which are incorporated, domiciled or conduct significant business in the United Kingdom (UK) and will seek to achieve the investment objective through investment in securities that provide or produce sustainable products and services as well as having a progressive approach to the management of environmental, social and governance ("ESG") issues. Further information on the investment process can be found in the Prospectus.

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

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

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

Sustainable Future UK Growth Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned -13.8% (Class 2 Net Accumulation) over the year under review, underperforming the IA UK All Companies sector average of -1.4% and the 9.5% return from the MSCI UK Index (both of which are comparator benchmarks)*.

2022 was the most challenging year since the inception of the Sustainable Future range of funds in 2001. We are continually challenging our conviction in our companies, and we are pleased with how our portfolio companies are navigating an extremely difficult period where supply chains have been disrupted and customer demand has been extremely difficult to forecast. So, despite the sharp decline in valuation multiples, we remain confident in the Fund's prospect over the next five years with sustainable growth drivers, high quality companies and attractive valuations.

A legitimate challenge to our approach would be to ask whether our sustainable investment themes have run their course. This would only be the case if we had solved every problem and satisfied every need; we are a long way from that! There is still plenty of growing to do for sustainable companies.

We are now operating in a very different environment to the past decade, with higher interest rates in place to try and contain runaway inflation. This abrupt change in macroeconomic backdrop has sent markets into a tailspin, with all asset classes falling to a greater or lesser extent in response to a higher cost of capital. Our job in these turbulent times is to focus resolutely on the long term and on our investment process which has delivered strong performance until the past year.

We also want to take the opportunity in these periods of extreme market dislocation to add to our holdings with the most conviction and highest risk-adjusted upside, as well as take the opportunity to buy businesses we have long admired but were not previously attractively valued.

Private equity company 3i Group performed strongly after announcing a total return of £1.77bn in its first half earnings release, or 14% on opening shareholders' funds. The company noted that its position in discount retailer Action was a significant contributor to performance, with 3i also seeing strong earnings growth and momentum in a number of its portfolio companies in the consumer, healthcare, specialty industrial and business and technology service sectors.

Exposed to our *Increasing financial resilience* theme, 3i predominantly invests in retail, infrastructure, healthcare, technology and industrial and it has strong responsible investment policies and firm exclusions on no-go areas. The company has a model based on investing and supporting businesses for growth. This helps to develop the infrastructure and technologies we need in a sustainable transition.

Also among the positive contributors to returns over the year under review was Trainline, whose share price had fallen by c.35% in the six months from 1 August 2021 to 31 January 2022 and continued to drift downwards in the early part of 2022 as a result of uncertainty around the restructuring of the UK rail system. The shares rebounded following an amendment to its third-party retail licence with the Rail Delivery Group in late March, and rose again after a positive trading update and upward revisions to guidance in early July.

The ambiguity over the company's place in a reorganised UK rail market under a new public-sector body seems to have receded, and we feel Trainline is well placed to win the government's contract to white label the train ticket solution, as well as potentially benefiting from a major growth opportunity in Europe as that market is democratised and opens up to independent providers.

Identity verification, location intelligence and fraud prevention company GB Group was among the notable detractors over the year under review with the company falling sharply after Chicago-based private equity firm GTCR LLC withdrew its interest in a takeover offer in early October. In addition, the company posted lower growth in its largest division, Identity, in the fourth quarter of 2022. Within the division, the company stated that volumes were impacted by the challenges faced by cryptocurrency markets and internet-economy customers, primarily in the Americas region where a significant number of these businesses operate. Outside of these areas, Identity's performance was said to be more resilient, in particular, from established financial services and gaming.

Bus operator National Express also softened sharply towards the end of 2022 on the potential for bus and rail strikes to disrupt services and raise costs. The company was already grappling with risings costs in its US operations due to a driver shortages. Exposed

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

to our theme of Making transport more efficient or safer, National Express operates 27,000 buses and coaches in UK, Spain and Morocco; school buses in North America; and rail services in Germany. These mass transport solution are far more efficient than individual cars, leading to lower emissions, less congestion and improved safety. However, given the weakening fundamentals our position is under review.

Oxford BioMedica was the largest detractor from performance over the year under review. The biotech firm saw a huge boost during the pandemic as a result of its role in the development and manufacturing of the Oxford-AstraZeneca Covid-19 vaccine. However, its share price has dropped sharply since October 2021,

Oxford BioMedica is a vastly different business today compared with the pre-pandemic era, with revenues doubling versus 2019 and moving from a handful of partners to more than a dozen major pharmaceutical names looking to buy its products. The company creates new treatments using gene therapies, hugely widening the scope in terms of helping people suffering from previously untreatable diseases, and we struggle to understand why its shares continue to be sold off. We still see Oxford BioMedica's prospects as so much better than the market consensus appears, and we continue to support the company as a part of our *Enabling innovation in healthcare* theme.

Home REIT was also among the detractors over the year with the company's share price falling sharply after the release of a short-selling report by Viceroy Research LLC.

Following the allegations made in the report and the full response from Home REIT on 30 November, Liontrust is continuing to engage with the management of Home REIT and are awaiting more information from and discussions with Home REIT before taking any decisions.

Over the two decades that the Sustainable investment team have been managing the Sustainable Future funds, a key lesson that we have learned is that 'sustainable' should not be taken to mean perfect. Investing involves making predictions about the future, which is extremely difficult. Therefore, we have to expect occasions – albeit rare – when the future does not turn out as predicted and the companies we hold become embroiled in a controversy that may challenge the initial assessment of their sustainability.

As soon as we are aware of any controversy, the next stage is to analyse the situation in detail, investigating to ascertain the involvement of the company in question, the seriousness of allegations made and how the business is responding.

A number of new stocks were added to the portfolio over the year, covering a range of sectors and sustainability themes.

Wise plc (formerly TransferWise) is increasing access to affordable international banking through its 'borderless' money transfer and multi-currency debit card services. We have included the holding under our theme of *Increasing financial resilience* as Wise offers significantly better rates on foreign exchange – which has traditionally been costly for individuals, especially those remitting small amounts regularly – along with lower fees and a very simple app-based approach.

AstraZeneca has narrowed its focus in recent years and beefed up its research & development efforts to become a pure-play biopharmaceutical business with a focus on oncology, diabetes, central nervous system disorders, and cardiovascular, autoimmune and respiratory diseases. It is one of the highest-growth companies in the global pharmaceutical peer group and was a key addition to our *Enabling innovation in healthcare* theme.

Following the split from GlaxoSmithKline, we have a new holding in Haleon which we retain in the portfolio. Haleon is a consumer healthcare business formed by the combination of GlaxoSmithKline and Pfizer's consumer healthcare units. We believe the company demonstrates strong sustainability credentials, aiming to help individuals take responsibility for their health before reaching the healthcare system, with over-the-counter products such as vitamins, toothpaste and painkillers. We also feel the entity has a robust credit profile given its large scale and strong diversification by geography and product line, with a dominant position across several markets. It is highly cash generative, with resilient cash flows, which should be supportive of its deleveraging ambitions over the coming years.

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Admiral was another new purchase under our *Insuring a sustainable economy* theme. This is a motor and household insurer in the UK which is consistently rated highly by customers. We have long admired its very strong employee culture with a focus on promotion and share ownership from within that makes it stand out from other organisations. Its lower-cost operating model means it can be the most competitive on insurance rates without detracting from the quality of its cover.

