

# LIONTRUST MULTI-ASSET GLOBAL SOLUTIONS ICVC

Annual Report &  
Financial Statements

For the period:

**1 January 2022**

to

**31 December 2022**

**Managed in accordance with**  
the Multi-Asset Process

LIONTRUST FUND PARTNERS LLP

**LIONTRUST** 



## Contents

Management and Administration*	1
Statement of the Authorised Corporate Director's ("ACD") Responsibilities	4
Report of the ACD to the Shareholders*	5
Statement of the Depositary's Responsibilities and Report of the Depositary	7
Independent Auditor's Report to the Shareholders	8
Notes applicable to the financial statements of all Sub-funds	12
Liontrust MA Active Reserve Fund*	15
Liontrust MA Diversified Global Income Fund*	45
Liontrust MA Diversified Real Assets Fund*	66
Liontrust MA Passive Dynamic Fund*	92
Liontrust MA Passive Growth Fund*	120
Liontrust MA Passive Intermediate Fund*	148
Liontrust MA Passive Moderate Fund*	176
Liontrust MA Passive Progressive Fund*	208
Liontrust MA Passive Prudent Fund*	236
Liontrust MA Passive Reserve Fund*	266
Additional information (unaudited)	294

\* 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 Multi-Asset Global Solutions 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.

### Depository

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

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

### Independent Auditor

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

### Administrator and Registrar

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

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

## Management and Administration (continued)

### Company Information

The Company is an investment company with variable capital under regulation 12 of the Open-Ended Investment Company Regulations 2001, incorporated in England and Wales under registered number IC 000516 and authorised by the Financial Conduct Authority on 28 February 2007. At the year end the Company held ten Sub-funds, the Liontrust MA Active Reserve Fund, the Liontrust MA Diversified Global Income Fund, the Liontrust MA Diversified Real Assets Fund, the Liontrust MA Passive Dynamic Fund, the Liontrust MA Passive Growth Fund, the Liontrust MA Passive Intermediate Fund, the Liontrust MA Passive Moderate Fund, the Liontrust MA Passive Progressive Fund, the Liontrust MA Passive Prudent Fund and the Liontrust MA Passive Reserve Fund (the "Sub-funds"). The Liontrust Diversified Global Income Fund is closed to investment and will be terminated at a later date once the residual assets and liabilities are settled. As a result the financial statements for this Sub-fund have not been prepared on a going concern basis as disclosed in note 1a of the Notes applicable to the financial statements of all Sub-funds.

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

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

### Remuneration policy

As ACD of the Liontrust Multi-Manager Global Solutions ICVC, Liontrust Fund Partners LLP is required to maintain a remuneration policy (the "Remuneration Policy" or the "Policy") that meets the requirements of the FCA's AIFM Remuneration Code. The Policy governs the remuneration of the ACD's key senior personnel, risk takers and control functions (the "Code Staff").

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 code staff

	Headcount	Total Remuneration (£'000)
ACD UK Staff <sup>1</sup>	83	18,744
of which		
Fixed remuneration	83	8,116
Variable remuneration	83	10,628
AIFM Remuneration Code Staff <sup>1, 2</sup>	10	2,611
of which		
Senior Management	2	403
Other control functions:		
Other code staff/risk takers	8	2,208

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

<sup>2</sup> AIFM Aggregate Remuneration Code Staff applies only in respect of the provision of services to AIFM 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 AIFM funds versus the total Group assets under management. For portfolio management staff remuneration is apportioned directly to the Sub-funds.

## Management and Administration (continued)

### Remuneration policy (continued)

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

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

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

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

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

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

### Scope of the policy

#### By entity

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

#### 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,

## Management and Administration (continued)

### Approach to the remuneration (continued)

- Annual bonus (both paid immediately in cash and deferrals) and
- Longer-term incentives

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

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

### Securities Financing Transactions Regulation

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

### Assessment of Value

The regulator - the FCA - has asked every asset manager to assess the value of the funds they run. Assessing value goes beyond performance and costs and encompasses a minimum of seven criteria mandated by the FCA. The assessment of value of the 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/assessment-of-value](http://www.liontrust.co.uk/assessment-of-value).

### Changes after the Year End

The funds in the Liontrust MA fund ranges distribute income as dividend payments with the exception of the Liontrust MA Blended Reserve, MA Active Moderate Income and Liontrust MA Active Reserve funds which distribute it as interest payments. To make these interest payments, these funds are required to hold a minimum of 60% of its assets in qualifying interest paying (or equivalent) investments (the "60% requirement" and "qualifying investments") at all times.

We are removing the 60% requirement for these three funds and change the way in which the funds pay distributions from interest payments to dividends, which means that from 1 April 2023 for the MA Active Moderate Income and MA Active Reserve Funds and 1 July 2023 for the MA Blended Reserve Fund, the funds will distribute income as dividends rather than interest. This change is designed to provide greater flexibility for the funds to meet their objectives while seeking to maximise returns.

### Holdings in Other Funds of the Company

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

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

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

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;



## Management and Administration (continued)

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

- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its Sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its Sub-funds or to cease operations, or have no realistic alternative but to do so. For the reasons stated in the Company Information, the financial statements of the Liontrust MA Diversified Global Income Fund have not been prepared on a going concern basis;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

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

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

### Report of the ACD to the Shareholders

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

The Company is a Non-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. The Liontrust MA Diversified Global Income Fund closed on 18 October 2021 and will be terminated at a later date once the residual assets and liabilities are settled. As a result the financial statements for this Sub-fund have not been prepared on going concern basis.

### Liontrust Asset Management PLC

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

## Management and Administration (continued)

### Liontrust Asset Management PLC (continued)

- 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 27 April 2023.



**Antony Morrison**

Member

27 April 2023



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

### To the Shareholders of Liontrust Multi-Asset Global Solutions ICVC ("the Company") for the year ended 31 December 2022.

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

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

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

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") 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 AIFM:

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

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

27 April 2023

## Independent Auditor's Report to the Shareholders of Liontrust Multi-Asset Global Solutions 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 December 2022 which comprise the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for the each of the Company's Sub-funds listed on the Contents page and the accounting policies set out on pages 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 December 2022 and of the net revenue and the net capital gains/net capital losses on the property of each of the Sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

#### Basis for opinion

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

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

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

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

#### Going concern

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

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

Our conclusions based on this work:

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

# Independent Auditor's Report to the Shareholders of Liontrust Multi-Asset Global Solutions ICVC (the "Company") (continued)

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

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 above conclusions are not a guarantee that the Company or its Sub-funds will continue in operation.

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

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

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

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

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

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

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

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

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

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

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

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

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

# Independent Auditor's Report to the Shareholders of Liontrust Multi-Asset Global Solutions 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 pages 4 and 5, the ACD is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities

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

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

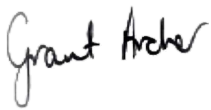


## Independent Auditor's Report to the Shareholders of Liontrust Multi-Asset Global Solutions ICVC (the "Company") (continued)

### 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**

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

Chartered Accountants

KPMG LLP

St Vincent Plaza

319 St Vincent Street

Glasgow

G2 5AS

27 April 2023

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

for the year ended 31 December 2022

### 1 Accounting Policies

#### a) Basis of accounting

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

The ACD has made an assessment of the Company and its Sub-funds' ability to continue as a going concern and is satisfied it has the resources to continue in business for at least the next twelve months after the financial statements are signed and is not aware of any material uncertainties that may cast significant doubt on this assessment with the exception of Liontrust Multi-Asset Diversified Global Income Fund that closed on 18 October 2021. This assessment considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience.

The Liontrust MA Diversified Global Income Fund closed on 18 October 2021 and will be terminated at a later date once the residual assets and liabilities are settled. As a result the financial statements for this Sub-fund have not been prepared on a going concern basis. No adjustments were made to the financial statements of this Sub-fund to adjust assets or liabilities to their realisable values or to provide for liabilities arising from the decision to terminate the Sub-fund.

#### b) Valuation of investments

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

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

#### c) Revenue

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

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

Distributions receivable from offshore collective investment schemes are recognised on the ex-dividend date of the underlying fund and excess reportable income is recognised when reported.

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

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

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

for the year ended 31 December 2022

### 1 Accounting Policies (continued)

#### c) Revenue (continued)

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.

#### d) Rebates of ACD fees

Rebates of ACD fees are recognised on an accruals 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.

#### 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 periodic 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 December 2022

### 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 an interest distribution. Should the expenses of a Sub-fund (including taxation) exceed the revenue of a Sub-fund, there will be no distribution and the shortfall will be set against the capital of a Sub-fund.

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

The ACD's fees and expenses are charged against revenue in respect of all the Sub-funds except for the Liontrust MA Active Reserve Fund, Liontrust MA Diversified Real Assets Fund and Liontrust MA Diversified Global Income Fund where the ACD's fees and expenses are charged against capital.

Under the 2014 SORP section 3.71, it is acceptable not to take into account marginal tax relief, in relation to expenses paid from capital in determining the distribution. This policy has been applied to the Liontrust MA Diversified Global Income Fund and the Liontrust MA Diversified Real Assets Fund.

It is the policy of the Liontrust MA Active Reserve Fund to make interest distributions where more than 60% of the portfolio is invested in qualifying investments. All other sub-funds make dividend distributions. Full details are set out in the Distribution Tables.

#### 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.



# MA Active Reserve Fund

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

## Investment Objective

The Sub-fund seeks to achieve capital growth and income with a low level of volatility (risk), having a risk profile of 2, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest.

## Investment Policy

The Sub-fund is an actively managed fund of funds.

The Sub-fund invests at least 70% of its assets in other funds (underlying funds), including funds which are traded on stock exchanges (investment trusts and exchange traded funds), other closed-ended funds and funds managed by the ACD or its associates.

The underlying funds will invest globally (including in emerging markets) in a range of asset classes and financial instruments including shares, debt instruments (bonds) including those which can easily be converted into cash (money market instruments), freely transferable rights to buy other investments at a future date (warrants), financial contracts that derive their values from those of other investment instruments or indices (derivatives) and deposits.

The underlying funds will where practicably possible, be 'active' funds, which are investment funds that aim to beat the performance of various financial indices.

The Sub-fund may also invest directly in the above asset classes and financial instruments when there are specific benefits in doing so.

Further, the Sub-fund may also obtain indirect exposure to property through investment in Real Estate Investment Trusts (REITs) and shares in property investment companies, and may engage in stock-lending and borrowing.

When required to manage liquidity, or the Sub-fund's risk, the Sub-fund may hold its assets in cash or deposits and money market instruments.

The Sub-fund may only use derivatives to reduce risk or to manage the Sub-fund more efficiently (often referred to as "efficient portfolio management").

The Sub-fund aims to take a low level of risk in achieving its investment objective. The Sub-fund's investments are combined together in different proportions as determined by the ACD based on asset risk profiles set by an external risk modelling company. The riskiness of different combinations and proportions of types of investment are measured by predicting how they might behave over a 15 year period. The risk modelling company assigns each combination of assets to one of seven risk profiles, ranging from 1, which reflects the risk of holding cash in bank accounts, to 7, which is the riskiest profile. The Sub-fund has a risk profile of 2, which means it will typically have a lower exposure to higher risk assets, and a greater exposure to lower risk assets than other Sub-funds in the Company which have a higher risk profile. Typically shares, certain types of bonds, or exposure to property/commodities will be classified as higher risk assets, whilst certain other bonds, cash and near cash (money market instruments, deposits and money market funds) will be classified as lower risk assets.

The actual investments of the Sub-fund are not chosen by the risk modelling company and the ACD retains the discretion to select the Sub-fund's investments. The ACD may change the combination of assets for the Sub-fund where it sees a benefit in doing so, as long as its overall risk profile remains similar.

There is no guarantee that the Sub-fund's performance will reflect the behaviour of the assets used to create the risk profile.

## MA Active Reserve Fund (continued)

### Investment review

#### Sub-fund review

Financial markets were down in 2022 overall, but they did at least end with a positive performance in Q4 after a relentless stream of negative political and economic news for much of the year. Although the Omicron virus had been a worry going into the year, it was hoped that the pandemic would become less pernicious due to vaccinations and growing immunity. But as one black swan event subsided, another arose with Russia's invasion of Ukraine. Eventually, the bad news abated, and markets reached a nadir in October that has subsequently looked increasingly like a turning point.

With investor sentiment having reached extreme lows, the potential for positive surprises in 2023 is all the greater. A slowing economy is widely expected and the risk is that this will impact company earnings and their financial strength. However, we believe the global economy remains on a reasonably solid footing and we expect the downturn will be mild rather than deep and protracted. The re-opening of China following its draconian Covid lockdowns will also provide a boost to the global economy and trade.

The main focus for investors in 2022 had been how far central banks would hike interest rates in their efforts to control inflation and whether this would tip economies into recession. The pace of central bank tightening was indeed rapid, with the Federal Reserve instigating seven hikes. The European Central Bank (ECB) raised rates for the first time in more than a decade in July by 50 basis points (bps) as inflation soared to a record 8.6% in the eurozone.

The tenacity of the rate hikes impacted both equities and bonds. So much so that the benefits of diversification were noticeably absent. Equities, and particularly 'growth style' stocks that are priced according to longer-term future earnings, were badly hit but bonds suffered a historic sell off. Bonds would usually be expected to provide 'defensive ballast' during equity downturns, but it was a rare period of extreme stress in which normal asset class diversification temporarily broke down.

The obvious risk for financial markets in 2023 lies in unexpected rate hikes and slowing economic growth. But this risk reduces as inflation subsides. And there are growing signs that this is the case. US inflation was down to 6.5% in December after peaking at 9.1% in June. In the UK, it dipped from 11.1% in October to 10.5% in December. Even in the eurozone, where the ECB had warned investors not to expect rate rises to end early in 2023, inflation dropped from its 10.6% record high in October to 9.2% in December.

Financial assets are more attractively priced following the drawdowns they experienced in 2022. There is still a pervasive sense of uncertainty which will keep us 'neutral' in terms of our model limits, but we believe the outlook for equities is brighter and we are looking to raise exposure to them. We do not expect a bull market rally in 2023, but we do expect equities to regain some of their momentum. Our view on fixed income is also more positive, having been underweight the asset class for some time. We especially like the global high yield bond market, where we see attractive opportunities on a risk-return basis. The exposure that hampered our performance in 2022, including gilts, small caps and emerging market equities, together with increasing exposure to bonds, will be geared into a market recovery when it comes through.

Longer term, we see many financial assets reverting to their longer-term trend performances. But trying to predict and time asset class performances is a hazardous pursuit. A better approach is to diversify investment portfolios and reap rewards from across the asset classes.

#### Performance

In the twelve months to 31 December 2022, the Liontrust MA Active Reserve Fund (S Accumulation) returned -17.2%\*.

*\*Source of discrete performance data: Financial Express, as at 31 December 2022. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

#### Sub-fund performance

To satisfy the Sub-fund's risk profile, the majority of it is invested in fixed income assets, but with the option to invest in equities and property.

The high allocation to fixed income impacted overall performance because the asset class had a particularly poor year by historic standards, thanks to sharply rising interest rates. This allocation includes substantial exposure to UK government bonds (gilts), which

## MA Active Reserve Fund (continued)

### Investment review (continued)

#### Sub-fund performance (continued)

underperformed many of their sovereign debt peers globally. UK gilt prices fell by over 20% from a high in December 2021 to the end of August. Poor performance was mainly driven by Vanguard UK Government Bond and iShares UK Gilts All Stocks. Global government, corporate and high yield bonds also dragged on performance. We continue to believe, however, that fixed income offers important long-term diversification benefits.

Exposure to specialist property assets, such as Tritax Bog Box, also weighed on performance.

Throughout the year the target asset allocation of the funds is adjusted to emphasise asset classes that are expected to offer, in combination, the best risk-adjusted returns for the mid-point of the Sub-fund's risk profile. During the year we added one fund to the Sub-fund, iShares Corporate Bond. Funds that we removed from the portfolio included Barings Emerging Markets Sovereign Debt, NN (L) Global Convertible Opportunities, Vanguard UK Long Duration Gilt and SPDR® Bloomberg 1-5 Year Gilt.