We added NatWest, a UK-focused bank that sits within our theme of *increasing financial resilience*. We feel that NatWest will benefit from a higher interest rate environment and has ambitious targets around decarbonisation from its client base, including the provision of green mortgages to help households improve their energy ratings.

We initiated a position in multi-utility supplier Telecom Plus under our *Increasing financial resilience* theme. Telecom Plus acts as an aggregator of energy, communication and insurance products, bundling these and using its scale to offer compelling value for its 800,000 customers.

Last, we added back a position in Kerry Group, a long-term favourite of ours that we had sold in 2021 as its share price had reached our five-year assessment of intrinsic value. However, with the share price falling significantly in the first half of 2022, we felt there was renewed upside following the derating. Kerry Group is exposed to our *Delivering healthier foods* theme, using its intellectual property (IP) to improve the nutritional characteristics of food, which remains a key part of reducing obesity and improving people's lives.

In order to fund some of these new acquisitions, we exited positions in Hargreaves Lansdown, Prudential and Abcam. Hargreaves Lansdown was a long-term holding that we exited on the back of weaker business fundamentals and concerns over management quality. Net new business and earnings per share have been weaker than expectations and the company also announced a higher cost trajectory for the next couple of years as it plans to reinvest in the business. While these investments are the right thing to do for the long term, they have taken too long and are not without execution risk. Prudential has disappointed as an investment as its business fundamentals have weakened; we felt there were better opportunities elsewhere.

Abcam is a global life science company focused on identifying, developing and distributing high-quality reagents and tools for its customers. Heavy investment to set itself up for the future means Abcam's shorter-term returns are likely to be depressed. We were also unimpressed by Abcam's proposed long-term incentive plan for senior management, which in our view was unwarrantedly generous and caused us to downgrade our management quality rating for the firm.

We also completed the sale of Countryside Partnerships; its share price is currently underpinned by a takeover offer from Vistry, a fellow housebuilder. This was a disappointing conclusion to an investment based on meeting strong demand for affordable, rental and open market housing. In the end, we feel that the company executed very poorly on its strategy.

**Source: Financial Express, bid-to-bid, net of fees, 31.01.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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

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

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
AstraZeneca	London Stock Exchange
NatWest	Legal & General
Admiral	AVEVA
Haleon	Prudential
Kerry	Countryside Properties
AVEVA	Hargreaves Lansdown
Wise	GSK
Telecom Plus	Unilever
Croda International	Trainline
Ashtead	Compass

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

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

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

1	2	3	4	5	6	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund is categorised 6 primarily for its exposure to UK equities.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-fund;
  - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Sub-fund.
- The Sub-fund may, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Sub-fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- The Sub-fund may invest in companies listed on the Alternative Investment Market (AIM) which is primarily for emerging or smaller companies. The rules are less demanding than those of the official List of the London Stock Exchange and therefore companies listed on AIM may carry a greater risk than a company with a full listing.
- The Sub-fund will invest in smaller companies and may invest a small proportion (less than 10%) of the Sub-fund in unlisted securities. There may be liquidity constraints in these securities from time to time, i.e. in certain circumstances, the Sub-fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause the Sub-fund to defer or suspend redemptions of its shares.

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

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

Sustainable Future UK Growth Fund (continued)

Comparative Tables
for the year ended 31 January 2023

Class 2 Net Accumulation **Accounting year ended**	**31 January 2023** **per share (p)**	**31 January 2022** **per share (p)**	**31 January 2021** **per share (p)**
Change in net assets per share			
Opening net asset value per share	260.90	253.95	243.64
Return before operating charges	(34.47)	9.35	12.30
Operating charges	(1.91)	(2.40)	(1.99)
Return after operating charges	(36.38)	6.95	10.31
Distributions	(2.98)	(2.63)	(1.81)
Retained distributions on accumulation shares	2.98	2.63	1.81
Closing net asset value per share	**224.52**	**260.90**	**253.95**
After direct transaction costs of*	(0.36)	(0.66)	(0.51)
Performance			
Return after charges	(13.94%)	2.74%	4.23%
Other information			
Closing net asset value (£'000)	546,581	741,478	493,036
Closing number of shares	243,441,634	284,202,697	194,147,395
Operating charges**	0.84%	0.85%	0.88%
Direct transaction costs*	0.16%	0.23%	0.23%
Prices			
Highest share price	267.98	307.24	266.70
Lowest share price	197.53	256.59	165.10

* 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.

Sustainable Future UK Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2023

Class 3 Net Accumulation Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	377.30	365.78	349.44
Return before operating charges	(49.86)	13.35	17.80
Operating charges	(1.49)	(1.83)	(1.46)
Return after operating charges	(51.35)	11.52	16.34
Distributions	(5.59)	(5.43)	(3.97)
Retained distributions on accumulation shares	5.59	5.43	3.97
Closing net asset value per share	**325.95**	**377.30**	**365.78**
After direct transaction costs of*	(0.53)	(0.95)	(0.74)
Performance			
Return after charges	(13.61%)	3.15%	4.68%
Other information			
Closing net asset value (£'000)	220,513	306,861	291,831
Closing number of shares	67,651,338	81,330,616	79,783,202
Operating charges**	0.45%	0.45%	0.45%
Direct transaction costs*	0.16%	0.23%	0.23%
Prices			
Highest share price	387.55	443.64	384.00
Lowest share price	286.44	370.47	236.90

* 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.

Sustainable Future UK Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2023

Class 6 Income **Accounting year ended**	**31 January 2023** **per share (p)**	**31 January 2022+** **per share (p)**
Change in net assets per share		
Opening net asset value per share	88.51	100.00
Return before operating charges	(11.65)	(10.64)
Operating charges	(0.64)	(0.39)
Return after operating charges	(12.29)	(11.03)
Distributions	(1.01)	(0.46)
Retained distributions on accumulation shares	—	—
Closing net asset value per share	**75.21**	**88.51**
After direct transaction costs of*	(0.12)	(0.11)
Performance		
Return after charges	(13.89%)	(11.03%)
Other information		
Closing net asset value (£'000)	1,945	571
Closing number of shares	2,586,297	645,594
Operating charges**	0.83%	0.83%
Direct transaction costs*	0.16%	0.23%
Prices		
Highest share price	90.92	104.77
Lowest share price	66.46	87.51

\+ Launched on 9 August 2021.

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

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

Sustainable Future UK Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2023

M Accumulation Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021+ per share (p)
Change in net assets per share			
Opening net asset value per share	105.05	102.09	100.00
Return before operating charges	(13.87)	3.74	2.73
Operating charges	(0.63)	(0.78)	(0.64)
Return after operating charges	(14.50)	2.96	2.09
Distributions	(1.35)	(1.23)	(0.87)
Retained distributions on accumulation shares	1.35	1.23	0.87
Closing net asset value per share	**90.55**	**105.05**	**102.09**
After direct transaction costs of*	(0.15)	(0.26)	(0.20)
Performance			
Return after charges	(13.80%)	2.90%	2.09%
Other information			
Closing net asset value (£'000)	32,820	1,297	10
Closing number of shares	36,246,399	1,234,893	10,000
Operating charges**	0.69%	0.69%	0.72%
Direct transaction costs*	0.16%	0.23%	0.23%
Prices			
Highest share price	107.90	123.63	107.20
Lowest share price	79.63	103.32	66.30

\+ Launched on 11 February 2020.

* 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.

Sustainable Future UK Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2023

M Income Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021+ per share (p)
Change in net assets per share			
Opening net asset value per share	102.93	101.15	100.00
Return before operating charges	(13.54)	3.77	2.66
Operating charges	(0.62)	(0.78)	(0.64)
Return after operating charges	(14.16)	2.99	2.02
Distributions	(1.31)	(1.21)	(0.87)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	**87.46**	**102.93**	**101.15**
After direct transaction costs of*	(0.14)	(0.26)	(0.20)
Performance			
Return after charges	(13.76%)	2.96%	2.02%
Other information			
Closing net asset value (£'000)	5,304	9,656	8,597
Closing number of shares	6,064,718	9,381,266	8,499,074
Operating charges**	0.69%	0.70%	0.72%
Direct transaction costs*	0.16%	0.23%	0.23%
Prices			
Highest share price	105.73	121.87	106.70
Lowest share price	77.31	101.84	66.30

+ Launched on 11 February 2020.

* 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.

Sustainable Future UK Growth Fund (continued)

Portfolio Statement
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (94.75%)	**768,186**	**95.17**
	UNITED KINGDOM (90.81%)	**722,223**	**89.47**
	Alternative Energy Sources (0.37%)	**2,757**	**0.34**
581,210	Ceres Power	2,757	0.34
	Banks (3.29%)	**53,338**	**6.61**
8,378,394	NatWest	25,797	3.20
4,586,333	Paragon Banking	27,541	3.41
	Biotechnology (5.99%)	**41,000**	**5.09**
1,501,707	Abcam	16,919	2.10
3,541,625	Oxford Biomedica	15,070	1.87
3,818,410	Oxford Nanopore Technologies	9,011	1.12
	Building Materials (1.65%)	**10,032**	**1.24**
3,072,650	Genuit	10,032	1.24
	Chemicals (1.36%)	**18,906**	**2.34**
274,554	Croda International	18,906	2.34
	Commercial Services (4.74%)	**43,085**	**5.33**
451,848	Ashtead	24,002	2.97
439,187	Intertek	19,083	2.36
	Computers (5.01%)	**27,432**	**3.40**
3,770,972	GB	13,281	1.65
1,173,373	Softcat	14,151	1.75
	Cosmetics & Personal Care (3.70%)	**54,211**	**6.71**
7,673,697	Haleon	24,882	3.08
713,872	Unilever	29,329	3.63
	Diversified Financial Services (11.31%)	**60,985**	**7.55**
4,804,223	AJ Bell	16,171	2.00
271,819	London Stock Exchange	20,125	2.49

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Diversified Financial Services (continued)		
1,627,254	Mortgage Advice Bureau	9,764	1.21
1,221,835	St James's Place	14,925	1.85
	Electricity (0.00%)	**9,846**	**1.22**
492,813	Telecom Plus	9,846	1.22
	Electronics (7.48%)	**75,363**	**9.34**
923,642	Halma	19,831	2.46
893,763	Oxford Instruments	20,959	2.60
5,086,037	Rotork	16,163	2.00
2,125,879	Smart Metering Systems	18,410	2.28
	Engineering & Construction (1.93%)	**12,748**	**1.58**
12,049,293	Helios Towers	12,748	1.58
	Food Services (2.26%)	**15,951**	**1.98**
826,071	Compass	15,951	1.98
	Home Builders (2.57%)	**3,340**	**0.41**
1,376,703	Crest Nicholson	3,340	0.41
	Insurance (7.51%)	**41,726**	**5.16**
844,095	Admiral	18,570	2.30
8,688,357	Legal & General	22,068	2.73
684,066	Thrive Renewables~	1,088	0.13
	Internet (3.48%)	**30,056**	**3.73**
6,703,273	Trainline	19,010	2.36
10,787,568	Trustpilot	11,046	1.37
	Investment Companies (2.02%)	**11,358**	**1.41**
739,170	Capital for Colleagues	458	0.06

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Investment Companies (continued)		
7,652,932	Distribution Finance Capital	2,832	0.35
8,601,364	SDCL Energy Efficiency Income Trust	8,068	1.00
	Leisure Time (1.59%)	**10,969**	**1.36**
8,503,417	Gym	10,969	1.36
	Miscellaneous Manufacturing (1.06%)	**9,797**	**1.21**
1,627,330	Porvair	9,797	1.21
	Pharmaceuticals (4.14%)	**42,924**	**5.32**
222,618	AstraZeneca	23,575	2.92
1,359,326	GSK	19,349	2.40
	Private Equity (7.82%)	**59,854**	**7.41**
2,416,697	3i	38,051	4.71
21,166,069	IP	12,901	1.60
2,489,265	Molton Ventures	8,902	1.10
	Real Estate Investment & Services (0.02%)	**195**	**0.02**
382,000	Ethical Property~	195	0.02
	Real Estate Investment Trusts (1.81%)	**9,653**	**1.19**
5,784,978	Home REIT^	2,201	0.27
8,189,252	PRS REIT	7,452	0.92
	Retail (1.97%)	**11,523**	**1.43**
7,702,620	DFS Furniture	11,523	1.43
	Software (4.49%)	**50,339**	**6.25**
905,675	First Derivatives	12,390	1.54
17,651,626	Learning Technologies	24,748	3.07
2,435,531	Wise	13,201	1.64

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Transportation (3.24%)	**14,835**	**1.84**
11,171,319	National Express	14,835	1.84
	IRELAND (3.94%)	**45,963**	**5.70**
	Food Producers (0.00%)	**15,065**	**1.87**
198,702	Kerry	15,065	1.87
	Forest Products & Paper (3.94%)	**30,898**	**3.83**
910,910	Smurfit Kappa	30,898	3.83
	COLLECTIVE INVESTMENT SCHEMES (3.39%)	**29,218**	**3.62**
	GUERNSEY (2.64%)	**21,856**	**2.71**
12,503,446	Syncona	21,856	2.71
	UNITED KINGDOM (0.75%)	**7,362**	**0.91**
10,998,437	US Solar Fund	7,362	0.91
	Portfolio of investments	**797,404**	**98.79**
	Net other assets	**9,759**	**1.21**
	Total net assets	**807,163**	**100.00**

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2022.

Stocks shown as REITs represent Real Estate Investment Trust.

~ Unquoted security.

^ Suspended Security.

Sustainable Future UK Growth Fund (continued)

Statement of Total Return
for the year ended 31 January 2023

	Notes	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Income					
Net capital losses	2		(161,665)		(585)
Revenue	3	19,331		18,937	
Expenses	4	(6,431)		(7,641)	
Interest payable and similar charges	6	(2)		–	
Net revenue before taxation		12,898		11,296	
Taxation	5	(4)		(177)	
Net revenue after taxation			12,894		11,119
Total return before distributions			**(148,771)**		**10,534**
Distributions	7		(12,889)		(11,119)
Change in net assets attributable to shareholders from investment activities			**(161,660)**		**(585)**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2023

	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Opening net assets attributable to shareholders		**1,059,863**		**793,474**
Amounts received on issue of shares	79,526		370,268	
Amounts paid on cancellation of shares	(182,742)		(115,156)	
		(103,216)		255,112
Dilution adjustment		–		99
Change in net assets attributable to shareholders from investment activities		(161,660)		(585)
Retained distributions on accumulation shares		12,176		11,763
Closing net assets attributable to shareholders		**807,163**		**1,059,863**

Sustainable Future UK Growth Fund (continued)