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

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

### Material portfolio changes by value

#### Purchases

iShares Overseas Government Bond Index Fund (UK)  
iShares Corporate Bond Index Fund (UK)  
Tritax Big Box REIT  
Civitas Social Housing REIT

#### Sales

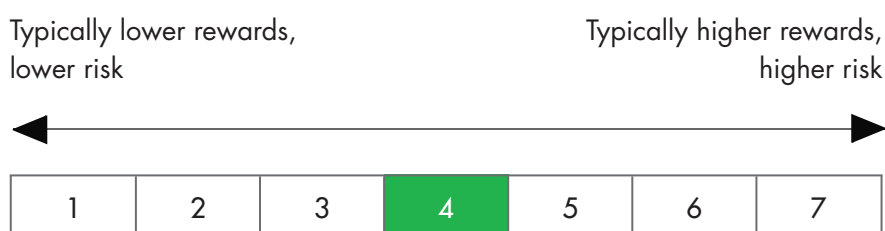
NN L Global Convertible Opportunities  
Barings Emerging Markets Sovereign Debt Fund  
iShares UK Gilts All Stocks Index Fund (UK)  
Barings Global High Yield Bond Fund  
Assura  
Primary Health Properties  
Tritax Big Box REIT  
Vanguard UK Government Bond Index Fund  
Supermarket Income Reit  
iShares Corporate Bond Index Fund (UK)

## MA Active Reserve Fund (continued)

### Investment review (continued)

#### Risk and Reward profile

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



- This 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 risk profile per the investment objective used by Liontrust to produce the long term asset allocation differs from Synthetic Risk and Reward Indicator, so the two rankings may not be the same.
- The Sub-fund is categorised 4 primarily because of its exposure to a diversified portfolio of funds invested in mainly fixed income with some equities and other asset classes.
- 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.
- Some of the underlying funds may invest in derivatives, which can, in certain circumstances, create wider fluctuations in their prices over time.
- Investments in emerging markets may involve a higher element of risk due to less well regulated markets and political and economic instability. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- Liquidity Risk: if underlying funds suspend or defer the payment of redemption proceeds, the Sub-fund's ability to meet redemption requests may also be affected.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Index Tracking Risk: the performance of any passive funds used may not exactly track that of their indices.



## MA Active Reserve 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 on page 1) or online at [www.liontrust.co.uk](http://www.liontrust.co.uk)

## MA Active Reserve Fund (continued)

### Comparative Tables

for the year ended 31 December 2022

A Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	136.72	136.24	132.43
Return before operating charges	(22.24)	1.65	4.96
Operating charges	(1.18)	(1.17)	(1.15)
Return after operating charges	(23.42)	0.48	3.81
Distributions	(2.63)	(2.52)	(2.73)
Retained distributions on accumulation shares	2.63	2.52	2.73
<b>Closing net asset value per share</b>	<b>113.30</b>	<b>136.72</b>	<b>136.24</b>
After direct transaction costs of*	(0.02)	(0.07)	(0.06)
<b>Performance</b>			
Return after charges	(17.13%)	0.35%	2.88%
<b>Other information</b>			
Closing net asset value (£'000)	6,335	12,870	16,852
Closing number of shares	5,591,707	9,413,293	12,369,468
Operating charges**	0.96%	0.86%	0.86%
Direct transaction costs*	0.01%	0.05%	0.05%
<b>Prices</b>			
Highest share price	136.81	139.75	136.70
Lowest share price	106.70	131.58	123.30

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Active Reserve Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

A Income Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	110.24	111.94	111.04
Return before operating charges	(17.81)	1.31	4.14
Operating charges	(0.95)	(0.95)	(0.96)
Return after operating charges	(18.76)	0.36	3.18
Distributions	(2.11)	(2.06)	(2.28)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>89.37</b>	<b>110.24</b>	<b>111.94</b>
After direct transaction costs of*	(0.01)	(0.05)	(0.05)
<b>Performance</b>			
Return after charges	(17.02%)	0.32%	2.87%
<b>Other information</b>			
Closing net asset value (£'000)	483	725	829
Closing number of shares	540,529	657,491	740,681
Operating charges**	0.96%	0.86%	0.86%
Direct transaction costs*	0.01%	0.05%	0.05%
<b>Prices</b>			
Highest share price	110.29	113.76	113.70
Lowest share price	84.50	107.77	103.30

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Active Reserve Fund (continued)

### Comparative Tables (continued)

for the year ended 31 December 2022

R Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	74.84	74.88	73.07
Return before operating charges	(12.15)	0.90	2.74
Operating charges	(0.92)	(0.94)	(0.93)
Return after operating charges	(13.07)	(0.04)	1.81
Distributions	(1.44)	(1.38)	(1.51)
Retained distributions on accumulation shares	1.44	1.38	1.51
<b>Closing net asset value per share</b>	<b>61.77</b>	<b>74.84</b>	<b>74.88</b>
After direct transaction costs of*	(0.01)	(0.04)	(0.04)
<b>Performance</b>			
Return after charges	(17.46%)	(0.05%)	2.48%
<b>Other information</b>			
Closing net asset value (£'000)	4,237	6,368	8,638
Closing number of shares	6,858,783	8,507,981	11,536,161
Operating charges**	1.36%	1.26%	1.26%
Direct transaction costs*	0.01%	0.05%	0.05%
<b>Prices</b>			
Highest share price	74.89	76.62	75.26
Lowest share price	58.22	72.26	67.96

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Active Reserve Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

R Income Accounting year ended	31 December 2022+ per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	50.46	51.45	51.24
Return before operating charges	(4.09)	0.59	1.91
Operating charges	(0.22)	(0.64)	(0.65)
Return after operating charges	(4.31)	(0.05)	1.26
Distributions	(0.22)	(0.94)	(1.05)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>45.93</b>	<b>50.46</b>	<b>51.45</b>
After direct transaction costs of*	0.00	(0.03)	(0.02)
<b>Performance</b>			
Return after charges	(8.54%)	(0.09%)	2.45%
<b>Other information</b>			
Closing net asset value (£'000)	—	147	103
Closing number of shares	—	291,139	199,683
Operating charges**	1.39%	1.26%	1.26%
Direct transaction costs*	0.01%	0.05%	0.05%
<b>Prices</b>			
Highest share price	50.48	52.16	52.43
Lowest share price	45.91	49.38	47.64

+ Closed on 10 June 2022.

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.



## MA Active Reserve Fund (continued)

### Comparative Tables (continued)

for the year ended 31 December 2022

S Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	129.41	128.89	125.21
Return before operating charges	(21.06)	1.56	4.71
Operating charges	(1.06)	(1.04)	(1.03)
Return after operating charges	(22.12)	0.52	3.68
Distributions	(2.49)	(2.38)	(2.59)
Retained distributions on accumulation shares	2.49	2.38	2.59
<b>Closing net asset value per share</b>	<b>107.29</b>	<b>129.41</b>	<b>128.89</b>
After direct transaction costs of*	(0.02)	(0.06)	(0.06)
<b>Performance</b>			
Return after charges	(17.09%)	0.41%	2.94%
<b>Other information</b>			
Closing net asset value (£'000)	15,799	25,816	37,400
Closing number of shares	14,725,693	19,950,219	29,017,700
Operating charges**	0.91%	0.81%	0.81%
Direct transaction costs*	0.01%	0.05%	0.05%
<b>Prices</b>			
Highest share price	129.49	132.24	129.30
Lowest share price	101.02	124.49	116.60

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Active Reserve Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

<b>S Income</b>	<b>31 December 2022</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Accounting year ended</b>	<b>per share (p)</b>	<b>per share (p)</b>	<b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	108.30	109.92	108.99
Return before operating charges	(17.51)	1.28	4.04
Operating charges	(0.88)	(0.88)	(0.89)
Return after operating charges	(18.39)	0.40	3.15
Distributions	(2.07)	(2.02)	(2.22)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>87.84</b>	<b>108.30</b>	<b>109.92</b>
After direct transaction costs of*	(0.01)	(0.05)	(0.05)
<b>Performance</b>			
Return after charges	(16.98%)	0.36%	2.89%
<b>Other information</b>			
Closing net asset value (£'000)	490	816	1,143
Closing number of shares	557,581	753,537	1,039,351
Operating charges**	0.91%	0.81%	0.81%
Direct transaction costs*	0.01%	0.05%	0.05%
<b>Prices</b>			
Highest share price	108.35	111.74	111.60
Lowest share price	83.05	105.87	101.40

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Active Reserve Fund (continued)

### Portfolio Statement

as at 31 December 2022

Holding/Nominal Value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>COLLECTIVE INVESTMENT SCHEMES (75.47%)</b>	<b>19,882</b>	<b>72.71</b>
	<b>GLOBAL BONDS (10.44%)</b>	<b>3,194</b>	<b>11.68</b>
2,538,758	iShares Overseas Government Bond Index Fund (UK)	3,194	11.68
	<b>GLOBAL EMERGING DEBT (4.06%)</b>	<b>0</b>	<b>0.00</b>
	<b>HIGH YIELD BONDS (4.12%)</b>	<b>725</b>	<b>2.65</b>
6,960	Barings Global High Yield Bond Fund	725	2.65
	<b>PROPERTY (23.79%)</b>	<b>5,799</b>	<b>21.21</b>
2,630,945	Assura REIT*	1,434	5.25
966,791	Civitas Social Housing REIT*	610	2.23
1,314,906	Primary Health Properties REIT*	1,457	5.33
611,598	Supermarket Income REIT	618	2.26
1,212,261	Tritax Big Box REIT	1,680	6.14
	<b>UK CORPORATE BONDS (6.61%)</b>	<b>2,844</b>	<b>10.40</b>
365,937	iShares Corporate Bond Index Fund (UK)	526	1.92
2,607,939	Liontrust Sustainable Future Corporate Bond Fund+	2,318	8.48
	<b>UK GILTS (26.45%)</b>	<b>7,320</b>	<b>26.77</b>
2,658,272	iShares UK Gilts All Stocks Index Fund (UK)	3,722	13.61
36,412	Vanguard UK Government Bond Index Fund	3,598	13.16
	<b>Portfolio of investments</b>	<b>19,882</b>	<b>72.71</b>
	<b>Net other assets</b>	<b>7,462</b>	<b>27.29</b>
	<b>Total net assets</b>	<b>27,344</b>	<b>100.00</b>

Each holding listed above is either accumulation units of a Unit Trust or accumulation shares of an Open Ended Investment Company unless otherwise indicated.

Comparative figures shown in brackets relate to 31 December 2021.

Stocks shown as REITs represent Real Estate Investment Trust.

\* Investment Trust.

+ Managed by Liontrust Fund Partners LLP.

## MA Active Reserve Fund (continued)

## Statement of Total Return

for the year ended 31 December 2022

	Notes	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
Income					
Net capital losses	2		(7,474)		(496)
Revenue	3	818		1,098	
Expenses	4	(258)		(408)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation		560		690	
Taxation	5	(53)		(66)	
Net revenue after taxation			507		624
<b>Total return before distributions</b>			<b>(6,967)</b>		<b>128</b>
Distributions	7		(764)		(1,032)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(7,731)</b>		<b>(904)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2022

	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>46,742</b>		<b>64,965</b>
Amounts received on issue of shares	1,692		2,661	
Amounts paid on cancellation of shares	(14,071)		(20,944)	
		(12,379)		(18,283)
Dilution adjustment		1		1
Change in net assets attributable to shareholders from investment activities		(7,731)		(904)
Retained distributions on accumulation shares		711		963
<b>Closing net assets attributable to shareholders</b>		<b>27,344</b>		<b>46,742</b>

## MA Active Reserve Fund (continued)

### Balance Sheet

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		19,882	35,277
<b>Current assets:</b>			
Debtors	8	45	92
Cash and bank balances	9	26	865
Cash equivalents	9	7,568	10,614
<b>Total assets</b>		<b>27,521</b>	<b>46,848</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Distribution payable		(4)	(5)
Other creditors	10	(173)	(101)
<b>Total liabilities</b>		<b>(177)</b>	<b>(106)</b>
<b>Net assets attributable to shareholders</b>		<b>27,344</b>	<b>46,742</b>

## MA Active Reserve Fund (continued)

## Notes to the financial statements

for the year ended 31 December 2022

**1 Accounting policies**

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

**2 Net capital losses**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
The net capital losses comprise:		
Non-derivative securities*	(7,480)	(496)
ACD's charge rebates	6	–
<b>Net capital losses</b>	<b>(7,474)</b>	<b>(496)</b>

\* Includes realised losses of £682,000 and unrealised losses of £6,798,000 (2021: realised losses of £206,000 and unrealised losses of £290,000). The realised losses on investments in the accounting year to 31 December 2022 includes amounts previously recognised as unrealised gains/losses in the prior accounting year.

**3 Revenue**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Bank interest	1	–
Interest distributions on CIS holdings	165	164
Management fee rebates on CIS	13	29
Non-taxable overseas dividends	–	83
Taxable overseas dividends	276	357
UK dividends	100	106
UK REIT dividends	263	359
<b>Total revenue</b>	<b>818</b>	<b>1,098</b>



## MA Active Reserve Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 4 Expenses

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge	228	348
General administration charges*, **	29	29
	<b>257</b>	<b>377</b>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary fee	1	2
Safe custody fee	—	2
	<b>1</b>	<b>4</b>
<b>Other expenses:</b>		
Audit fee***	—	8
Registration fee	—	15
Other expenses	—	4
	<b>—</b>	<b>27</b>
<b>Total expenses</b>	<b>258</b>	<b>408</b>

\* From 1 July 2021 the ACD moved from variable to fixed Administration Fees.

\*\* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,050. Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

\*\*\* The audit fee for the prior year, excluding VAT, was £9,187.

## MA Active Reserve Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 5 Taxation

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>a) Analysis of charge in year</b>		
Corporation tax	53	72
Corporation tax prior year adjustment	–	(6)
<b>Total tax charge [see note(b)]</b>	<b>53</b>	<b>66</b>

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Net revenue before taxation	560	690
Corporation tax at 20% (2021 - 20%)	112	138
Effects of:		
Capitalised income subject to tax	1	–
Corporation tax prior year adjustment	–	(6)
Revenue not subject to tax	(20)	(38)
Tax deductible interest distributions	(40)	(28)
<b>Total tax charge [see note(a)]</b>	<b>53</b>	<b>66</b>

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

## 6 Interest payable and similar charges

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

## MA Active Reserve Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 7 Distributions

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
First Interim	190	321
Second Interim	308	218
Third Interim	128	332
Final	111	126
	<b>737</b>	<b>997</b>
Amounts deducted on cancellation of shares	31	41
Amounts received on issue of shares	(4)	(6)
<b>Distributions</b>	<b>764</b>	<b>1,032</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	507	624
Add: ACD's charge reimbursed by capital	228	348
Add: Other expenses reimbursed by capital	29	60
<b>Distributions</b>	<b>764</b>	<b>1,032</b>

The distribution per share is set out in the tables on pages 42 to 44.

## 8 Debtors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued management fee rebates on CIS	9	24
Accrued revenue	21	30
Amounts receivable for issue of shares	–	38
Income tax recoverable	15	–
<b>Total debtors</b>	<b>45</b>	<b>92</b>

## 9 Cash and bank balances

	31.12.2022 (£'000)	31.12.2021 (£'000)
Cash and bank balances	26	865
Cash equivalents	7,568	10,614
<b>Total cash and bank balances</b>	<b>7,594</b>	<b>11,479</b>

## MA Active Reserve Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 10 Creditors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued expenses	6	9
Accrued ACD's charge	15	25
Amounts payable for cancellation of shares	99	63
Corporation tax	53	4
<b>Total other creditors</b>	<b>173</b>	<b>101</b>

#### 11 Contingent liabilities and outstanding commitments

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

#### 12 Related party transactions

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 £17,000 (2021: £28,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £257,000 (2021: £377,000).

#### 13 Risk management policies

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

- units and shares in regulated collective investment schemes, securities and other investments;
- derivative transactions for efficient portfolio management purposes 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.

## MA Active Reserve Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that each collective investment scheme, investment trust or other investment vehicle has individual underlying asset types that 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.

Investments in Collective Investment Schemes with an exposure in emerging markets may be more volatile than investments in more developed markets from time to time, as some of these markets have relatively unstable economies based on only a few industries and securities markets that trade only a limited number of securities.

Investments in Collective Investment Schemes with an exposure in the shares of individual companies are subject to a wide range of risks that may cause their prices to fluctuate over time. The value of those financial instruments is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual instrument or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

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. The Sub-fund seeks to minimise all of the above mentioned risks by holding diversified portfolios of investments.

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 the Sub-fund performance changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year.

A 5% increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £1,373,000 (2021: £2,295,000). A 5% decrease would have an equal and opposite effect.

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 Gross Leverage.

In accordance with the Alternative Investment Funds Management Directive (AIFMD) we are required to disclose the 'leverage' of each sub-fund. Leverage is defined as any method by which the Sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways 'gross method' and 'commitment method' and the Sub-fund must not exceed maximum exposures under both methods. 'Gross method' exposure is calculated as the sum of all positions of the Sub-fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes. 'Commitment method' exposure is also calculated as the sum of all positions of the Sub-fund (both positive and negative), but after netting off any derivative and security positions as specified by AIFMD rules.

## MA Active Reserve Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

The Commitment exposure and the gross method leverage for the Sub-fund was:

	AIFM Gross Leverage 31.12.2022	AIFM Gross Leverage 31.12.2021	AIFM Commitment 31.12.2022	AIFM Commitment 31.12.2021
Liontrust MA Active Reserve Fund	99.90%	98.15%	100.00%	100.00%

For the calculation of commitment and gross method the following assumptions were taken:

- for AIFM purposes, money market funds are not assimilated to "cash equivalents". Only UK Treasuries with maturity less than 3 months are considered "cash equivalents".

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 invests predominantly in sterling denominated Collective Investment Schemes (CIS) that in turn invest in a range of instruments, some of which may be overseas and subject to foreign currency risk. 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.

Sub-funds which hold cash balances and invest in fixed interest securities will be subject to interest rate risk. As a result, the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates.



## MA Active Reserve Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Interest rate risk (continued)

The Sub-fund invests predominantly in CIS and therefore has no significant direct exposure to interest rate risk. As the Sub-fund has no direct exposure to interest rate risk no interest rate risk table or sensitivity analysis has been prepared, however the ACD may take a particular view on the interest rate movements and may alter investment strategies accordingly.

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

##### Liquidity risk

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

Sub-funds investing in smaller companies, emerging markets, high yield bonds, alternatives and property or OTC derivatives hold transferable securities that may be less liquid than the securities of larger companies as a result of lower trading volumes or restrictions on trading. The Sub-funds that invest in collective investment schemes that themselves may hold illiquid assets are also exposed to the risk of suspensions of dealing in those collective investment schemes.

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 (directly, or through purchasing the units of collective investment schemes, 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.

Sub-funds are also exposed to credit risk indirectly by the activities of collective investment schemes in which they invest. In general, the Company will only invest in regulated collective investment schemes and in any case the Investment Manager will ensure that underlying schemes have equivalent credit risk management processes in place to those described above.

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-funds' financial assets were past due or impaired.

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

## MA Active Reserve Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Counterparty credit risk (continued)

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

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

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

##### Maturity profile of financial liabilities

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

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

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

##### Valuation of financial investments

	Assets (£'000)	Liabilities (£'000)
<b>31.12.2022</b>		
Level 1: Quoted prices	5,799	—
Level 2: Observable market data	14,083	—
	<b>19,882</b>	<b>—</b>
<b>31.12.2021</b>		
Level 1: Quoted prices	11,138	—
Level 2: Observable market data	24,139	—
	<b>35,277</b>	<b>—</b>

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

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

Level 3: Valuation techniques using unobservable inputs.

## MA Active Reserve Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 14 Share movement

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
A Accumulation	9,413,293	966,370	(4,779,612)	(8,344)	5,591,707
A Income	657,491	74,310	(191,272)	—	540,529
R Accumulation	8,507,981	164,999	(1,796,968)	(17,229)	6,858,783
R Income	291,139	—	(291,139)	—	—
S Accumulation	19,950,219	253,219	(5,496,483)	18,738	14,725,693
S Income	753,537	29,549	(225,505)	—	557,581

## MA Active Reserve Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs

for the year ending 31 December 2022

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	509	–	–	3	0.59
Collective investment schemes	2,242	–	–	–	–
<b>Total purchases</b>	<b>2,751</b>	<b>–</b>		<b>3</b>	
<b>Total purchases including transaction costs</b>	<b>2,754</b>				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	3,181	2	0.06	–	–
Collective investment schemes	7,726	–	–	–	–
<b>Total sales</b>	<b>10,907</b>	<b>2</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>10,905</b>				
<b>Total transaction costs</b>		<b>2</b>		<b>3</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>-</b>		<b>0.01%</b>	

## MA Active Reserve Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	4,819	2	0.04	22	0.46
Collective investment schemes	2,099	–	–	–	–
<b>Total purchases</b>	<b>6,918</b>	<b>2</b>		<b>22</b>	
<b>Total purchases including transaction costs</b>	<b>6,942</b>				
Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	3,120	1	0.03	–	–
Collective investment schemes	21,262	2	0.01	–	–
<b>Total sales</b>	<b>24,382</b>	<b>3</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>24,379</b>				
<b>Total transaction costs</b>		<b>5</b>		<b>22</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.01%</b>		<b>0.04%</b>	

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

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

For the Sub-fund's investment 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 0.05% (2021: 0.03%).

## MA Active Reserve Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### **16 Post balance sheet events**

The Fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the S Accumulation share class has increased by 0.31% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.



## MA Active Reserve Fund (continued)

### Distribution Tables

for the year ended 31 December 2022

#### Final distribution

Group 1 - Shares purchased prior to 1 October 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2023 Pence per share	Distribution paid 28.2.2022 Pence per share
A Accumulation - Group 1	0.4599	—	0.4599	0.3689
A Accumulation - Group 2	0.1483	0.3116	0.4599	0.3689
A Income - Group 1	0.3642	—	0.3642	0.2985
A Income - Group 2	0.0535	0.3107	0.3642	0.2985
R Accumulation - Group 1	0.2509	—	0.2509	0.2021
R Accumulation - Group 2	0.1204	0.1305	0.2509	0.2021
R Income - Group 1+	—	—	—	0.1367
R Income - Group 2+	—	—	—	0.1367
S Accumulation - Group 1	0.4355	—	0.4355	0.3492
S Accumulation - Group 2	0.2259	0.2096	0.4355	0.3492
S Income - Group 1	0.3580	—	0.3580	0.2932
S Income - Group 2	0.0752	0.2828	0.3580	0.2932

+ Closed on 10 June 2022.

## MA Active Reserve Fund (continued)

### Distribution Tables (continued)

for the year ended 31 December 2022

#### Third interim distribution

Group 1 - Shares purchased prior to 1 July 2022

Group 2 - Shares purchased 1 July 2022 to 30 September 2022

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.11.2022 Pence per share	Distribution paid 30.11.2021 Pence per share
A Accumulation - Group 1	0.5030	—	0.5030	0.9106
A Accumulation - Group 2	0.4756	0.0274	0.5030	0.9106
A Income - Group 1	0.4002	—	0.4002	0.7412
A Income - Group 2	0.1392	0.2610	0.4002	0.7412
R Accumulation - Group 1	0.2747	—	0.2747	0.4992
R Accumulation - Group 2	0.2747	—	0.2747	0.4992
R Income - Group 1+	—	—	—	0.3398
R Income - Group 2+	—	—	—	0.3398
S Accumulation - Group 1	0.4763	—	0.4763	0.8617
S Accumulation - Group 2	0.2207	0.2556	0.4763	0.8617
S Income - Group 1	0.3933	—	0.3933	0.7281
S Income - Group 2	0.0433	0.3500	0.3933	0.7281

+ Closed on 10 June 2022.

#### Second interim distribution

Group 1 - Shares purchased prior to 1 April 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2022 Pence per share	Distribution paid 31.8.2021 Pence per share
A Accumulation - Group 1	1.0841	—	1.0841	0.5186
A Accumulation - Group 2	0.9876	0.0965	1.0841	0.5186
A Income - Group 1	0.8702	—	0.8702	0.4238
A Income - Group 2	0.7840	0.0862	0.8702	0.4238
R Accumulation - Group 1	0.5924	—	0.5924	0.2846
R Accumulation - Group 2	0.4890	0.1034	0.5924	0.2846
R Income - Group 1	—	—	—	0.1945
R Income - Group 2	—	—	—	0.1945
S Accumulation - Group 1	1.0263	—	1.0263	0.4908
S Accumulation - Group 2	0.9003	0.1260	1.0263	0.4908
S Income - Group 1	0.8551	—	0.8551	0.4162
S Income - Group 2	0.6391	0.2160	0.8551	0.4162

## MA Active Reserve Fund (continued)

## Distribution Tables (continued)

for the year ended 31 December 2022

## First interim distribution

Group 1 - Shares purchased prior to 1 January 2022

Group 2 - Shares purchased 1 January 2022 to 31 March 2022

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.5.2022 Pence per share	Distribution paid 31.5.2021 Pence per share
A Accumulation - Group 1	0.5842	—	0.5842	0.7235
A Accumulation - Group 2	0.3208	0.2634	0.5842	0.7235
A Income - Group 1	0.4710	—	0.4710	0.5949
A Income - Group 2	0.3172	0.1538	0.4710	0.5949
R Accumulation - Group 1	0.3196	—	0.3196	0.3963
R Accumulation - Group 2	0.0954	0.2242	0.3196	0.3963
R Income - Group 1	0.2155	—	0.2155	0.2709
R Income - Group 2	0.2155	—	0.2155	0.2709
S Accumulation - Group 1	0.5529	—	0.5529	0.6827
S Accumulation - Group 2	0.2428	0.3101	0.5529	0.6827
S Income - Group 1	0.4627	—	0.4627	0.5840
S Income - Group 2	0.1805	0.2822	0.4627	0.5840

\* 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.

# MA Diversified Global Income Fund

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

## Investment Objective

The Sub-fund seeks to provide income together with capital growth.

## Investment Policy

The Sub-fund is an actively managed fund of funds.

The Sub-fund invests at least 70% of its assets in other funds ("underlying funds") including funds which are traded on stock exchanges (investment trusts and exchange traded funds), other closed-ended funds and funds which are managed by the ACD or its associates.

The underlying funds will primarily (meaning at least 70%) invest globally in shares; debt instruments (bonds) issued by companies, governments and other institutions; and alternative assets such as infrastructure and specialist property (examples of which are transport facilities, telecommunication networks and water supplies).

The Sub-fund may also invest directly or indirectly (through underlying funds) in a range of asset classes and financial instruments including shares, bonds including those which can easily be converted into cash (money market instruments), freely transferable rights to buy other investments at a future date (warrants), financial contracts that derive their values from those of other investment instruments or indices (derivatives) and deposits.

The Sub-fund may also engage in stock-lending and borrowing.

When investing directly in debt instruments, the Sub-fund will favour investment grade securities (that is, securities with a credit rating of at least BBB- as rated by Standard and Poors, or Baa3 as rated by Moody's), but the Sub-fund may also invest in non-investment grade securities.

When required to manage liquidity, or the Sub-fund's risk, the Sub-fund may hold its assets in cash or deposits and money market instruments.

The Sub-fund may use derivatives to help achieve the investment objective (investment purposes) as well as to reduce risk or to manage the Sub-fund more efficiently (often referred to as "efficient portfolio management").

## MA Diversified Global Income Fund (continued)

### Investment review

#### Sub-fund review

*The Liontrust MA Diversified Global Income Fund closed on 18 October 2021 and will be terminated at a later date once the residual assets and liabilities have been settled.*

January 2023

## MA Diversified Global Income Fund (continued)

## Comparative Tables

for the year ended 31 December 2022

<b>A Accumulation</b> <b>Accounting year ended</b>	<b>31 December 2021+ per share (p)</b>	<b>31 December 2020 per share (p)</b>
<b>Change in net assets per share</b>		
Opening net asset value per share	116.38	117.97
Return before operating charges	7.66	(0.17)
Operating charges	(0.83)	(1.42)
Return after operating charges	6.83	(1.59)
Distributions	(5.48)	(5.53)
Retained distributions on accumulation shares	5.48	5.53
<b>Closing net asset value per share</b>	<b>123.21</b>	<b>116.38</b>
After direct transaction costs of*	(0.02)	(0.01)
<b>Performance</b>		
Return after charges	5.87%	(1.35%)
<b>Other information</b>		
Closing net asset value (£'000)	–	326
Closing number of shares	–	279,672
Operating charges**	0.86%	1.30%
Direct transaction costs*	0.02%	0.01%
<b>Prices</b>		
Highest share price	126.14	119.70
Lowest share price	115.80	90.82

+ Closed on 18 October 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Diversified Global Income Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

<b>A Income</b> <b>Accounting year ended</b>	<b>31 December 2021+ per share (p)</b>	<b>31 December 2020 per share (p)</b>
<b>Change in net assets per share</b>		
Opening net asset value per share	86.47	92.30
Return before operating charges	5.57	(0.55)
Operating charges	(0.57)	(1.09)
Return after operating charges	5.00	(1.64)
Distributions	(4.02)	(4.19)
Retained distributions on accumulation shares	—	—
<b>Closing net asset value per share</b>	<b>87.45</b>	<b>86.47</b>
After direct transaction costs of*	(0.02)	(0.01)
<b>Performance</b>		
Return after charges	5.78%	(1.78%)
<b>Other information</b>		
Closing net asset value (£'000)	—	173
Closing number of shares	—	200,161
Operating charges**	0.81%	1.30%
Direct transaction costs*	0.02%	0.01%
<b>Prices</b>		
Highest share price	91.77	93.78
Lowest share price	86.05	71.00

+ Closed on 18 October 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.



## MA Diversified Global Income Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

<b>S Accumulation</b> <b>Accounting year ended</b>	<b>31 December 2021+ per share (p)</b>	<b>31 December 2020 per share (p)</b>
<b>Change in net assets per share</b>		
Opening net asset value per share	117.28	118.87
Return before operating charges	7.59	(0.27)
Operating charges	(0.60)	(1.32)
Return after operating charges	6.99	(1.59)
Distributions	(5.51)	(5.45)
Retained distributions on accumulation shares	5.51	5.45
<b>Closing net asset value per share</b>	<b>124.27</b>	<b>117.28</b>
After direct transaction costs of*	(0.02)	(0.01)
<b>Performance</b>		
Return after charges	5.96%	(1.34%)
<b>Other information</b>		
Closing net asset value (£'000)	–	1,696
Closing number of shares	–	1,446,382
Operating charges**	0.62%	1.20%
Direct transaction costs*	0.02%	0.01%
<b>Prices</b>		
Highest share price	127.21	120.60
Lowest share price	116.71	91.52

+ Closed on 18 October 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Diversified Global Income Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

<b>S Income</b> <b>Accounting year ended</b>	<b>31 December 2021+ per share (p)</b>	<b>31 December 2020 per share (p)</b>
<b>Change in net assets per share</b>		
Opening net asset value per share	87.13	92.88
Return before operating charges	5.56	(0.53)
Operating charges	(0.46)	(1.02)
Return after operating charges	5.10	(1.55)
Distributions	(4.04)	(4.20)
Retained distributions on accumulation shares	—	—
<b>Closing net asset value per share</b>	<b>88.19</b>	<b>87.13</b>
After direct transaction costs of*	(0.02)	(0.01)
<b>Performance</b>		
Return after charges	5.85%	(1.67%)
<b>Other information</b>		
Closing net asset value (£'000)	—	6,573
Closing number of shares	—	7,544,336
Operating charges**	0.65%	1.20%
Direct transaction costs*	0.02%	0.01%
<b>Prices</b>		
Highest share price	92.52	94.36
Lowest share price	86.71	71.45

+ Closed on 18 October 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Diversified Global Income Fund (continued)

## Statement of Total Return

for the year ended 31 December 2022

	Notes	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
Income					
Net capital gains	2		–		255
Revenue	3	–		246	
Expenses	4	–		(39)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation		–		207	
Taxation	5	13		(10)	
Net revenue after taxation			13		197
<b>Total return before distributions</b>			<b>13</b>		<b>452</b>
Distributions	7		–		(236)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>13</b>		<b>216</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2022

	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Opening net assets attributable to shareholders</b>		–		<b>8,768</b>
Amounts received on issue of shares	–		139	
Amounts paid on cancellation of shares	–		(9,183)	
Amounts payable on termination	(13)		–	
		(13)		(9,044)
Dilution adjustment		–		5
Stamp duty reserve tax		–		4
Change in net assets attributable to shareholders from investment activities		13		216
Retained distributions on accumulation shares		–		51
<b>Closing net assets attributable to shareholders +</b>		<b>–</b>		<b>–</b>

+ The Liontrust Multi-Asset Diversified Global Income Fund closed on the 18 October 2021.