Balance Sheet
as at 31 January 2023

	Notes	31.1.2023 (£'000)	31.1.2022 (£'000)
Assets			
Fixed assets			
Investments		797,404	1,040,113
Current assets:			
Debtors	8	1,349	20,073
Cash and bank balances	9	10,618	22,933
Total assets		**809,371**	**1,083,119**
Liabilities			
Creditors:			
Distribution payable		(36)	(61)
Other creditors	10	(2,172)	(23,195)
Total liabilities		**(2,208)**	**(23,256)**
Net assets attributable to shareholders		**807,163**	**1,059,863**

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements
for the year ended 31 January 2023

1 Accounting policies

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

2 Net capital losses

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
The net capital losses comprise:		
Non-derivative securities	(161,641)	(547)
Foreign currency losses	(24)	(38)
Net capital losses	**(161,665)**	**(585)**

3 Revenue

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Bank interest	15	–
Non-taxable overseas dividends	1,205	1,034
Stock lending income	27	34
UK dividends	17,550	17,598
UK REIT dividends	534	271
Total revenue	**19,331**	**18,937**

4 Expenses

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	5,757	6,739
General administration charges*	674	902
Total expenses	**6,431**	**7,641**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £9,200 (2022 : £ 8,400). Where the fee exceeds the General administration charges , the shortfall will be met by the ACD .

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

5 Taxation

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
a) Analysis of charge in year		
Overseas tax	4	177
Total tax charge [see note(b)]	**4**	**177**

b) Factors affecting tax charge for the year
The taxation assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Net revenue before taxation	12,898	11,296
Corporation tax at 20% (2022 - 20%)	2,580	2,259
Effects of:		
Movement in unrecognised tax losses	1,155	1,467
Overseas tax	4	177
Prior year adjustment to unrecognised tax losses	16	–
Revenue not subject to tax	(3,751)	(3,726)
Total tax charge [see note(a)]	**4**	**177**

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 £6,813,000 (2022: £5,658,000) due to tax losses of £34,065,000 (2022: £28,288,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Overdraft interest	2	–
Total interest payable and similar charges	**2**	**–**

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

7 Distributions

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Interim distribution	8,288	5,704
Final distribution	4,006	6,168
	12,294	**11,872**
Amounts deducted on cancellation of shares	863	230
Amounts received on issue of shares	(268)	(983)
Distributions	**12,889**	**11,119**
The distributable amount has been calculated as follows:		
Net revenue after taxation	12,894	11,119
Less: Equalisation on conversions	(5)	–
Distributions	**12,889**	**11,119**

The distribution per share is set out in the tables on page 296 & 297.

8 Debtors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued revenue	541	1,975
Amounts receivable for issue of shares	279	16,317
Income tax recoverable	3	2
Overseas withholding tax	526	229
Sales awaiting settlement	–	1,550
Total debtors	**1,349**	**20,073**

9 Cash and bank balances

	31.1.2023 (£'000)	31.1.2022 (£'000)
Cash and bank balances	10,618	22,933
Total cash and bank balances	**10,618**	**22,933**

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

10 Creditors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued expenses	50	68
Accrued ACD's charge	452	609
Amounts payable for cancellation of shares	1,670	449
Purchases awaiting settlement	–	22,069
Total other creditors	**2,172**	**23,195**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: £nil).

12 Related party transactions

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

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

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £502,000 (2022: £676,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £6,431,000 (2022: £7,641,000).

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

13 Securities lending

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

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

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

Return and cost

The tables below show the net income earned by the Sub-funds from securities lending activity during the year to 31 January 2023.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future UK Growth Fund				
Securities lending				
Gross return	27	–	12	39
% of total	70%	0%	30%	100%
Cost	–	–	–	–

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2022.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	34	–	15	49
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

13 Securities lending (continued)

Securities on loan and collateral received

The following table details the value of securities on loan and associated collateral received, analysed by borrowing counterparty as at the Balance Sheet date.

		31 January 2023		31 January 2022	
Counterparty	Counterparty's country of establishment	Securities on loan (£'000)	Collateral received (£'000)	Securities on loan (£'000)	Collateral received (£'000)
Citigroup Global Markets Limited	UK	–	–	5,243	5,728
Credit Suisse International	Switzerland	–	–	183	213
HSBC Bank	UK	–	–	8,757	10,279
J.P. Morgan Securities Plc	UK	–	–	934	1,057
Merrill Lynch International	UK	–	–	3,025	3,279
Morgan Stanley International	UK	–	–	640	683
The Bank of Nova Scotia	Canada	–	–	9,216	10,138
UBS AG	Switzerland	–	–	4,004	4,382
Total		**–**	**–**	**32,002**	**35,759**

At 31 January 2023, there were no securities on loan or related collateral outstanding (31 January 2022: as above).

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

Management of counterparty credit risk related to securities lending

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

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

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies

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

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

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

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

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

Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in 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 January 2023 and 31 January 2022 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

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

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

As at 31 January 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 9.4%.

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.

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 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.

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

Interest rate risk

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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 wholly of readily realisable securities which can be sold to meet liquidity requirements.

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

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 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.

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 January 2023 was A (Standard & Poor's rating).

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

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

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

Maturity profile of financial liabilities

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

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

Fair value of financial assets and liabilities

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

Valuation of financial investments

31.1.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	793,920	–
Level 3: Unobservable data	3,484	–
	797,404	**–**

31.1.2022	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	1,038,759	–
Level 3: Unobservable data	1,354	–
	1,040,113	**–**

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

*The Level 3 assets have been valued based on last traded prices.

15 Share movement

For the year ending 31 January 2023

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	284,202,697	20,751,034	(61,073,975)	(438,122)	243,441,634
Class 3 Net Accumulation	81,330,616	1,636,753	(11,913,939)	(3,402,092)	67,651,338
Class 6 Income	645,594	2,096,843	(186,010)	29,870	2,586,297
M Accumulation	1,234,893	25,261,806	(3,539,760)	13,289,460	36,246,399
M Income	9,381,266	813,169	(4,129,717)	–	6,064,718

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

16 Portfolio transaction costs
for the year ending 31 January 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	226,823	121	0.05	1,136	0.50
Total purchases	**226,823**	**121**		**1,136**	
Total purchases including transaction costs	**228,080**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	304,343	161	0.05	1	–
Collective investment schemes	4,096	3	0.07	–	–
Total sales	**308,439**	**164**		**1**	
Total sales net of transaction costs	**308,274**				
Total transaction costs		**285**		**1,137**	
Total transaction costs as a % of average net assets		**0.03%**		**0.13%**	

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

16 Portfolio transaction costs (continued)
for the year ending 31 January 2022

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	486,027	240	0.05	2,085	0.43
Collective investment schemes	17,120	10	0.06	–	–
Total purchases	**503,147**	**250**		**2,085**	
Total purchases including transaction costs	**505,482**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	245,441	121	0.05	–	–
Collective investment schemes	507	–	–	–	–
Total sales	**245,948**	**121**		**–**	
Total sales net of transaction costs	**245,827**				
Total transaction costs		**371**		**2,085**	
Total transaction costs as a % of average net assets		**0.04%**		**0.20%**	

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

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.20% (2022: 0.32%).

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

17 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Net Accumulation share has decreased by 1.05% to 17 May 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

Sustainable Future UK Growth Fund (continued)

Distribution Tables
for the year ended 31 January 2023

Final distribution

Group 1 - Shares purchased prior to 1 August 2022

Group 2 - Shares purchased 1 August 2022 to 31 January 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2023 Pence per share	Distribution paid 31.3.2022 Pence per share
Class 2 Net Accumulation - Group 1	0.9906	–	0.9906	1.3521
Class 2 Net Accumulation - Group 2	0.3243	0.6663	0.9906	1.3521
Class 3 Net Accumulation - Group 1	2.0537	–	2.0537	2.7743
Class 3 Net Accumulation - Group 2	0.8831	1.1706	2.0537	2.7743
Class 6 Income - Group 1+	0.3347	–	0.3347	0.4603
Class 6 Income - Group 2+	0.1000	0.2347	0.3347	0.4603
M Accumulation - Group 1	0.4680	–	0.4680	0.6400
M Accumulation - Group 2	0.1613	0.3067	0.4680	0.6400
M Income - Group 1	0.4520	–	0.4520	0.6235
M Income - Group 2	0.1436	0.3084	0.4520	0.6235

\+ Launched on 9 August 2021.

Sustainable Future UK Growth Fund (continued)

Distribution Tables (continued)
for the year ended 31 January 2023

Interim distribution

Group 1 - Shares purchased prior to 1 February 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2022 Pence per share	Distribution paid 30.9.2021 Pence per share
Class 2 Net Accumulation - Group 1	1.9916	–	1.9916	1.2783
Class 2 Net Accumulation - Group 2	1.0604	0.9312	1.9916	1.2783
Class 3 Net Accumulation - Group 1	3.5402	–	3.5402	2.6552
Class 3 Net Accumulation - Group 2	2.0046	1.5356	3.5402	2.6552
Class 6 Income - Group 1	0.6777	–	0.6777	–
Class 6 Income - Group 2	0.3081	0.3696	0.6777	–
M Accumulation - Group 1	0.8785	–	0.8785	0.5942
M Accumulation - Group 2	0.2819	0.5966	0.8785	0.5942
M Income - Group 1	0.8555	–	0.8555	0.5892
M Income - Group 2	0.5388	0.3167	0.8555	0.5892

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

UK Ethical Fund

Report for the year from 1 February 2022 to 31 January 2023

Investment Objective

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

Investment Policy

The Sub-fund will invest at least 80% in companies which are incorporated, domiciled or conduct significant business in the United Kingdom (UK) and will seek to achieve the investment objective through investment in securities that provide or produce sustainable products and services as well as having a progressive approach to the management of environmental, social and governance (ESG) issues. Further information on the investment process can be found in the Prospectus.

All investments will be expected to conform to our social and environmental criteria, and ethical screening process which includes complete exclusion of companies involved in any activity related to animal testing. Full details are set out on the Liontrust website (www.liontrust.co.uk).

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

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

UK Ethical Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned -14.2% (Class 2 Net Accumulation) over the year under review, underperforming the IA UK All Companies sector average of -1.4% and the MSCI UK Index's 9.5% (both of which are comparator benchmarks)*.

2022 was the most challenging year since the inception of the Sustainable Future range of funds in 2001. We are continually challenging our conviction in our companies, and we are pleased with how our portfolio of companies are navigating an extremely difficult period where supply chains have been disrupted and customer demand has been extremely difficult to forecast. So, despite the sharp decline in valuation multiples, we remain confident in the Fund's prospects over the next five years with sustainable growth drivers, high quality companies and attractive valuations.

A legitimate challenge to our approach would be to ask whether our sustainable investment themes have run their course. This would only be the case if we had solved every problem and satisfied every need; we are a long way from that! There is still plenty of growing to do for sustainable companies.

We are now operating in a very different environment to the past decade, with higher interest rates in place to try and contain runaway inflation. This abrupt change in macroeconomic backdrop has sent markets into a tailspin, with all asset classes falling to a greater or lesser extent in response to a higher cost of capital. Our job in these turbulent times is to focus resolutely on the long term and on our investment process which has delivered strong performance until the past year.

We also want to take the opportunity in these periods of extreme market dislocation to add to our holdings with the most conviction and highest risk-adjusted upside, as well as take the opportunity to buy businesses we have long admired but were not previously attractively valued.

Compass Group performed well throughout the year as a beneficiary of post-lockdown reopening. Its catering business reached the key milestone of revenue exceeding pre-Covid levels on a run rate basis in early 2022. A notable improvement in its Business & Industry and Education sectors, as employees return to the office and students to in-person learning, allowed the company to increase its full-year organic revenue growth guidance.

Also among the positive contributors to returns over the period under review was Trainline, whose share price had fallen by c.35% in the six months from 1 August 2021 to 31 January 2022 and continued to drift downwards in the early part of 2022 as a result of uncertainty around the restructuring of the UK rail system. The shares rebounded following an amendment to its third-party retail licence with the Rail Delivery Group in late March, and rose again after a positive trading update and upward revisions to guidance in early July.

The ambiguity over the company's place in a reorganised UK rail market under a new public-sector body seems to have receded, and we feel Trainline is well placed to win the government's contract to white label the train ticket solution, as well as potentially benefiting from a major growth opportunity in Europe as that market is democratised and opens up to independent providers.

Identity verification, location intelligence and fraud prevention company GB Group was among the notable detractors over the period under review with the company falling sharply after Chicago-based private equity firm GTCR LLC withdrew its interest in a takeover offer in early October. In addition, the company posted lower growth in its largest division, Identity, in the fourth quarter of 2022. GB Group stated that volumes were impacted by the challenges faced by cryptocurrency markets and internet-economy customers, primarily in the Americas region where a significant number of these businesses operate. Outside of these areas, Identity's performance was said to be more resilient, particularly from established financial services and gaming.

Bus operator National Express also softened sharply towards the end of 2022 on the potential for bus and rail strikes to disrupt services and raise costs. The company was already grappling with risings costs in its US operations due to driver shortages. Exposed to our theme of *Making transport more efficient or safer*, National Express operates 27,000 buses and coaches in UK, Spain and Morocco; school buses in North America; and rail services in Germany. These mass transport solution are far more efficient than individual cars, leading to lower emissions, less congestion and improved safety. However, given the weakening fundamentals our position is under review.

UK Ethical Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Among the weaker performers was Mortgage Advice Bureau (MAB), which provides a platform for mortgage advisers to help individuals access mortgages and insurance products. While the company's interim results reported that average mainstream adviser figures rose 19% year-on-year, revenue per adviser was down 13%. The company commented that pipelines took longer to convert and noted that the very strong comparative in the first half of 2021 when stamp duty holiday changes accelerating house purchase mortgage completions.

In addition, companies linked to the property market such as MAB saw their share prices take a hit in the third quarter following a shift in market sentiment as mortgage rates climbed during the bond market meltdown sparked by UK Chancellor Kwasi Kwarteng's fiscal policy announcement.

Home REIT was also among the detractors over the year, with the company's share price falling sharply after the release of a short-selling report by Viceroy Research LLC. Following the allegations made in the report and the full response from Home REIT on 30 November, Liontrust is continuing to engage with the management of Home REIT and are awaiting more information from and discussions with the company before taking any decisions.

Over the two decades that the Sustainable investment team have been managing the Sustainable Future funds, a key lesson that we have learned is that 'sustainable' should not be taken to mean perfect. Investing involves making predictions about the future, which is extremely difficult. Therefore, we have to expect occasions – albeit rare – when the future does not turn out as predicted and the companies we hold become embroiled in a controversy that may challenge the initial assessment of their sustainability.