## MA Diversified Global Income Fund (continued)

## Balance Sheet

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
<b>Assets</b>			
Debtors	8	–	2
Cash and bank balances	9	18	17
<b>Total assets</b>		<b>18</b>	<b>19</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Distribution payable		–	(2)
Other creditors	10	(18)	(17)
<b>Total liabilities</b>		<b>(18)</b>	<b>(19)</b>
<b>Net assets attributable to shareholders</b>		<b>–</b>	<b>–</b>

## MA Diversified Global Income Fund (continued)

## Notes to the financial statements

for the year ended 31 December 2022

**1 Accounting policies**

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

**2 Net capital gains**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
The net capital gains comprise:		
Non-derivative securities*	–	252
ACD's charge rebates	–	3
<b>Net capital gains</b>	<b>–</b>	<b>255</b>

\* Includes realised losses of £7,000 and unrealised gains of £7,000 (2021: realised gains of £399,000 and unrealised losses of £147,000). The realised gains on investments in the accounting year to 31 December 2022 includes amounts previously recognised as unrealised gains/losses in the prior accounting year.

**3 Revenue**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Equity distributions on CIS holdings	–	73
Interest distributions on CIS holdings	–	2
Management fee rebates on CIS	–	5
Non-taxable overseas dividends	–	63
Taxable overseas dividends	–	92
UK dividends	–	2
UK REIT dividends	–	9
<b>Total revenue</b>	<b>–</b>	<b>246</b>

## MA Diversified Global Income Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 4 Expenses

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge	—	24
General administration charges*, **	—	3
	<b>—</b>	<b>27</b>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	—	2
	<b>—</b>	<b>2</b>
<b>Other expenses:</b>		
Audit fee***	—	8
Registration fee	—	2
	<b>—</b>	<b>10</b>
<b>Total expenses</b>	<b>—</b>	<b>39</b>

\* From 1 July 2021 the ACD moved from variable to fixed Administration Fees.

\*\* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £2,450. Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

\*\*\* The audit fee for the prior year, excluding VAT, was £6,891.

## MA Diversified Global Income Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 5 Taxation

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>a) Analysis of charge in year</b>		
Corporation tax	–	10
Corporation tax prior year adjustment	(13)	–
<b>Total tax (credit)/charge [see note(b)]</b>	<b>(13)</b>	<b>10</b>

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Net revenue before taxation	–	207
Corporation tax at 20% (2021 - 20%)	–	41
Effects of:		
Capitalised income subject to tax	–	1
Corporation tax prior year adjustment	(13)	(4)
Revenue not subject to tax	–	(28)
<b>Total tax (credit)/charge [see note(a)]</b>	<b>(13)</b>	<b>10</b>

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

## 6 Interest payable and similar charges

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

## MA Diversified Global Income Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 7 Distributions

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
First Interim	–	72
Second Interim	–	110
Third Interim	–	17
Final	–	5
	<b>–</b>	<b>204</b>
Amounts deducted on cancellation of shares	–	33
Amounts received on issue of shares	–	(1)
<b>Distributions</b>	<b>–</b>	<b>236</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	13	197
Income to capital transfer	(13)	–
Add: ACD's charge reimbursed by capital	–	24
Add: Other expenses reimbursed by capital	–	15
<b>Distributions</b>	<b>–</b>	<b>236</b>

The distribution per share is set out in the tables on pages 64 to 65.

## 8 Debtors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued management fee rebates on CIS	–	1
Income tax recoverable	–	1
<b>Total debtors</b>	<b>–</b>	<b>2</b>

## 9 Cash and bank balances

	31.12.2022 (£'000)	31.12.2021 (£'000)
Cash and bank balances	18	17
<b>Total cash and bank balances</b>	<b>18</b>	<b>17</b>



## MA Diversified Global Income Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 10 Creditors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued expenses	6	6
Amounts payable on termination	12	–
Corporation tax	–	11
<b>Total other creditors</b>	<b>18</b>	<b>17</b>

#### 11 Contingent liabilities and outstanding commitments

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

#### 12 Related party transactions

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 £Nil (2021: £Nil).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £Nil (2021: £27,000).

#### 13 Risk management policies

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

- units and shares in regulated collective investment schemes, securities and other investments;
- 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.

## MA Diversified Global Income Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 13 Risk management policies (continued)

**Market price risk**

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that each collective investment scheme, investment trust or other investment vehicle has individual underlying asset types that 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.

Investments in Collective Investment Schemes with an exposure in emerging markets may be more volatile than investments in more developed markets from time to time, as some of these markets have relatively unstable economies based on only a few industries and securities markets that trade only a limited number of securities.

Investments in Collective Investment Schemes with an exposure in the shares of individual companies are subject to a wide range of risks that may cause their prices to fluctuate over time. The value of those financial instruments is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual instrument or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

The Sub-fund held no investments at the end of the current or prior year and no market sensitivity has been included. As the Sub-fund held no investments at the end of the current or prior year no market price risk sensitivity analysis has been prepared.

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 Gross Leverage.

In accordance with the Alternative Investment Funds Management Directive (AIFMD) we are required to disclose the 'leverage' of each sub-fund. Leverage is defined as any method by which the Sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways 'gross method' and 'commitment method' and the Sub-fund must not exceed maximum exposures under both methods. 'Gross method' exposure is calculated as the sum of all positions of the Sub-fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes. 'Commitment method' exposure is also calculated as the sum of all positions of the Sub-fund (both positive and negative), but after netting off any derivative and security positions as specified by AIFMD rules.

The Commitment exposure and the gross method leverage for the Sub-fund was:

	AIFM Gross Leverage 31.12.2022	AIFM Gross Leverage 31.12.2021	AIFM Commitment 31.12.2022	AIFM Commitment 31.12.2021
Liontrust MA Diversified Global Income Fund	0.00%	100.00%	100.00%	100.00%

For the calculation of commitment and gross method the following assumptions were taken:

- for AIFM purposes, money market funds are not assimilated to "cash equivalents". Only UK Treasuries with maturity less than 3 months are considered "cash equivalents".

## MA Diversified Global Income Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

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.

Prior to its closure, the Sub-fund invested predominantly in sterling denominated Collective Investment Schemes (CIS) that in turn invest in a range of instruments, some of which may be overseas and subject to foreign currency risk. 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.

Sub-funds which hold cash balances and invest in fixed interest securities will be subject to interest rate risk. As a result, the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates.

Prior to its closure, the Sub-fund invested predominantly in CIS and therefore has no significant direct exposure to interest rate risk. As the Sub-fund has no direct exposure to interest rate risk no interest rate risk table or sensitivity analysis has been prepared, however the ACD may take a particular view on the interest rate movements and may alter investment strategies accordingly.

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

##### Liquidity risk

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

## MA Diversified Global Income Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Liquidity risk (continued)

Sub-funds investing in smaller companies, emerging markets, high yield bonds, alternatives and property or OTC derivatives hold transferable securities that may be less liquid than the securities of larger companies as a result of lower trading volumes or restrictions on trading. The Sub-funds that invest in collective investment schemes that themselves may hold illiquid assets are also exposed to the risk of suspensions of dealing in those collective investment schemes.

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 (directly, or through purchasing the units of collective investment schemes, 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.

Sub-funds are also exposed to credit risk indirectly by the activities of collective investment schemes in which they invest. In general, the Company will only invest in regulated collective investment schemes and in any case the Investment Manager will ensure that underlying schemes have equivalent credit risk management processes in place to those described above.

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

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

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

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

##### Maturity profile of financial liabilities

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

## MA Diversified Global Income Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

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

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**

The Fund closed on 18 October 2021 and therefore had no financial investments at the current year end.

#### 14 Share movement

All share classes of the sub-fund were fully liquidated on 18 October 2021.

## MA Diversified Global Income Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

**15 Portfolio transaction costs**  
for the year ending 31 December 2022

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
<b>Total purchases</b>	–	–		–	
<b>Total purchases including transaction costs</b>	–				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Collective investment schemes	1	–	–	–	–
<b>Total sales</b>	<b>1</b>	–		–	
<b>Total sales net of transaction costs</b>	<b>1</b>				
<b>Total transaction costs</b>		–		–	
<b>Total transaction costs as a % of average net assets</b>		–		–	

## MA Diversified Global Income Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Collective investment schemes	966	–	–	–	–
<b>Total purchases</b>	<b>966</b>	<b>–</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>966</b>				
Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	422	–	–	–	–
Collective investment schemes	9,519	1	0.01	–	–
<b>Total sales</b>	<b>9,941</b>	<b>1</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>9,940</b>				
<b>Total transaction costs</b>		<b>1</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.02%</b>		<b>–</b>	

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

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

For the Sub-fund's investment 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 0.00% (2021: 0.00%). The Fund closed on 18 October 2021 and there were no investments held at the current year end.

## MA Diversified Global Income Fund (continued)

### Distribution Tables

for the year ended 31 December 2022

#### Final/Special distribution

Group 1 - Shares purchased prior to 1 October 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2023 Pence per share	Distribution paid 27.1.2022 Pence per share
A Accumulation - Group 1	—	—	—	0.6621
A Accumulation - Group 2	—	—	—	0.6621
A Income - Group 1	—	—	—	0.4817
A Income - Group 2	—	—	—	0.4817
S Accumulation - Group 1	—	—	—	0.6678
S Accumulation - Group 2	—	—	—	0.6678
S Income - Group 1	—	—	—	0.4857
S Income - Group 2	—	—	—	0.4857

#### Third interim distribution

Group 1 - Shares purchased prior to 1 July 2022

Group 2 - Shares purchased 1 July 2022 to 30 September 2022

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.11.2022 Pence per share	Distribution paid 30.11.2021 Pence per share
A Accumulation - Group 1	—	—	—	2.2978
A Accumulation - Group 2	—	—	—	2.2978
A Income - Group 1	—	—	—	1.6716
A Income - Group 2	—	—	—	1.6716
S Accumulation - Group 1	—	—	—	2.3055
S Accumulation - Group 2	—	—	—	2.3055
S Income - Group 1	—	—	—	1.6773
S Income - Group 2	—	—	—	1.6773



## MA Diversified Global Income Fund (continued)

### Distribution Tables (continued)

for the year ended 31 December 2022

#### Second interim distribution

Group 1 - Shares purchased prior to 1 April 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2022 Pence per share	Distribution paid 31.8.2021 Pence per share
A Accumulation - Group 1	—	—	—	1.5345
A Accumulation - Group 2	—	—	—	1.5345
A Income - Group 1	—	—	—	1.1314
A Income - Group 2	—	—	—	1.1314
S Accumulation - Group 1	—	—	—	1.5438
S Accumulation - Group 2	—	—	—	1.5438
S Income - Group 1	—	—	—	1.1374
S Income - Group 2	—	—	—	1.1374

#### First interim distribution

Group 1 - Shares purchased prior to 1 January 2022

Group 2 - Shares purchased 1 January 2022 to 31 March 2022

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.5.2022 Pence per share	Distribution paid 31.5.2021 Pence per share
A Accumulation - Group 1	—	—	—	0.9855
A Accumulation - Group 2	—	—	—	0.9855
A Income - Group 1	—	—	—	0.7324
A Income - Group 2	—	—	—	0.7324
S Accumulation - Group 1	—	—	—	0.9949
S Accumulation - Group 2	—	—	—	0.9949
S Income - Group 1	—	—	—	0.7400
S Income - Group 2	—	—	—	0.7400

\* 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.

# MA Diversified Real Assets Fund

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

## Investment Objective

The Sub-fund seeks to achieve growth from a combination of income and capital growth.

## Investment Policy

The Sub-fund is an actively managed fund of funds.

The Sub-fund invests at least 70% of its assets in other funds (underlying funds) including funds which are traded on stock exchanges (investment trusts and exchange traded funds), other closed-ended funds and funds which are managed by the ACD or its associates.

The underlying funds will mainly (meaning at least 50%) invest in a range of real asset classes, which may include infrastructure, commodities, inflation linked assets and specialist property (examples of which are transport facilities, telecommunication networks and water supplies).

The Sub-fund may also invest directly or indirectly (through underlying funds) in a range of asset classes and financial instruments including limited partnership interests, shares, debt instruments (bonds) including those which can easily be converted into cash (money market instruments), freely transferrable rights to buy other investments at a future date (warrants), financial contracts that derive their values from those of other investment instruments or indices (derivatives) and deposits.

The Sub-fund may also engage in stock lending, and borrowing.

When required to manage liquidity, or the Sub-fund's risk, the Sub-fund may hold its assets in cash or deposits and money market instruments.

The Sub-fund may use derivatives to help achieve the investment objective (investment purposes) as well as to reduce risk or to manage the Sub-fund more efficiently (often referred to as "efficient portfolio management").

## MA Diversified Real Assets Fund (continued)

### Investment review

#### Sub-fund review

Financial markets were down in 2022 overall, but they did at least end with a positive performance in Q4 after a relentless stream of negative political and economic news for much of the year. Although the Omicron virus had been a worry going into the year, it was hoped that the pandemic would become less pernicious due to vaccinations and growing immunity. But as one black swan event subsided, another arose with Russia's invasion of Ukraine. Eventually, the bad news abated, and markets reached a nadir in October that has subsequently looked increasingly like a turning point.

With investor sentiment having reached extreme lows, the potential for positive surprises in 2023 is all the greater. A slowing economy is widely expected and the risk is that this will impact company earnings and their financial strength. However, we believe the global economy remains on a reasonably solid footing and we expect the downturn will be mild rather than deep and protracted. The re-opening of China following its draconian Covid lockdowns will also provide a boost to the global economy and trade.

The main focus for investors in 2022 had been how far central banks would hike interest rates in their efforts to control inflation and whether this would tip economies into recession. The pace of central bank tightening was indeed rapid, with the Federal Reserve instigating seven hikes. The European Central Bank (ECB) raised rates for the first time in more than a decade in July by 50 basis points (bps) as inflation soared to a record 8.6% in the eurozone.

The tenacity of the rate hikes impacted both equities and bonds. So much so that the benefits of diversification were noticeably absent. Equities, and particularly 'growth style' stocks that are priced according to longer-term future earnings, were badly hit but bonds suffered a historic sell off. Bonds would usually be expected to provide 'defensive ballast' during equity downturns, but it was a rare period of extreme stress in which normal asset class diversification temporarily broke down.

The obvious risk for financial markets in 2023 lies in unexpected rate hikes and slowing economic growth. But this risk reduces as inflation subsides. And there are growing signs that this is the case. US inflation was down to 6.5% in December after peaking at 9.1% in June. In the UK, it dipped from 11.1% in October to 10.5% in December. Even in the eurozone, where the ECB had warned investors not to expect rate rises to end early in 2023, inflation dropped from its 10.6% record high in October to 9.2% in December.

Financial assets are more attractively priced following the drawdowns they experienced in 2022. There is still a pervasive sense of uncertainty which will keep us 'neutral' in terms of our model limits, but we believe the outlook for equities is brighter and we are looking to raise exposure to them. We do not expect a bull market rally in 2023, but we do expect equities to regain some of their momentum. Our view on fixed income is also more positive, having been underweight the asset class for some time. We especially like the global high yield bond market, where we see attractive opportunities on a risk-return basis. The exposure that hampered our performance in 2022, including gilts, small caps and emerging market equities, together with increasing exposure to bonds, will be geared into a market recovery when it comes through.

Longer term, we see many financial assets reverting to their longer-term trend performances. But trying to predict and time asset class performances is a hazardous pursuit. A better approach is to diversify investment portfolios and reap rewards from across the asset classes.

#### Performance

In the twelve months to 31 December 2022, the Liontrust MA Diversified Real Assets Fund (A Accumulation) returned -9.7%\*.

*\*Source of discrete performance data: Financial Express, as at 31 December 2022.*

#### Sub-fund performance

In a year that saw drawdowns across many financial markets globally as central banks raised interest rates sharply and investors' risk appetite weakened, core infrastructure was the only one of the four key building blocks in our portfolio to deliver positive returns. Cyclical real assets and diversifiers delivered small negative returns of -1.1% and -0.6% respectively. However, specialist property was the largest detracted to overall performance. This contrasted with 2021, when all four building blocks performed positively.

## MA Diversified Real Assets Fund (continued)

### Investment review (continued)

#### Sub-fund performance (continued)

From a security and fund selection perspective, our holding in renewable infrastructure delivered the strongest contribution to performance in 2022. JLEN Environmental Assets, Greencoat UK Wind and Renewables Infrastructure were notable performers. Our allocations to commodities, specifically PIMCO GIS Commodity Real Returns, and iShares Physical Gold as a diversifier, were also positives.

However, core property weighed on performance, principally through speciality real estate investment trusts including Tritax Big Box, Tritax Eurobox, Home, Primary Health Properties, Civitas Social Housing and Supermarket Income. The Tritax REITs, which focus on the logistics sector, had been particularly strong performers in 2021.

Throughout the year, we adjusted the asset allocation of the funds to emphasise asset classes that we believe offer, in combination, the best risk-adjusted returns for the Sub-fund's risk profile. Within global property equity, we removed L&G Global Real Estate Dividend Index. We also removed Amedeo Air Four Plus and Doric Nimrod Air Two from asset leasing in cyclical real assets, and iShares US Mortgage Backed Securities and iShares \$ Development Bank Bonds from diversifiers.

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

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

### Material portfolio changes by value

#### Purchases

First Sentier Global Listed Infrastructure Fund  
Legg Mason ClearBridge Infrastructure Value Fund  
AXA World Funds - Global Flexible Property  
Home REIT  
Assura REIT  
iShares Physical Gold ETC  
iShares US Mortgage Backed UCITS ETF  
Primary Health Properties REIT  
Tritax Big Box REIT  
International Public Partnerships

#### Sales

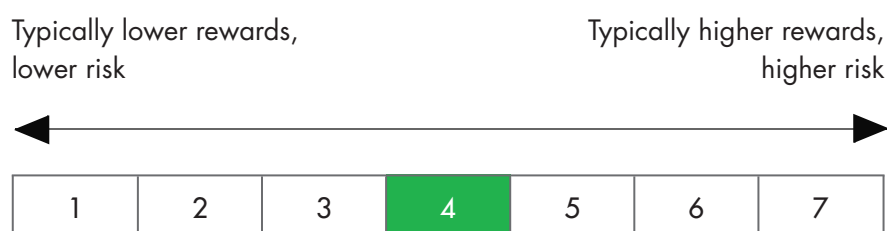
Legg Mason ClearBridge Infrastructure Value Fund  
iShares US Mortgage Backed UCITS ETF  
Legal & General Global Real Estate Dividend Index Fund  
iShares Physical Gold ETC  
First Sentier Global Listed Infrastructure Fund  
Insight High Grade ABS Fund  
AXA Global Flexible Property Fund  
Real Estate Credit Investments Fund  
MI TwentyFour - Monument Bond Fund  
PIMCO GIS Commodity Real Return Fund

## MA Diversified Real Assets Fund (continued)

### Investment review (continued)

#### Risk and Reward profile

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



- This 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 because of its exposure to a diversified portfolio of funds invested in real assets including infrastructure, commodities, inflation linked assets and specialist property.
- 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.
- Some of the underlying funds may invest in derivatives, which can, in certain circumstances, create wider fluctuations in their prices over time.
- Investments in emerging markets may involve a higher element of risk due to less well-regulated markets and political and economic instability. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- Liquidity Risk: if underlying funds suspend or defer the payment of redemption proceeds, the Sub-fund's ability to meet redemption requests may also be affected.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Index Tracking Risk: the performance of any passive funds used may not exactly track that of their indices.

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](http://www.liontrust.co.uk).

## MA Diversified Real Assets Fund (continued)

## Comparative Tables

for the year ended 31 December 2022

A Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	137.90	123.33	125.79
Return before operating charges	(11.53)	15.61	(1.28)
Operating charges	(2.09)	(1.04)	(1.18)
Return after operating charges	(13.62)	14.57	(2.46)
Distributions	(4.59)	(4.11)	(3.22)
Retained distributions on accumulation shares	4.59	4.11	3.22
<b>Closing net asset value per share</b>	<b>124.28</b>	<b>137.90</b>	<b>123.33</b>
After direct transaction costs of*	(0.11)	(0.07)	(0.08)
<b>Performance</b>			
Return after charges	(9.88%)	11.81%	(1.96%)
<b>Other information</b>			
Closing net asset value (£'000)	220,234	211,668	215,083
Closing number of shares	177,205,586	153,492,834	174,391,353
Operating charges**	1.56%	0.80%	0.98%
Direct transaction costs*	0.08%	0.05%	0.07%
<b>Prices</b>			
Highest share price	142.77	138.07	128.30
Lowest share price	119.02	121.85	104.60

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Diversified Real Assets Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

A Income Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	109.48	101.00	105.69
Return before operating charges	(9.03)	12.67	(1.19)
Operating charges	(1.65)	(0.85)	(0.99)
Return after operating charges	(10.68)	11.82	(2.18)
Distributions	(3.61)	(3.34)	(2.51)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>95.19</b>	<b>109.48</b>	<b>101.00</b>
After direct transaction costs of*	(0.09)	(0.06)	(0.07)
<b>Performance</b>			
Return after charges	(9.76%)	11.70%	(2.06%)
<b>Other information</b>			
Closing net asset value (£'000)	30,744	18,484	23,132
Closing number of shares	32,295,614	16,883,942	22,903,095
Operating charges**	1.56%	0.80%	0.98%
Direct transaction costs*	0.08%	0.05%	0.07%
<b>Prices</b>			
Highest share price	113.36	111.16	107.90
Lowest share price	92.90	99.84	87.98

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Diversified Real Assets Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

D Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	133.09	119.12	121.59
Return before operating charges	(11.09)	15.10	(1.21)
Operating charges	(2.15)	(1.13)	(1.26)
Return after operating charges	(13.24)	13.97	(2.47)
Distributions	(4.46)	(4.00)	(3.02)
Retained distributions on accumulation shares	4.46	4.00	3.02
<b>Closing net asset value per share</b>	<b>119.85</b>	<b>133.09</b>	<b>119.12</b>
After direct transaction costs of*	(0.11)	(0.07)	(0.08)
<b>Performance</b>			
Return after charges	(9.95%)	11.73%	(2.03%)
<b>Other information</b>			
Closing net asset value (£'000)	35,057	40,603	45,075
Closing number of shares	29,249,818	30,507,064	37,839,794
Operating charges**	1.66%	0.90%	1.08%
Direct transaction costs*	0.08%	0.05%	0.07%
<b>Prices</b>			
Highest share price	137.75	133.26	124.00
Lowest share price	114.80	117.67	101.20

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.



## MA Diversified Real Assets Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

D Income Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	106.58	98.43	103.09
Return before operating charges	(8.74)	12.35	(1.21)
Operating charges	(1.72)	(0.93)	(1.06)
Return after operating charges	(10.46)	11.42	(2.27)
Distributions	(3.55)	(3.27)	(2.39)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>92.57</b>	<b>106.58</b>	<b>98.43</b>
After direct transaction costs of*	(0.08)	(0.06)	(0.06)
<b>Performance</b>			
Return after charges	(9.81%)	11.60%	(2.20%)
<b>Other information</b>			
Closing net asset value (£'000)	5,201	9,955	9,246
Closing number of shares	5,618,168	9,340,757	9,394,159
Operating charges**	1.67%	0.90%	1.08%
Direct transaction costs*	0.08%	0.05%	0.07%
<b>Prices</b>			
Highest share price	110.32	108.22	105.10
Lowest share price	90.37	97.28	85.72

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

# MA Diversified Real Assets Fund (continued)

## Portfolio Statement

as at 31 December 2022

Holding/Nominal Value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>COLLECTIVE INVESTMENT SCHEMES (88.51%)</b>	<b>279,805</b>	<b>96.08</b>
	<b>ALTERNATIVES (14.78%)</b>	<b>53,947</b>	<b>18.52</b>
7,140,703	BBGI Global Infrastructure*	11,182	3.84
8,048,784	GCP Infrastructure Investments*	8,210	2.82
9,366,481	International Public Partnerships*	14,181	4.87
8,147,182	JLEN Environmental Assets*	9,728	3.34
8,189,262	Renewables Infrastructure*	10,646	3.65
	<b>ASSET BACKED SECURITIES (1.07%)</b>	<b>6,892</b>	<b>2.37</b>
3,118,194	Insight High Grade ABS Fund	3,429	1.18
3,434,113	MI TwentyFour - Monument Bond Fund^	3,463	1.19
	<b>ASSET LEASING (0.58%)</b>	<b>0</b>	<b>0.00</b>
	<b>COMMODITIES (10.79%)</b>	<b>34,859</b>	<b>11.97</b>
673,732	iShares Physical Gold ETC†	19,852	6.82
1,139,480	PIMCO GIS Commodity Real Return Fund	15,007	5.15
	<b>INFLATION (6.30%)</b>	<b>17,469</b>	<b>6.00</b>
736,462	Xtrackers II Global Inflation-Linked Bond UCITS ETF†	17,469	6.00
	<b>INFRASTRUCTURE (11.27%)</b>	<b>33,235</b>	<b>11.40</b>
7,811,664	Cordiant Digital Infrastructure	6,593	2.26
450,000	Cordiant Digital Infrastructure (German listing)	403	0.14
8,135,017	Hicl Infrastructure	13,179	4.52
414,871	Legg Mason ClearBridge Infrastructure Value Fund	8,858	3.04
4,489,148	Pantheon Infrastructure	4,202	1.44
	<b>INFRASTRUCTURE EQUITIES (4.12%)</b>	<b>16,684</b>	<b>5.73</b>
10,027,171	First Sentier Global Listed Infrastructure Fund	16,684	5.73
	<b>INFRASTRUCTURE RENEWABLE ENERGY (3.22%)</b>	<b>14,277</b>	<b>4.91</b>
6,567,107	Greencoat UK Wind*	9,982	3.43
4,252,815	VH Global Sustainable Energy Opportunities	4,295	1.48
	<b>PROPERTY (26.79%)</b>	<b>79,438</b>	<b>27.28</b>
30,871	Aegon Property Income Fund§	21	0.01
23,670,461	Assura REIT*	12,900	4.43

## MA Diversified Real Assets Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/Nominal Value	Stock description	Market value (£'000)	Percentage of total net assets (%)
<b>COLLECTIVE INVESTMENT SCHEMES (continued)</b>			
<b>PROPERTY (continued)</b>			
5,662,865	Civitas Social Housing REIT*	3,573	1.23
7,433,395	Home REIT	2,829	0.97
7,843,764	LXI REIT	8,832	3.03
11,194,566	Primary Health Properties REIT*	12,404	4.26
5,575,356	Real Estate Credit Investments Fund	7,360	2.53
8,184,543	Starwood European Real Estate Finance*	7,235	2.48
12,122,059	Supermarket Income REIT	12,243	4.20
8,687,840	Tritax Big Box REIT	12,041	4.14
<b>SPECIALIST PROPERTY (9.59%)</b>		<b>23,004</b>	<b>7.90</b>
146,674	AXA Global Flexible Property Fund	15,891	5.46
11,698,684	Tritax EuroBox	7,113	2.44
<b>Portfolio of investments</b>		<b>279,805</b>	<b>96.08</b>
<b>Net other assets</b>		<b>11,431</b>	<b>3.92</b>
<b>Total net assets</b>		<b>291,236</b>	<b>100.00</b>

Each holding listed above is either accumulation units of a Unit Trust or accumulation shares of an Open Ended Investment Company unless otherwise indicated.

Comparative figures shown in brackets relate to 31 December 2021.

Stocks shown as REITs represent Real Estate Investment Trust.

\* Investment Trust.

^ Income units or shares held.

§ The Aegon Property Income Fund closed on the 9th August 2021 and will return capital to shareholders as soon as practical.

† Exchange Traded Fund.

## MA Diversified Real Assets Fund (continued)

## Statement of Total Return

for the year ended 31 December 2022

	Notes	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
Income					
Net capital (losses)/gains	2		(50,694)		24,559
Revenue	3	11,440		9,086	
Expenses	4	(2,062)		(1,853)	
Interest payable and similar charges	6	(4)		(1)	
Net revenue before taxation		9,374		7,232	
Taxation	5	(367)		9	
Net revenue after taxation			9,007		7,241
<b>Total return before distributions</b>			<b>(41,687)</b>		<b>31,800</b>
Distributions	7		(11,069)		(9,094)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(52,756)</b>		<b>22,706</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2022

	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>280,710</b>		<b>292,536</b>
Amounts received on issue of shares	159,483		34,079	
Amounts paid on cancellation of shares	(106,359)		(76,702)	
		53,124		(42,623)
Dilution adjustment		239		45
Change in net assets attributable to shareholders from investment activities		(52,756)		22,706
Retained distributions on accumulation shares		9,919		8,046
<b>Closing net assets attributable to shareholders</b>		<b>291,236</b>		<b>280,710</b>

## MA Diversified Real Assets Fund (continued)

## Balance Sheet

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		279,805	248,463
<b>Current assets:</b>			
Debtors	8	1,211	1,069
Cash and bank balances	9	167	31,844
Cash equivalents	9	12,379	56
<b>Total assets</b>		<b>293,562</b>	<b>281,432</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Distribution payable		(687)	(402)
Other creditors	10	(1,639)	(320)
<b>Total liabilities</b>		<b>(2,326)</b>	<b>(722)</b>
<b>Net assets attributable to shareholders</b>		<b>291,236</b>	<b>280,710</b>

## MA Diversified Real Assets Fund (continued)

## Notes to the financial statements

for the year ended 31 December 2022

**1 Accounting policies**

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities *	(50,623)	24,563
Foreign currency losses **	(72)	(3)
Transaction costs	1	(1)
<b>Net capital (losses)/gains</b>	<b>(50,694)</b>	<b>24,559</b>

\* Includes realised losses of £5,004,000 and unrealised losses of £45,619,000 (2021: realised gains of £8,963,000 and unrealised gains of £15,600,000). The realised losses on investments in the accounting year to 31 December 2022 includes amounts previously recognised as unrealised gains/losses in the prior accounting year.

\*\* Includes realised losses of £129,000 and unrealised gains of £57,000 (2021: realised losses of £4,000 and unrealised gains of £1,000). The realised losses on currency in the accounting year to 31 December 2022 includes amounts previously recognised as unrealised gains/losses in the prior accounting year.