As soon as we are aware of any controversy, the next stage is to analyse the situation in detail, investigating to ascertain the involvement of the company in question, the seriousness of allegations made and how the business is responding.

A number of new stocks were added to the portfolio over the year, covering a range of sectors and sustainability themes.

Wise plc (formerly TransferWise) is increasing access to affordable international banking through its 'borderless' money transfer and multi-currency debit card services. We have included the holding under our theme of *Increasing financial resilience* as Wise offers significantly better rates on foreign exchange – which has traditionally been costly for individuals, especially those remitting small amounts regularly – along with lower fees and a very simple app-based approach.

Admiral was another new purchase under our *Insuring a sustainable economy* theme. This is a motor and household insurer in the UK which is consistently rated highly by customers. We have long admired its very strong employee culture with a focus on promotion and share ownership from within that makes it stand out from other organisations. Its lower-cost operating model means it can be the most competitive on insurance rates without detracting from the quality of its cover.

We added NatWest, a UK-focused bank that sits within our theme of *Increasing financial resilience*. We feel that NatWest will benefit from a higher interest rate environment and has ambitious targets around decarbonisation from its client base, including the provision of green mortgages to help households improve their energy ratings.

We also initiated a position in multi-utility supplier Telecom Plus in the same theme. Telecom Plus acts as an aggregator of energy, communication and insurance products, bundling these and using its scale to offer compelling value for its 800,000 customers.

In order to fund some of these new acquisitions, we exited positions in Hargreaves Lansdown and Prudential. Hargreaves Lansdown was a long-term holding that we exited on the back of weaker business fundamentals and concerns over management quality. Net new business and earnings per share have been weaker than expectations and the company also announced a higher cost trajectory for the next couple of years as it plans to reinvest in the business. While these investments are the right thing to do for the long term, they have taken too long and are not without execution risk. Prudential has disappointed as an investment as its business fundamentals have weakened; we felt there were better opportunities elsewhere.

We also completed the sale of Countryside Partnerships; its share price is currently underpinned by a takeover offer from Vistry, a fellow housebuilder. This was a disappointing conclusion to an investment based on meeting strong demand for affordable, rental and open market housing. In the end, we feel that the company executed very poorly on its strategy.

UK Ethical Fund (continued)

Investment review (continued)

Sub-fund review (continued)

We also exited our position in Halma. This is a holding company for 45 high quality businesses providing solutions to fire safety, lift door sensors, and ophthalmology amongst others. It owns a business called Novabone that carries out animal testing to satisfy FDA requirements for its synthetic bone grafts. In line with the screening criteria applied to the UK Ethical Fund, which prohibits exposure to any company involved with animal testing, this stock was sold.

**Source: Financial Express, bid-to-bid, net of fees, 31.01.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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

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

UK Ethical Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
NatWest	Prudential
Admiral	London Stock Exchange
AVEVA	Halma
Wise	AVEVA
Telecom Plus	Hargreaves Lansdown
Ashtead	Legal & General
Halma	Countryside Properties
National Express	Compass
Genuit	Paragon Banking
Trustpilot	Trainline

UK Ethical Fund (continued)

Investment review (continued)

Risk and Reward profile

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

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

1	2	3	4	5	6	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund is categorised 6 primarily for its exposure to UK equities.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-fund;
  - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Sub-fund.
- The Sub-fund may, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Sub-fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- The Sub-fund may invest in companies listed on the Alternative Investment Market (AIM) which is primarily for emerging or smaller companies. The rules are less demanding than those of the official List of the London Stock Exchange and therefore companies listed on AIM may carry a greater risk than a company with a full listing.
- The Sub-fund will invest in smaller companies and may invest a small proportion (less than 10%) of the Sub-fund in unlisted securities. There may be liquidity constraints in these securities from time to time, i.e. in certain circumstances, the Sub-fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause the Sub-fund to defer or suspend redemptions of its shares.

UK Ethical Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

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

UK Ethical Fund (continued)

Comparative Tables
for the year ended 31 January 2023

Class 2 Net Accumulation **Accounting year ended**	**31 January 2023** **per share (p)**	**31 January 2022** **per share (p)**	**31 January 2021** **per share (p)**
Change in net assets per share			
Opening net asset value per share	347.49	337.96	330.79
Return before operating charges	(46.71)	12.56	9.63
Operating charges	(2.41)	(3.03)	(2.46)
Return after operating charges	(49.12)	9.53	7.17
Distributions	(4.97)	(4.33)	(2.92)
Retained distributions on accumulation shares	4.97	4.33	2.92
Closing net asset value per share	**298.37**	**347.49**	**337.96**
After direct transaction costs of*	(0.36)	(0.59)	(0.58)
Performance			
Return after charges	(14.14%)	2.82%	2.17%
Other information			
Closing net asset value (£'000)	309,136	423,542	345,718
Closing number of shares	103,607,682	121,887,001	102,296,266
Operating charges**	0.79%	0.81%	0.83%
Direct transaction costs*	0.12%	0.16%	0.20%
Prices			
Highest share price	356.04	407.45	356.40
Lowest share price	260.84	341.61	209.72

* 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.

UK Ethical Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2023

Class 3 Net Income Accounting year ended	31 January 2023 per share (p)	31 January 2022 per share (p)	31 January 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	310.83	305.92	302.25
Return before operating charges	(41.56)	11.56	8.56
Operating charges	(1.09)	(1.35)	(1.08)
Return after operating charges	(42.65)	10.21	7.48
Distributions	(5.49)	(5.30)	(3.81)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	**262.69**	**310.83**	**305.92**
After direct transaction costs of*	(0.32)	(0.53)	(0.53)
Performance			
Return after charges	(13.72%)	3.34%	2.48%
Other information			
Closing net asset value (£'000)	321,114	398,843	391,544
Closing number of shares	122,238,569	128,316,856	127,988,930
Operating charges**	0.40%	0.40%	0.40%
Direct transaction costs*	0.12%	0.16%	0.20%
Prices			
Highest share price	318.53	367.10	324.66
Lowest share price	231.23	308.65	191.75

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

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

UK Ethical Fund (continued)

Portfolio Statement
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (96.59%)	**600,126**	**95.22**
	UNITED KINGDOM (92.31%)	**569,340**	**90.34**
	Alternative Energy Sources (0.46%)	**2,904**	**0.46**
612,161	Ceres Power	2,904	0.46
	Banks (5.00%)	**53,859**	**8.54**
7,355,288	NatWest	22,647	3.59
5,197,673	Paragon Banking	31,212	4.95
	Biotechnology (1.20%)	**5,984**	**0.95**
2,535,766	Oxford Nanopore Technologies	5,984	0.95
	Building Materials (1.88%)	**11,702**	**1.86**
3,584,158	Genuit	11,702	1.86
	Chemicals (3.23%)	**16,241**	**2.58**
2,606,872	Treatt	16,241	2.58
	Commercial Services (5.37%)	**48,551**	**7.71**
422,978	Ashtead	22,469	3.57
600,286	Intertek	26,082	4.14
	Computers (6.71%)	**33,232**	**5.27**
4,206,106	GB	14,814	2.35
1,527,218	Softcat	18,418	2.92
	Diversified Financial Services (15.00%)	**70,078**	**11.13**
6,717,493	AJ Bell	22,611	3.59
268,895	London Stock Exchange	19,909	3.16
1,550,474	Mortgage Advice Bureau	9,303	1.48
1,494,458	St James's Place	18,255	2.90
	Electricity (1.97%)	**20,770**	**3.29**
1,225,862	National Grid	12,565	1.99
410,678	Telecom Plus	8,205	1.30