**3 Revenue**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Bank interest	35	–
Equity distributions on CIS holdings	1,746	1,326
Interest distributions on CIS holdings	195	67
Management fee rebates on CIS	28	22
Non-taxable overseas dividends	4,315	4,884
Taxable overseas dividends	1,207	340
UK dividends	1,515	524
UK REIT dividends	2,399	1,923
<b>Total revenue</b>	<b>11,440</b>	<b>9,086</b>

## MA Diversified Real Assets Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 4 Expenses

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge	1,811	1,626
General administration charges*, **	248	128
	<b>2,059</b>	<b>1,754</b>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary fee	3	11
Safe custody fee	—	9
	<b>3</b>	<b>20</b>
<b>Other expenses:</b>		
Audit fee***	—	8
Registration fee	—	71
	<b>—</b>	<b>79</b>
<b>Total expenses</b>	<b>2,062</b>	<b>1,853</b>

\* From 1 July 2021 the ACD moved from variable to fixed Administration Fees.

\*\* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,050. Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

\*\*\* The audit fee for the prior year, excluding VAT, was £9,187.

## MA Diversified Real Assets Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 5 Taxation

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>a) Analysis of charge in year</b>		
Corporation tax	360	99
Corporation tax prior year adjustment	7	(108)
<b>Total tax charge/(credit) [see note(b)]</b>	<b>367</b>	<b>(9)</b>

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Net revenue before taxation	9,374	7,232
Corporation tax at 20% (2021 - 20%)	1,875	1,446
Effects of:		
Corporation tax prior year adjustment	7	(108)
Revenue not subject to tax	(1,515)	(1,347)
<b>Total tax charge/(credit) [see note(a)]</b>	<b>367</b>	<b>(9)</b>

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

## 6 Interest payable and similar charges

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Overdraft interest	4	1
<b>Total interest payable and similar charges</b>	<b>4</b>	<b>1</b>



## MA Diversified Real Assets Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 7 Distributions

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Interim distribution	5,773	4,913
Final distribution	5,474	3,909
	<b>11,247</b>	<b>8,822</b>
Amounts deducted on cancellation of shares	1,131	596
Amounts received on issue of shares	(1,309)	(324)
<b>Distributions</b>	<b>11,069</b>	<b>9,094</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	9,007	7,241
Add: ACD's charge reimbursed by capital	1,811	1,626
Add: Other expenses reimbursed by capital	251	227
<b>Distributions</b>	<b>11,069</b>	<b>9,094</b>

The distribution per share is set out in the tables on page 91.

## 8 Debtors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued management fee rebates on CIS	6	18
Accrued revenue	541	185
Amounts receivable for issue of shares	215	539
Income tax recoverable	449	327
<b>Total debtors</b>	<b>1,211</b>	<b>1,069</b>

## 9 Cash and bank balances

	31.12.2022 (£'000)	31.12.2021 (£'000)
Cash and bank balances	167	31,844
Cash equivalents	12,379	56
<b>Total cash and bank balances</b>	<b>12,546</b>	<b>31,900</b>

## MA Diversified Real Assets Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 10 Creditors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued expenses	19	24
Accrued ACD's charge	136	129
Amounts payable for cancellation of shares	1,025	75
Corporation tax	459	92
<b>Total other creditors</b>	<b>1,639</b>	<b>320</b>

## 11 Contingent liabilities and outstanding commitments

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

## 12 Related party transactions

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 £150,000 (2021: £147,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £2,059,000 (2021: £1,754,000).

## 13 Risk management policies

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

- units and shares in regulated collective investment schemes, securities and other investments;
- 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.

## MA Diversified Real Assets Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that each collective investment scheme, investment trust or other investment vehicle has individual underlying asset types that 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.

Investments in Collective Investment Schemes with an exposure in emerging markets may be more volatile than investments in more developed markets from time to time, as some of these markets have relatively unstable economies based on only a few industries and securities markets that trade only a limited number of securities.

Investments in Collective Investment Schemes with an exposure in the shares of individual companies are subject to a wide range of risks that may cause their prices to fluctuate over time. The value of those financial instruments is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual instrument or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

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. The Sub-fund seeks to minimise all of the above mentioned risks by holding diversified portfolios of investments.

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 the Sub-fund performance changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year.

A 5% increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £14,609,000 (2021: £12,426,000). A 5% decrease would have an equal and opposite effect.

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 Gross Leverage.

In accordance with the Alternative Investment Funds Management Directive (AIFMD) we are required to disclose the 'leverage' of each sub-fund. Leverage is defined as any method by which the Sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways 'gross method' and 'commitment method' and the Sub-fund must not exceed maximum exposures under both methods. 'Gross method' exposure is calculated as the sum of all positions of the Sub-fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes. 'Commitment method' exposure is also calculated as the sum of all positions of the Sub-fund (both positive and negative), but after netting off any derivative and security positions as specified by AIFMD rules.

## MA Diversified Real Assets Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

The Commitment exposure and the gross method leverage for the Sub-fund was:

	AIFM Gross Leverage 31.12.2022	AIFM Gross Leverage 31.12.2021	AIFM Commitment 31.12.2022	AIFM Commitment 31.12.2021
Liontrust MA Diversified Real Assets Fund	99.94%	88.66%	100.00%	100.00%

For the calculation of commitment and gross method the following assumptions were taken:

- for AIFM purposes, money market funds are not assimilated to "cash equivalents". Only UK Treasuries with maturity less than 3 months are considered "cash equivalents".

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 invests predominantly in sterling denominated Collective Investment Schemes (CIS) that in turn invest in a range of instruments, some of which may be overseas and subject to foreign currency risk. 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.

Sub-funds which hold cash balances and invest in fixed interest securities will be subject to interest rate risk. As a result, the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates.

## MA Diversified Real Assets Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Interest rate risk (continued)

The Sub-fund invests predominantly in CIS and therefore has no significant direct exposure to interest rate risk. As the Sub-fund has no direct exposure to interest rate risk no interest rate risk table or sensitivity analysis has been prepared, however the ACD may take a particular view on the interest rate movements and may alter investment strategies accordingly.

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

##### Liquidity risk

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

Sub-funds investing in smaller companies, emerging markets, high yield bonds, alternatives and property or OTC derivatives hold transferable securities that may be less liquid than the securities of larger companies as a result of lower trading volumes or restrictions on trading. The Sub-funds that invest in collective investment schemes that themselves may hold illiquid assets are also exposed to the risk of suspensions of dealing in those collective investment schemes.

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 (directly, or through purchasing the units of collective investment schemes, 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.

Sub-funds are also exposed to credit risk indirectly by the activities of collective investment schemes in which they invest. In general, the Company will only invest in regulated collective investment schemes and in any case the Investment Manager will ensure that underlying schemes have equivalent credit risk management processes in place to those described above.

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-funds' financial assets were past due or impaired.

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

## MA Diversified Real Assets Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Counterparty credit risk (continued)

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

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

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

##### Maturity profile of financial liabilities

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

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

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

## MA Diversified Real Assets Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 13 Risk management policies (continued)

## Valuation of financial investments

	Assets (£'000)	Liabilities (£'000)
<b>31.12.2022</b>		
Level 1: Quoted prices	149,124	—
Level 2: Observable market data	130,660	—
Level 3: Unobservable data	21	—
	<b>279,805</b>	<b>—</b>
<b>31.12.2021</b>		
Level 1: Quoted prices	129,538	—
Level 2: Observable market data	118,846	—
Level 3: Unobservable data	79	—
	<b>248,463</b>	<b>—</b>

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

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

Level 3: Valuation techniques using unobservable inputs.\*

\*The current and prior year level 3 balances represent the Aegon Property Income Fund which closed on 9 August 2021 and at the current and prior year end was in liquidation. Aegon has continued to publish a daily valuation share price for the fund during its suspension and liquidation and the valuation of the holding at the current and prior year end reflects the published share price with no discount applied.

## 14 Share movement

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
A Accumulation	153,492,834	95,840,197	(71,942,394)	(185,051)	177,205,586
A Income	16,883,942	18,209,932	(3,078,194)	279,934	32,295,614
D Accumulation	30,507,064	6,307,259	(7,533,595)	(30,910)	29,249,818
D Income	9,340,757	1,197,425	(4,915,078)	(4,936)	5,618,168

## MA Diversified Real Assets Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs

for the year ending 31 December 2022

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	44,925	23	0.05	171	0.38
Collective investment schemes	85,094	21	0.02	42	0.05
<b>Total purchases</b>	<b>130,019</b>	<b>44</b>		<b>213</b>	
<b>Total purchases including transaction costs</b>	<b>130,276</b>				
Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	3,539	2	0.06	–	–
Collective investment schemes	45,808	5	0.01	–	–
<b>Total sales</b>	<b>49,347</b>	<b>7</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>49,340</b>				
<b>Total transaction costs</b>		<b>51</b>		<b>213</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.02%</b>		<b>0.06%</b>	



## MA Diversified Real Assets Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	32,399	14	0.04	114	0.35
Collective investment schemes	25,333	2	0.01	11	0.04
<b>Total purchases</b>	<b>57,732</b>	<b>16</b>		<b>125</b>	
<b>Total purchases including transaction costs</b>	<b>57,873</b>				
Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	12,370	–	–	–	–
Collective investment schemes	113,612	13	0.01	–	–
<b>Total sales</b>	<b>125,982</b>	<b>13</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>125,969</b>				
<b>Total transaction costs</b>		<b>29</b>		<b>125</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.01%</b>		<b>0.04%</b>	

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

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

For the Sub-fund's investment 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 0.50% (2021: 0.23%).

### MA Diversified Real Assets Fund (continued)

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

for the year ended 31 December 2022

#### **16 Post balance sheet events**

The Fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the A Accumulation share class has decreased by 1.19% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

## MA Diversified Real Assets Fund (continued)

### Distribution Tables

for the year ended 31 December 2022

#### Final distribution

Group 1 - Shares purchased prior to 1 July 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2023 Pence per share	Distribution paid 28.2.2022 Pence per share
A Accumulation - Group 1	2.3285	—	2.3285	1.9149
A Accumulation - Group 2	1.3317	0.9968	2.3285	1.9149
A Income - Group 1	1.8175	—	1.8175	1.5413
A Income - Group 2	0.7960	1.0215	1.8175	1.5413
D Accumulation - Group 1	2.2589	—	2.2589	1.8615
D Accumulation - Group 2	1.4959	0.7630	2.2589	1.8615
D Income - Group 1	1.7784	—	1.7784	1.5118
D Income - Group 2	0.9157	0.8627	1.7784	1.5118

#### Interim distribution

Group 1 - Shares purchased prior to 1 January 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2022 Pence per share	Distribution paid 31.8.2021 Pence per share
A Accumulation - Group 1	2.2652	—	2.2652	2.1975
A Accumulation - Group 2	1.0358	1.2294	2.2652	2.1975
A Income - Group 1	1.7971	—	1.7971	1.8014
A Income - Group 2	0.7533	1.0438	1.7971	1.8014
D Accumulation - Group 1	2.1997	—	2.1997	2.1375
D Accumulation - Group 2	0.6570	1.5427	2.1997	2.1375
D Income - Group 1	1.7675	—	1.7675	1.7617
D Income - Group 2	0.7925	0.9750	1.7675	1.7617

\* 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.

# MA Passive Dynamic Fund

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

## Investment Objective

The Sub-fund seeks to achieve capital growth and income with a high level of volatility (risk), having a risk profile of 7, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest.

## Investment Policy

The Sub-fund is an actively managed fund of funds.

The Sub-fund invests at least 70% of its assets in other funds (underlying funds), including funds which are traded on stock exchanges (investment trusts and exchange traded funds), other closed-ended funds and funds managed by the ACD or its associates.

The underlying funds will invest globally (including in emerging markets) in a range of asset classes and financial instruments including shares, debt instruments (bonds) including those which can easily be converted into cash (money market instruments), freely transferable rights to buy other investments at a future date (warrants), financial contracts that derive their values from those of other investment instruments or indices (derivatives) and deposits.

The underlying funds will where practicably possible be passive funds, meaning they seek to track investment indices.

The Sub-fund may also invest directly in the above asset classes and financial instruments when there are specific benefits in doing so.

Further, the Sub-fund may also obtain indirect exposure to property through investment in Real Estate Investment Trusts (REITs) and shares in property investment companies, and may engage in stock-lending and borrowing.

When required to manage liquidity, or the Sub-fund's risk, the Sub-fund may hold its assets in cash or deposits and money market instruments.

The Sub-fund may use derivatives to help achieve the investment objective (investment purposes) as well as to reduce risk or to manage the Sub-fund more efficiently (often referred to as "efficient portfolio management").

The Sub-fund aims to take a high level of risk in achieving its investment objective. The Sub-fund's investments are combined together in different proportions as determined by the ACD based on asset risk profiles set by an external risk modelling company. The riskiness of different combinations and proportions of types of investment are measured by predicting how they might behave over a 15 year period. The risk modelling company assigns each combination of assets to one of seven risk profiles, ranging from 1, which reflects the risk of holding cash in bank accounts, to 7, which is the riskiest profile. The Sub-fund has a risk profile of 7, which means it will typically have greater exposure to higher risk assets than other Sub-funds in the Company which have a lower risk profile. Typically shares, certain types of bonds, or exposure to property/commodities will be classified as higher risk assets, whilst certain other bonds, cash and near cash (money market instruments, deposits and money market funds) will be classified as lower risk assets.

The actual investments of the Sub-fund are not chosen by the risk modelling company and the ACD retains the discretion to select the Sub-fund's investments.

There is no guarantee that the Sub-fund's performance will reflect the behaviour of assets used to create the risk profile.

## MA Passive Dynamic Fund (continued)

### Investment review

#### Sub-fund review

Financial markets were down in 2022 overall, but they did at least end with a positive performance in Q4 after a relentless stream of negative political and economic news for much of the year. Although the Omicron virus had been a worry going into the year, it was hoped that the pandemic would become less pernicious due to vaccinations and growing immunity. But as one black swan event subsided, another arose with Russia's invasion of Ukraine. Eventually, the bad news abated, and markets reached a nadir in October that has subsequently looked increasingly like a turning point.

With investor sentiment having reached extreme lows, the potential for positive surprises in 2023 is all the greater. A slowing economy is widely expected and the risk is that this will impact company earnings and their financial strength. However, we believe the global economy remains on a reasonably solid footing and we expect the downturn will be mild rather than deep and protracted. The re-opening of China following its draconian Covid lockdowns will also provide a boost to the global economy and trade.

The main focus for investors in 2022 had been how far central banks would hike interest rates in their efforts to control inflation and whether this would tip economies into recession. The pace of central bank tightening was indeed rapid, with the Federal Reserve instigating seven hikes. The European Central Bank (ECB) raised rates for the first time in more than a decade in July by 50bps as inflation soared to a record 8.6% in the eurozone.

The tenacity of the rate hikes impacted both equities and bonds. So much so that the benefits of diversification were noticeably absent. Equities, and particularly 'growth style' stocks that are priced according to longer-term future earnings, were badly hit but bonds suffered a historic sell off. Bonds would usually be expected to provide 'defensive ballast' during equity downturns, but it was a rare period of extreme stress in which normal asset class diversification temporarily broke down.

The obvious risk for financial markets in 2023 lies in unexpected rate hikes and slowing economic growth. But this risk reduces as inflation subsides. And there are growing signs that this is the case. US inflation was down to 6.5% in December after peaking at 9.1% in June. In the UK, it dipped from 11.1% in October to 10.5% in December. Even in the eurozone, where the ECB had warned investors not to expect rate rises to end early in 2023, inflation dropped from its 10.6% record high in October to 9.2% in December.

Financial assets are more attractively priced following the drawdowns they experienced in 2022. There is still a pervasive sense of uncertainty which will keep us 'neutral' in terms of our model limits, but we believe the outlook for equities is brighter and we are looking to raise exposure to them. We do not expect a bull market rally in 2023, but we do expect equities to regain some of their momentum. Our view on fixed income is also more positive, having been underweight the asset class for some time. We especially like the global high yield bond market, where we see attractive opportunities on a risk-return basis. The exposure that hampered our performance in 2022, including gilts, small caps and emerging market equities, together with increasing exposure to bonds, will be geared into a market recovery when it comes through.

Longer term, we see many financial assets reverting to their longer-term trend performances. But trying to predict and time asset class performances is a hazardous pursuit. A better approach is to diversify investment portfolios and reap rewards from across the asset classes.

#### Performance

In the twelve months to 31 December 2022, the Liontrust MA Passive Dynamic Fund (S Accumulation) returned -6.6%\*.

*\*Source of discrete performance data: Financial Express, as at 31 December 2022. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

#### Sub-fund performance

To satisfy the Sub-fund's risk profile, the Sub-fund is almost exclusively invested in equities, with an extremely small exposure to property.

Equity markets were broadly negative over the year, which detracted significantly from performance, especially the North America and emerging markets regions. The relatively best-performing region was the UK, with Vanguard FTSE UK All Share and iShares UK Equity delivering positive returns.

## MA Passive Dynamic Fund (continued)

### Investment review (continued)

#### Sub-fund performance (continued)

Throughout the year the asset allocation of the funds is adjusted to emphasise asset classes that are expected to offer, in combination, the best risk-adjusted returns for the mid-point of the Sub-fund's risk profile. Over the period, we opened positions in L&G Emerging Markets Equity Index, L&G US Index, HSBC American Index, HSBC FTSE All Share Index, L&G UK Index, iShares Continental European Equity, HSBC European Index and L&G Global Emerging Markets Index. Funds that we removed included L&G Global Emerging Markets Index, Vanguard US Equity, iShares US Equity, Vanguard FTSE UK All Share, Vanguard FTSE Developed ex UK Equity, Vanguard Japan Stock and Vanguard Emerging Markets Stock.

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

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

#### Material portfolio changes by value

##### Purchases

Legal & General US Index Trust  
 HSBC Index Tracker Investment Funds - American Index Fund  
 Legal & General Emerging Markets Equity Index Fund  
 Legal & General UK Index Trust  
 iShares Continental European Equity Index Fund (UK)  
 iShares Emerging Markets Equity Index Fund (UK)  
 iShares Japan Equity Index Fund (UK)  
 Legal & General Global Emerging Markets Index Fund  
 HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund  
 HSBC Index Tracker Investment Funds - European Index Fund

##### Sales

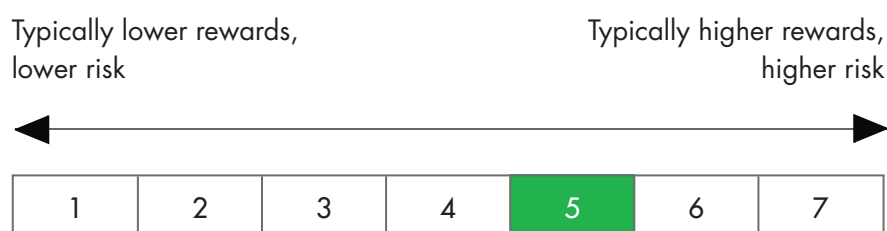
Vanguard US Equity Index Fund  
 iShares US Equity Index Fund (UK)  
 Vanguard FTSE Developed Europe ex UK Equity Index Fund  
 Vanguard FTSE UK All Share Index Unit Trust  
 Vanguard Emerging Markets Stock Index Fund  
 Legal & General US Index Trust  
 iShares Emerging Markets Equity Index Fund (UK)  
 Legal & General Global Emerging Markets Index Fund  
 Vanguard Japan Stock Index Fund  
 HSBC Index Tracker Investment Funds - American Index Fund

## MA Passive Dynamic Fund (continued)

### Investment review (continued)

#### Risk and Reward profile

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



- This 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 risk profile used by Liontrust to produce the long-term asset allocation differs from the Synthetic Risk and Reward Indicator, shown elsewhere in this document, so the two rankings may not be the same.
- The Sub-fund is categorised 5 primarily for its exposure to a diversified portfolio of funds invested in mainly equities with some fixed income and other asset classes.
- 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.
- Some of the underlying funds may invest in derivatives, which can, in certain circumstances, create wider fluctuations in their prices over time.
- Investments in emerging markets may involve a higher element of risk due to less well regulated markets and political and economic instability. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- Liquidity Risk: if underlying funds suspend or defer the payment of redemption proceeds, the Sub-fund's ability to meet redemption requests may also be affected.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Index Tracking Risk: the performance of any passive funds used may not exactly track that of their indices.

### MA Passive Dynamic 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 on page 1) or online at [www.liontrust.co.uk](http://www.liontrust.co.uk).



## MA Passive Dynamic Fund (continued)

## Comparative Tables

for the year ended 31 December 2022

A Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	222.39	195.42	184.20
Return before operating charges	(12.79)	28.28	12.35
Operating charges	(1.26)	(1.31)	(1.13)
Return after operating charges	(14.05)	26.97	11.22
Distributions	(3.24)	(3.17)	(2.59)
Retained distributions on accumulation shares	3.24	3.17	2.59
<b>Closing net asset value per share</b>	<b>208.34</b>	<b>222.39</b>	<b>195.42</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(6.32%)	13.80%	6.09%
<b>Other information</b>			
Closing net asset value (£'000)	3,025	3,442	2,304
Closing number of shares	1,452,186	1,547,541	1,178,727
Operating charges**	0.60%	0.62%	0.65%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	223.84	226.24	196.20
Lowest share price	197.76	194.40	139.10

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Dynamic Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

D Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	197.86	173.60	163.39
Return before operating charges	(11.39)	25.14	10.98
Operating charges	(0.84)	(0.88)	(0.77)
Return after operating charges	(12.23)	24.26	10.21
Distributions	(3.16)	(3.10)	(2.53)
Retained distributions on accumulation shares	3.16	3.10	2.53
<b>Closing net asset value per share</b>	<b>185.63</b>	<b>197.86</b>	<b>173.60</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(6.18%)	13.97%	6.25%
<b>Other information</b>			
Closing net asset value (£'000)	2,493	2,682	2,511
Closing number of shares	1,343,205	1,355,594	1,446,573
Operating charges**	0.45%	0.47%	0.50%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	199.15	201.24	174.30
Lowest share price	176.15	172.70	123.40

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Dynamic Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

R Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	199.92	176.63	167.42
Return before operating charges	(11.50)	25.52	11.11
Operating charges	(2.16)	(2.23)	(1.90)
Return after operating charges	(13.66)	23.29	9.21
Distributions	(1.86)	(1.83)	(1.48)
Retained distributions on accumulation shares	1.86	1.83	1.48
<b>Closing net asset value per share</b>	<b>186.26</b>	<b>199.92</b>	<b>176.63</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(6.83%)	13.19%	5.50%
<b>Other information</b>			
Closing net asset value (£'000)	1,723	1,616	1,265
Closing number of shares	924,838	808,468	716,336
Operating charges**	1.15%	1.17%	1.20%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	201.21	203.51	177.30
Lowest share price	177.01	175.70	126.30

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Dynamic Fund (continued)

### Comparative Tables (continued)

for the year ended 31 December 2022

S Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	204.18	179.06	168.44
Return before operating charges	(11.74)	25.93	11.34
Operating charges	(0.77)	(0.81)	(0.72)
Return after operating charges	(12.51)	25.12	10.62
Distributions	(3.36)	(3.29)	(2.70)
Retained distributions on accumulation shares	3.36	3.29	2.70
<b>Closing net asset value per share</b>	<b>191.67</b>	<b>204.18</b>	<b>179.06</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(6.13%)	14.03%	6.30%
<b>Other information</b>			
Closing net asset value (£'000)	35,110	35,225	30,524
Closing number of shares	18,318,121	17,251,698	17,047,085
Operating charges**	0.40%	0.42%	0.45%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	205.52	207.66	179.70
Lowest share price	181.86	178.10	127.20

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Dynamic Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

Z Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	230.23	201.40	188.99
Return before operating charges	(13.25)	29.20	12.76
Operating charges	(0.33)	(0.37)	(0.35)
Return after operating charges	(13.58)	28.83	12.41
Distributions	(4.34)	(4.25)	(3.47)
Retained distributions on accumulation shares	4.34	4.25	3.47
<b>Closing net asset value per share</b>	<b>216.65</b>	<b>230.23</b>	<b>201.40</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(5.90%)	14.31%	6.57%
<b>Other information</b>			
Closing net asset value (£'000)	9,568	9,551	8,591
Closing number of shares	4,416,247	4,148,448	4,265,715
Operating charges**	0.15%	0.17%	0.20%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	231.74	234.08	202.10
Lowest share price	205.46	200.30	142.80

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

# MA Passive Dynamic Fund (continued)

## Portfolio Statement

as at 31 December 2022

Holding/Nominal Value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>COLLECTIVE INVESTMENT SCHEMES (98.55%)</b>	<b>50,677</b>	<b>97.61</b>
	<b>ASIA PACIFIC EXCLUDING JAPAN EQUITIES (6.02%)</b>	<b>2,981</b>	<b>5.74</b>
208,739	HSBC Index Tracker Investment Funds - Pacific Index Fund	1,047	2.02
899,088	Legal & General Pacific Index Trust	1,934	3.72
	<b>EMERGING MARKETS EQUITIES (19.15%)</b>	<b>10,715</b>	<b>20.64</b>
3,062,696	iShares Emerging Markets Equity Index Fund (UK)	5,551	10.69
4,716,963	Legal & General Emerging Markets Equity Index Fund	5,164	9.95
	<b>EUROPE EXCLUDING UK EQUITIES (10.59%)</b>	<b>5,187</b>	<b>9.98</b>
170,115	HSBC Index Tracker Investment Funds - European Index Fund	1,929	3.71
1,030,403	iShares Continental European Equity Index Fund (UK)	3,258	6.27
	<b>JAPAN EQUITIES (10.78%)</b>	<b>7,213</b>	<b>13.90</b>
1,271,320	HSBC Index Tracker Investment Funds - Japan Index Fund	1,784	3.44
2,175,685	iShares Japan Equity Index Fund (UK)	5,429	10.46
	<b>NORTH AMERICA EQUITIES (31.77%)</b>	<b>13,205</b>	<b>25.44</b>
569,525	HSBC Index Tracker Investment Funds - American Index Fund	5,060	9.75
964,477	Legal & General US Index Trust	8,145	15.69
	<b>PROPERTY (0.02%)</b>	<b>2</b>	<b>0.00</b>
3,271	Aegon Property Income Fund§	2	0.00
	<b>UK EQUITIES (20.22%)</b>	<b>11,374</b>	<b>21.91</b>
336,496	HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund	2,332	4.49
1,673,503	iShares UK Equity Index Fund (UK)	4,402	8.48
1,287,494	Legal & General UK Index Trust	4,640	8.94
	<b>Portfolio of investments</b>	<b>50,677</b>	<b>97.61</b>
	<b>Net other assets</b>	<b>1,242</b>	<b>2.39</b>
	<b>Total net assets</b>	<b>51,919</b>	<b>100.00</b>

## MA Passive Dynamic Fund (continued)

### Portfolio Statement (continued)

as at 31 December 2022

Each holding listed above is either accumulation units of a Unit Trust or accumulation shares of an Open Ended Investment Company unless otherwise indicated.

Comparative figures shown in brackets relate to 31 December 2021.

§ The Aegon Property Income Fund closed on the 9th August 2021 and will return capital to shareholders as soon as practical.

# MA Passive Dynamic Fund (continued)

## Statement of Total Return

for the year ended 31 December 2022

	Notes	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
Income					
Net capital (losses)/gains	2		(4,178)		5,807
Revenue	3	1,062		1,044	
Expenses	4	(164)		(179)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation		898		865	
Taxation	5	–		–	
Net revenue after taxation			898		865
<b>Total return before distributions</b>			<b>(3,280)</b>		<b>6,672</b>
Distributions	7		(898)		(865)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(4,178)</b>		<b>5,807</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2022

	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>52,516</b>		<b>45,195</b>
Amounts received on issue of shares	9,905		13,733	
Amounts paid on cancellation of shares	(7,229)		(13,085)	
		2,676		648
Dilution adjustment		–		2
Change in net assets attributable to shareholders from investment activities		(4,178)		5,807
Retained distributions on accumulation shares		905		864
<b>Closing net assets attributable to shareholders</b>		<b>51,919</b>		<b>52,516</b>



## MA Passive Dynamic Fund (continued)

## Balance Sheet

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		50,677	51,755
<b>Current assets:</b>			
Debtors	8	33	102
Cash and bank balances	9	10	1,219
Cash equivalents	9	1,229	–
<b>Total assets</b>		<b>51,949</b>	<b>53,076</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	10	(30)	(560)
<b>Total liabilities</b>		<b>(30)</b>	<b>(560)</b>
<b>Net assets attributable to shareholders</b>		<b>51,919</b>	<b>52,516</b>

## MA Passive Dynamic Fund (continued)

## Notes to the financial statements

for the year ended 31 December 2022

**1 Accounting policies**

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities *	(4,178)	5,807
<b>Net capital (losses)/gains</b>	<b>(4,178)</b>	<b>5,807</b>

\* Includes realised gains of £7,279,000 and unrealised losses of £11,457,000 (2021: realised gains of £2,175,000 and unrealised gains of £3,632,000). The realised losses on investments in the accounting year to 31 December 2022 includes amounts previously recognised as unrealised gains/losses in the prior accounting year.

**3 Revenue**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Bank interest	2	–
Equity distributions on CIS holdings	1,037	716
Interest distributions on CIS holdings	4	–
Management fee rebates on CIS	38	51
Non-taxable overseas dividends	(21)	277
Taxable overseas dividends	2	–
<b>Total revenue</b>	<b>1,062</b>	<b>1,044</b>

## MA Passive Dynamic Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 4 Expenses

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge	124	123
General administration charges*, **	40	32
	<b>164</b>	<b>155</b>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary fee	—	2
Safe custody fee	—	2
	<b>—</b>	<b>4</b>
<b>Other expenses:</b>		
Audit fee***	—	8
Registration fee	—	12
	<b>—</b>	<b>20</b>
<b>Total expenses</b>	<b>164</b>	<b>179</b>

\* From 1 July 2021 the ACD moved from variable to fixed Administration Fees.

\*\* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,050. Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

\*\*\* The audit fee for the prior year, excluding VAT, was £9,187.

## MA Passive Dynamic Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Net revenue before taxation	898	865
Corporation tax at 20% (2021 - 20%)	180	173
Effects of:		
Movement in unrecognised tax losses	23	26
Revenue not subject to tax	(203)	(199)
<b>Total tax charge [see note(a)]</b>	<b>-</b>	<b>-</b>

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

## c) Deferred tax

At the year end there is a potential deferred tax asset of £86,000 (2021: £63,000) due to tax losses of £434,000 (2021: £317,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

## 6 Interest payable and similar charges

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

## MA Passive Dynamic Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 7 Distributions

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Interim distribution	332	240
Final distribution	573	623
	<b>905</b>	<b>863</b>
Amounts deducted on cancellation of shares	36	66
Amounts received on issue of shares	(43)	(64)
<b>Distributions</b>	<b>898</b>	<b>865</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	898	865
<b>Distributions</b>	<b>898</b>	<b>865</b>

The distribution per share is set out in the tables on page 119.

## 8 Debtors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued management fee rebates on CIS	6	16
Amounts receivable for issue of shares	26	86
Income tax recoverable	1	–
<b>Total debtors</b>	<b>33</b>	<b>102</b>

## 9 Cash and bank balances

	31.12.2022 (£'000)	31.12.2021 (£'000)
Cash and bank balances	10	1,219
Cash equivalents	1,229	–
<b>Total cash and bank balances</b>	<b>1,239</b>	<b>1,219</b>

## MA Passive Dynamic Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 10 Creditors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued expenses	8	9
Accrued ACD's charge	11	11
Amounts payable for cancellation of shares	11	540
<b>Total other creditors</b>	<b>30</b>	<b>560</b>

## 11 Contingent liabilities and outstanding commitments

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

## 12 Related party transactions

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 £13,000 (2021: £14,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £164,000 (2021: £155,000).