UK Ethical Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Electronics (9.26%)	**66,993**	**10.63**
1,114,668	Oxford Instruments	26,139	4.15
4,471,334	Rotork	14,210	2.25
3,076,713	Smart Metering Systems	26,644	4.23
	Engineering & Construction (3.11%)	**17,161**	**2.72**
16,220,288	Helios Towers	17,161	2.72
	Food Services (3.44%)	**22,625**	**3.59**
1,171,655	Compass	22,625	3.59
	Home Builders (3.34%)	**6,880**	**1.09**
2,836,115	Crest Nicholson	6,880	1.09
	Insurance (8.98%)	**44,769**	**7.10**
826,072	Admiral	18,174	2.88
9,785,088	Legal & General	24,854	3.94
1,095,006	Thrive Renewables~	1,741	0.28
	Internet (3.06%)	**22,770**	**3.61**
5,241,124	Trainline	14,864	2.36
7,720,598	Trustpilot	7,906	1.25
	Investment Companies (3.14%)	**19,240**	**3.05**
1,108,253	Capital for Colleagues	687	0.11
9,907,713	Distribution Finance Capital	3,666	0.58
15,870,535	SDCL Energy Efficiency Income Trust	14,887	2.36
	Leisure Time (2.74%)	**12,860**	**2.04**
9,968,893	Gym	12,860	2.04
	Real Estate Investment & Services (0.05%)	**403**	**0.06**
788,000	Ethical Property~	403	0.06

UK Ethical Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Real Estate Investment Trusts (3.00%)	**14,921**	**2.37**
6,638,467	Home REIT^	2,526	0.40
13,621,223	PRS REIT	12,395	1.97
	Retail (2.77%)	**13,644**	**2.17**
9,120,619	DFS Furniture	13,644	2.17
	Software (4.76%)	**44,918**	**7.13**
813,439	First Derivatives	11,128	1.77
15,783,261	Learning Technologies	22,128	3.51
2,151,582	Wise	11,662	1.85
	Transportation (3.84%)	**18,835**	**2.99**
14,183,025	National Express	18,835	2.99
	IRELAND (4.28%)	**30,786**	**4.88**
	Forest Products & Paper (4.28%)	**30,786**	**4.88**
907,616	Smurfit Kappa	30,786	4.88
	COLLECTIVE INVESTMENT SCHEMES (3.21%)	**23,552**	**3.74**
	GUERNSEY (1.05%)	**8,595**	**1.37**
6,601,295	Renewables Infrastructure	8,595	1.37
	UNITED KINGDOM (2.16%)	**14,957**	**2.37**
4,468,393	Greencoat UK Wind	7,109	1.13
11,724,900	US Solar Fund	7,848	1.24
	Portfolio of investments	**623,678**	**98.96**
	Net other assets	**6,572**	**1.04**
	Total net assets	**630,250**	**100.00**

UK Ethical Fund (continued)

Portfolio Statement (continued)
as at 31 January 2023

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2022.

Stocks shown as REITs represent Real Estate Investment Trust.

~ Unquoted security.

^ Suspended Security.

UK Ethical Fund (continued)

Statement of Total Return
for the year ended 31 January 2023

	Notes	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Income					
Net capital (losses)/gains	2		(125,406)		5,601
Revenue	3	16,598		17,348	
Expenses	4	(4,049)		(5,286)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation		12,549		12,062	
Taxation	5	23		(200)	
Net revenue after taxation			12,572		11,862
Total return before distributions			**(112,834)**		**17,463**
Distributions	7		(12,572)		(11,862)
Change in net assets attributable to shareholders from investment activities			**(125,406)**		**5,601**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2023

	(£'000)	1.2.2022 to 31.1.2023 (£'000)	(£'000)	1.2.2021 to 31.1.2022 (£'000)
Opening net assets attributable to shareholders		**822,385**		**737,262**
Amounts received on issue of shares	27,210		151,323	
Amounts paid on cancellation of shares	(99,301)		(77,022)	
		(72,091)		74,301
Change in net assets attributable to shareholders from investment activities		(125,406)		5,601
Retained distributions on accumulation shares		5,362		5,221
Closing net assets attributable to shareholders		**630,250**		**822,385**

UK Ethical Fund (continued)

Balance Sheet
as at 31 January 2023

	Notes	31.1.2023 (£'000)	31.1.2022 (£'000)
Assets			
Fixed assets			
Investments		623,678	820,715
Current assets:			
Debtors	8	1,098	8,676
Cash and bank balances	9	10,190	9,504
Total assets		**634,966**	**838,895**
Liabilities			
Creditors:			
Distribution payable		(2,579)	(3,520)
Other creditors	10	(2,137)	(12,990)
Total liabilities		**(4,716)**	**(16,510)**
Net assets attributable to shareholders		**630,250**	**822,385**

UK Ethical Fund (continued)

Notes to the financial statements
for the year ended 31 January 2023

1 Accounting policies

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

2 Net capital (losses)/gains

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities	(125,393)	5,588
Foreign currency (losses)/gains	(13)	13
Net capital (losses)/gains	**(125,406)**	**5,601**

3 Revenue

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Bank interest	27	–
Equity distributions on CIS holdings	382	460
Non-taxable overseas dividends	1,446	1,396
Stock lending income	25	24
UK dividends	14,056	15,127
UK REIT dividends	662	341
Total revenue	**16,598**	**17,348**

4 Expenses

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	3,579	4,589
General administration charges*	470	697
Total expenses	**4,049**	**5,286**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £9,200 (2022: £8,400). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

5 Taxation

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
a) Analysis of charge in year		
Overseas tax	(23)	200
Total tax (credit)/charge [see note(b)]	**(23)**	**200**

b) Factors affecting tax charge for the year
The taxation assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Net revenue before taxation	12,549	12,062
Corporation tax at 20% (2022 - 20%)	2,510	2,412
Effects of:		
Movement in unrecognised tax losses	667	984
Overseas tax	(23)	200
Revenue not subject to tax	(3,177)	(3,396)
Total tax (credit)/charge [see note(a)]	**(23)**	**200**

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

c) Deferred tax
At the year end there is a potential deferred tax asset of £4,594,000 (2022: £3,927,000) due to tax losses of £22,972,000 (2022: £19,637,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Overdraft interest	–	–
Total interest payable and similar charges	**–**	**–**

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

7 Distributions

	1.2.2022 to 31.1.2023 (£'000)	1.2.2021 to 31.1.2022 (£'000)
Interim distribution	7,788	5,698
Final distribution	4,458	6,296
	12,246	**11,994**
Amounts deducted on cancellation of shares	463	255
Amounts received on issue of shares	(137)	(387)
Distributions	**12,572**	**11,862**

The distributable amount has been calculated as follows:		
Net revenue after taxation	12,572	11,862
Distributions	**12,572**	**11,862**

The distribution per share is set out in the tables on page 327.

8 Debtors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued revenue	623	2,448
Amounts receivable for issue of shares	–	860
Overseas withholding tax	475	240
Sales awaiting settlement	–	5,128
Total debtors	**1,098**	**8,676**

9 Cash and bank balances

	31.1.2023 (£'000)	31.1.2022 (£'000)
Cash and bank balances	10,190	9,504
Total cash and bank balances	**10,190**	**9,504**

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

10 Creditors

	31.1.2023 (£'000)	31.1.2022 (£'000)
Accrued expenses	34	52
Accrued ACD's charge	277	389
Amounts payable for cancellation of shares	1,826	388
Purchases awaiting settlement	–	12,161
Total other creditors	**2,137**	**12,990**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: £nil).

12 Related party transactions

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

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

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £312,000 (2022: £441,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £4,049,000 (2022: £5,286,000).

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

13 Securities lending

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

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

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

Return and cost

The tables below show the net income earned by the Sub-funds from securities lending activity during the year to 31 January 2023.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust UK Ethical Fund				
Securities lending				
Gross return	25	–	11	36
% of total	70%	0%	30%	100%
Cost	–	–	–	–

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 January 2022.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	24	–	10	34
% of total	70%	0%	30%	100%
Cost	–	–	–	–

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

13 Securities lending (continued)

Securities on loan and collateral received

The following table details the value of securities on loan and associated collateral received, analysed by borrowing counterparty as at the Balance Sheet date.

Counterparty	Counterparty's country of establishment	31 January 2023 Securities on loan (£'000)	31 January 2023 Collateral received (£'000)	31 January 2022 Securities on loan (£'000)	31 January 2022 Collateral received (£'000)
Citigroup Global Markets Limited	UK	–	–	738	798
HSBC Bank	UK	–	–	904	1,061
Merrill Lynch International	UK	–	–	168	180
Morgan Stanley International	UK	–	–	50	52
The Bank of Nova Scotia	Canada	–	–	27,518	30,270
UBS AG	Switzerland	–	–	3,372	3,705
Total		**–**	**–**	**32,750**	**36,066**

At 31 January 2023, there were no securities on loan or related collateral outstanding (31 January 2022: as above).

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

Management of counterparty credit risk related to securities lending

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

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

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies

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

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

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

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

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

Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in 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 January 2023 and 31 January 2022 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

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 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 January 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 11.9%.

As at 31 January 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 10.7%.

Some limitations of sensitivity analysis are;

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

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

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

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.

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 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.

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

Interest rate risk

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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 wholly 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.

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 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.

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 January 2023 was A (Standard & Poor's rating).

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

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

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

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

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

14 Risk management policies (continued)

Fair value of financial assets and liabilities

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

Valuation of financial investments

31.1.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	619,008	–
Level 3: Unobservable data	4,670	–
	623,678	**–**

31.1.2022	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	818,454	–
Level 3: Unobservable data	2,261	–
	820,715	**–**

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

*The Level 3 assets have been valued based on last traded prices.

15 Share movement

For the year ending 31 January 2023

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	121,887,001	4,457,576	(22,736,895)	–	103,607,682
Class 3 Net Income	128,316,856	4,869,218	(10,947,505)	–	122,238,569

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

16 Portfolio transaction costs
for the year ending 31 January 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	130,767	76	0.06	620	0.47
Collective investment schemes	660	–	–	–	–
Total purchases	**131,427**	**76**		**620**	
Total purchases including transaction costs	**132,123**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	199,118	109	0.05	–	–
Collective investment schemes	3,830	1	0.03	–	–
Total sales	**202,948**	**110**		**–**	
Total sales net of transaction costs	**202,838**				
Total transaction costs		**186**		**620**	
Total transaction costs as a % of average net assets		**0.03%**		**0.09%**	

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

16 Portfolio transaction costs (continued)
for the year ending 31 January 2022

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	285,042	143	0.05	1,136	0.40
Collective investment schemes	4,154	–	–	3	0.07
Total purchases	**289,196**	**143**		**1,139**	
Total purchases including transaction costs	**290,478**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	186,561	97	0.05	–	–
Total sales	**186,561**	**97**		**–**	
Total sales net of transaction costs	**186,464**				
Total transaction costs		**240**		**1,139**	
Total transaction costs as a % of average net assets		**0.03%**		**0.13%**	

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

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.26% (2022: 0.42%).

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2023

17 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class 2 Net Accumulation share has decreased by 2.94% to 17 May 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

UK Ethical Fund (continued)

Distribution Tables

for the year ended 31 January 2023

Final distribution

Group 1 - Shares purchased prior to 1 August 2022

Group 2 - Shares purchased 1 August 2022 to 31 January 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2023 Pence per share	Distribution paid 31.3.2022 Pence per share
Class 2 Net Accumulation - Group 1	1.8135	–	1.8135	2.2777
Class 2 Net Accumulation - Group 2	0.6694	1.1441	1.8135	2.2777
Class 3 Net Income - Group 1	2.1101	–	2.1101	2.7431
Class 3 Net Income - Group 2	0.2028	1.9073	2.1101	2.7431

Interim distribution

Group 1 - Shares purchased prior to 1 February 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2022 Pence per share	Distribution paid 30.9.2021 Pence per share
Class 2 Net Accumulation - Group 1	3.1543	–	3.1543	2.0539
Class 2 Net Accumulation - Group 2	1.8446	1.3097	3.1543	2.0539
Class 3 Net Income - Group 1	3.3765	–	3.3765	2.5547
Class 3 Net Income - Group 2	1.4655	1.9110	3.3765	2.5547

* 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.

Securities Financing Transactions (unaudited)

as at 31 January 2023

Securities Lending

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

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

The following table details the value of securities on loan as a proportion of the Sub-funds' total lendable assets and Net Asset Value (NAV) as at 31 January 2023. The income earned from securities lending are also shown for the period ended 31 January 2023. Total lendable assets represents the aggregate value of assets forming part of the Sub-funds' securities lending programme. This excludes any assets held by the Sub-funds that are not considered lendable due to any market, regulatory, investment or other restriction.

Securities on loan

Fund	% of lendable assets	% of NAV	Income earned (£'000)
Liontrust Sustainable Future Cautious Managed Fund	-	-	62
Liontrust Sustainable Future Corporate Bond Fund	-	-	17
Liontrust Sustainable Future Defensive Managed Fund	-	-	114
Liontrust Sustainable Future European Growth Fund	-	-	43
Liontrust Sustainable Future Global Growth Fund	-	-	28
Liontrust Sustainable Future Managed Fund	-	-	112
Liontrust Sustainable Future Managed Growth Fund	-	-	20
Liontrust Sustainable Future UK Growth Fund	-	-	27
Liontrust UK Ethical Fund	-	-	25

Collateral

The Sub-funds engage in activities which may require collateral to be provided to a counterparty ("collateral posted") or may hold collateral received ("collateral received") from a counterparty.

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

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

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

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

As at 31 January 2023, there was no non-cash collateral received by the Sub-funds in respect of securities lending transactions held by the Sub-funds' Depositary (or through its delegates).

Additional Information (unaudited)

Important information

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

You should always regard investment in Funds as long term. The annual management fees of the Liontrust Sustainable Future Cautious Managed Fund and Liontrust Sustainable Future Defensive Managed Fund are deducted from capital. Whilst this results in the dividend paid to investors being higher than would be the case were the annual management fee charged to income, the potential for capital growth may be reduced.

Liontrust Customer Services Team

PO Box 373, Darlington, DL1 9RQ

0344 892 0349

Facsimile 0207 964 2562

Liontrustadmin@bnymellon.com

LIONTRUST