## 13 Risk management policies

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

- units and shares in regulated collective investment schemes, securities and other investments;
- 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.

## MA Passive Dynamic Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that each collective investment scheme, investment trust or other investment vehicle has individual underlying asset types that 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.

Investments in Collective Investment Schemes with an exposure in emerging markets may be more volatile than investments in more developed markets from time to time, as some of these markets have relatively unstable economies based on only a few industries and securities markets that trade only a limited number of securities.

Investments in Collective Investment Schemes with an exposure in the shares of individual companies are subject to a wide range of risks that may cause their prices to fluctuate over time. The value of those financial instruments is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual instrument or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

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. The Sub-fund seeks to minimise all of the above mentioned risks by holding diversified portfolios of investments.

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 the Sub-fund performance changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year.

A 5% increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £2,595,000 (2021: £2,588,000). A 5% decrease would have an equal and opposite effect.

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 Gross Leverage.

In accordance with the Alternative Investment Funds Management Directive (AIFMD) we are required to disclose the 'leverage' of each sub-fund. Leverage is defined as any method by which the Sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways 'gross method' and 'commitment method' and the Sub-fund must not exceed maximum exposures under both methods. 'Gross method' exposure is calculated as the sum of all positions of the Sub-fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes. 'Commitment method' exposure is also calculated as the sum of all positions of the Sub-fund (both positive and negative), but after netting off any derivative and security positions as specified by AIFMD rules.

## MA Passive Dynamic Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

The Commitment exposure and the gross method leverage for the Sub-fund was:

	AIFM Gross Leverage 31.12.2022	AIFM Gross Leverage 31.12.2021	AIFM Commitment 31.12.2022	AIFM Commitment 31.12.2021
Liontrust MA Passive Dynamic Fund	99.98%	97.68%	100.00%	100.00%

For the calculation of commitment and gross method the following assumptions were taken:

- for AIFM purposes, money market funds are not assimilated to "cash equivalents". Only UK Treasuries with maturity less than 3 months are considered "cash equivalents".

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 invests predominantly in sterling denominated Collective Investment Schemes (CIS) that in turn invest in a range of instruments, some of which may be overseas and subject to foreign currency risk. 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.

Sub-funds which hold cash balances and invest in fixed interest securities will be subject to interest rate risk. As a result, the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates.



## MA Passive Dynamic Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Interest rate risk (continued)

The Sub-fund invests predominantly in CIS and therefore has no significant direct exposure to interest rate risk. As the Sub-fund has no direct exposure to interest rate risk no interest rate risk table or sensitivity analysis has been prepared, however the ACD may take a particular view on the interest rate movements and may alter investment strategies accordingly.

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

##### Liquidity risk

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

Sub-funds investing in smaller companies, emerging markets, high yield bonds, alternatives and property or OTC derivatives hold transferable securities that may be less liquid than the securities of larger companies as a result of lower trading volumes or restrictions on trading. The Sub-funds that invest in collective investment schemes that themselves may hold illiquid assets are also exposed to the risk of suspensions of dealing in those collective investment schemes.

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 (directly, or through purchasing the units of collective investment schemes, 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.

Sub-funds are also exposed to credit risk indirectly by the activities of collective investment schemes in which they invest. In general, the Company will only invest in regulated collective investment schemes and in any case the Investment Manager will ensure that underlying schemes have equivalent credit risk management processes in place to those described above.

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-funds' financial assets were past due or impaired.

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

## MA Passive Dynamic Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Counterparty credit risk (continued)

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

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

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

##### Maturity profile of financial liabilities

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

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

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

## MA Passive Dynamic Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 13 Risk management policies (continued)

## Valuation of financial investments

	Assets (£'000)	Liabilities (£'000)
<b>31.12.2022</b>		
Level 1: Quoted prices	—	—
Level 2: Observable market data	50,675	—
Level 3: Unobservable data	2	—
	<b>50,677</b>	<b>—</b>
<b>31.12.2021</b>		
Level 1: Quoted prices	—	—
Level 2: Observable market data	51,747	—
Level 3: Unobservable data	8	—
	<b>51,755</b>	<b>—</b>

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

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

Level 3: Valuation techniques using unobservable inputs.\*

\*The current and prior year level 3 balances represent the Aegon Property Income Fund which closed on 9 August 2021 and at the current and prior year end was in liquidation. Aegon has continued to publish a daily valuation share price for the fund during its suspension and liquidation and the valuation of the holding at the current and prior year end reflects the published share price with no discount applied.

## 14 Share movement

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
A Accumulation	1,547,541	371,602	(464,668)	(2,289)	1,452,186
D Accumulation	1,355,594	186,025	(128,397)	(70,017)	1,343,205
R Accumulation	808,468	155,313	(38,943)	—	924,838
S Accumulation	17,251,698	3,656,585	(2,660,459)	70,297	18,318,121
Z Accumulation	4,148,448	676,385	(408,586)	—	4,416,247

## MA Passive Dynamic Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs

for the year ending 31 December 2022

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Collective investment schemes	50,934	–	–	–	–
<b>Total purchases</b>	<b>50,934</b>	<b>–</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>50,934</b>				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Sales (excluding derivatives)</b>					
Collective investment schemes	48,238	–	–	–	–
<b>Total sales</b>	<b>48,238</b>	<b>–</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>48,238</b>				
<b>Total transaction costs</b>		<b>–</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>–</b>		<b>–</b>	

## MA Passive Dynamic Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Collective investment schemes	11,888	–	–	–	–
<b>Total purchases</b>	<b>11,888</b>	<b>–</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>11,888</b>				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Sales (excluding derivatives)</b>					
Collective investment schemes	11,912	–	–	–	–
<b>Total sales</b>	<b>11,912</b>	<b>–</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>11,912</b>				
<b>Total transaction costs</b>		<b>–</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>–</b>		<b>–</b>	

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

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 0.00% (2021: 0.14%).

## MA Passive Dynamic Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### **16 Post balance sheet events**

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

Since the year-end, the NAV per share of the S Accumulation share class has increased by 4.75% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

## MA Passive Dynamic Fund (continued)

## Distribution Tables

for the year ended 31 December 2022

## Final distribution

Group 1 - Shares purchased prior to 1 July 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2023 Pence per share	Distribution paid 28.2.2022 Pence per share
A Accumulation - Group 1	2.0873	—	2.0873	2.4111
A Accumulation - Group 2	1.0334	1.0539	2.0873	2.4111
D Accumulation - Group 1	2.0025	—	2.0025	2.2916
D Accumulation - Group 2	1.4236	0.5789	2.0025	2.2916
R Accumulation - Group 1	1.3528	—	1.3528	1.6447
R Accumulation - Group 2	0.8671	0.4857	1.3528	1.6447
S Accumulation - Group 1	2.1089	—	2.1089	2.4153
S Accumulation - Group 2	0.8810	1.2279	2.1089	2.4153
Z Accumulation - Group 1	2.6562	—	2.6562	3.0047
Z Accumulation - Group 2	0.7717	1.8845	2.6562	3.0047

## Interim distribution

Group 1 - Shares purchased prior to 1 January 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2022 Pence per share	Distribution paid 31.8.2021 Pence per share
A Accumulation - Group 1	1.1507	—	1.1507	0.7580
A Accumulation - Group 2	0.6305	0.5202	1.1507	0.7580
D Accumulation - Group 1	1.1622	—	1.1622	0.8075
D Accumulation - Group 2	0.7355	0.4267	1.1622	0.8075
R Accumulation - Group 1	0.5037	—	0.5037	0.1867
R Accumulation - Group 2	0.2492	0.2545	0.5037	0.1867
S Accumulation - Group 1	1.2491	—	1.2491	0.8791
S Accumulation - Group 2	0.7527	0.4964	1.2491	0.8791
Z Accumulation - Group 1	1.6816	—	1.6816	1.2462
Z Accumulation - Group 2	1.1756	0.5060	1.6816	1.2462

\* 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.

# MA Passive Growth Fund

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

## Investment Objective

The Sub-fund seeks to achieve capital growth and income with a moderately high level of volatility (risk), having a risk profile of 6, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest.

## Investment Policy

The Sub-fund is an actively managed fund of funds.

The Sub-fund invests at least 70% of its assets in other funds (underlying funds), including funds which are traded on stock exchanges (investment trusts and exchange traded funds), other closed-ended funds and funds managed by the ACD or its associates.

The underlying funds will invest globally (including in emerging markets) in a range of asset classes and financial instruments including shares, debt instruments (bonds) including those which can easily be converted into cash (money market instruments), freely transferable rights to buy other investments at a future date (warrants), financial contracts that derive their values from those of other investment instruments or indices (derivatives) and deposits.

The underlying funds will where practicably possible be passive funds, meaning they seek to track investment indices.

The Sub-fund may also invest directly in the above asset classes and financial instruments when there are specific benefits in doing so.

Further, the Sub-fund may also obtain indirect exposure to property through investment in Real Estate Investment Trusts (REITs) and shares in property investment companies, and may engage in stock lending and borrowing.

When required to manage liquidity, or the Sub-fund's risk, the Sub-fund may hold its assets in cash or deposits and money market instruments.

The Sub-fund may use derivatives to help achieve the investment objective (investment purposes) as well as to reduce risk or to manage the Sub-fund more efficiently (often referred to as "efficient portfolio management").

The Sub-fund aims to take a moderately high level of risk in achieving its investment objective. The Sub-fund's investments are combined together in different proportions as determined by the ACD based on asset risk profiles set by an external risk modelling company. The riskiness of different combinations and proportions of types of investment are measured by predicting how they might behave over a 15 year period. The risk modelling company assigns each combination of assets to one of seven risk profiles, ranging from 1, which reflects the risk of holding cash in bank accounts, to 7, which is the riskiest profile. The Sub-fund has a risk profile of 6, which means it will typically have greater exposure to higher risk assets than other Sub-funds in the Company which have a lower risk profile. Typically shares, certain types of bonds, or exposure to property/commodities will be classified as higher risk assets, whilst certain other bonds, cash and near cash (money market instruments, deposits and money market funds) will be classified as lower risk assets.

The actual investments of the Sub-fund are not chosen by the risk modelling company and the ACD retains the discretion to select the Sub-fund's investments.

There is no guarantee that the Sub-fund's performance will reflect the behaviour of the assets used to create the risk profile.



## MA Passive Growth Fund (continued)

### Investment review

#### Sub-fund review

Financial markets were down in 2022 overall, but they did at least end with a positive performance in Q4 after a relentless stream of negative political and economic news for much of the year. Although the Omicron virus had been a worry going into the year, it was hoped that the pandemic would become less pernicious due to vaccinations and growing immunity. But as one black swan event subsided, another arose with Russia's invasion of Ukraine. Eventually, the bad news abated, and markets reached a nadir in October that has subsequently looked increasingly like a turning point.

With investor sentiment having reached extreme lows, the potential for positive surprises in 2023 is all the greater. A slowing economy is widely expected and the risk is that this will impact company earnings and their financial strength. However, we believe the global economy remains on a reasonably solid footing and we expect the downturn will be mild rather than deep and protracted. The re-opening of China following its draconian Covid lockdowns will also provide a boost to the global economy and trade.

The main focus for investors in 2022 had been how far central banks would hike interest rates in their efforts to control inflation and whether this would tip economies into recession. The pace of central bank tightening was indeed rapid, with the Federal Reserve instigating seven hikes. The European Central Bank (ECB) raised rates for the first time in more than a decade in July by 50bps as inflation soared to a record 8.6% in the eurozone.

The tenacity of the rate hikes impacted both equities and bonds. So much so that the benefits of diversification were noticeably absent. Equities, and particularly 'growth style' stocks that are priced according to longer-term future earnings, were badly hit but bonds suffered a historic sell off. Bonds would usually be expected to provide 'defensive ballast' during equity downturns, but it was a rare period of extreme stress in which normal asset class diversification temporarily broke down.

The obvious risk for financial markets in 2023 lies in unexpected rate hikes and slowing economic growth. But this risk reduces as inflation subsides. And there are growing signs that this is the case. US inflation was down to 6.5% in December after peaking at 9.1% in June. In the UK, it dipped from 11.1% in October to 10.5% in December. Even in the eurozone, where the ECB had warned investors not to expect rate rises to end early in 2023, inflation dropped from its 10.6% record high in October to 9.2% in December.

Financial assets are more attractively priced following the drawdowns they experienced in 2022. There is still a pervasive sense of uncertainty which will keep us 'neutral' in terms of our model limits, but we believe the outlook for equities is brighter and we are looking to raise exposure to them. We do not expect a bull market rally in 2023, but we do expect equities to regain some of their momentum. Our view on fixed income is also more positive, having been underweight the asset class for some time. We especially like the global high yield bond market, where we see attractive opportunities on a risk-return basis. The exposure that hampered our performance in 2022, including gilts, small caps and emerging market equities, together with increasing exposure to bonds, will be geared into a market recovery when it comes through.

Longer term, we see many financial assets reverting to their longer-term trend performances. But trying to predict and time asset class performances is a hazardous pursuit. A better approach is to diversify investment portfolios and reap rewards from across the asset classes.

#### Performance

In the twelve months to 31 December 2022, the Liontrust MA Passive Growth Fund (S Accumulation) returned -6.8%\*.

*\*Source of discrete performance data: Financial Express, as at 31 December 2022. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

#### Sub-fund performance

To satisfy the Sub-fund's risk profile, the Sub-fund is largely invested in equities, with a relatively small exposure to property.

## MA Passive Growth Fund (continued)

### Investment review (continued)

#### Sub-fund performance (continued)

Our allocation to UK equities produced positive returns over the year, driven by our selection of Vanguard FTSE UK All Share and iShares UK Equity. Equity markets were broadly negative over the year, however, which detracted from performance, particularly the North America and Japan regions. Our holdings in property and corporate and global government bonds also weighed on performance.

Throughout the year the asset allocation of the funds is adjusted to emphasise asset classes that are expected to offer, in combination, the best risk-adjusted returns for the mid-point of the Sub-fund's risk profile. Over the period, we opened new positions in L&G Emerging Markets Equity, iShares Overseas Government Bond, L&G US Index, HSBC American Index, HSBC FTSE All Share Index, L&G UK Index, HSBC European Index and HSBC Japan Index. Funds that we removed included iShares Overseas Government Bond, Vanguard US Equity, iShares US Equity, Vanguard FTSE UK All Share, Vanguard FTSE Developed Europe ex UK Equity, Vanguard Japan Stock and Vanguard Emerging Markets Stock.

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

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

### Material portfolio changes by value

#### Purchases

Legal & General US Index Trust  
 Legal & General UK Index Trust  
 HSBC Index Tracker Investment Funds - American Index Fund  
 iShares Emerging Markets Equity Index Fund (UK)  
 HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund  
 Legal & General Emerging Markets Equity Index Fund  
 HSBC Index Tracker Investment Funds - European Index Fund  
 iShares Japan Equity Index Fund (UK)  
 HSBC Index Tracker Investment Funds - Japan Index Fund  
 iShares Corporate Bond Index Fund (UK)

#### Sales

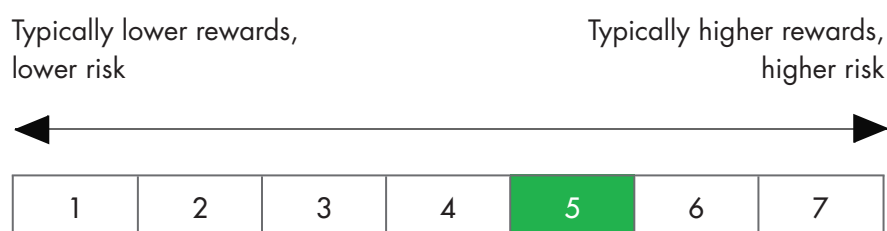
Vanguard FTSE UK All Share Index Unit Trust  
 Vanguard US Equity Index Fund  
 iShares US Equity Index Fund (UK)  
 Vanguard Emerging Markets Stock Index Fund  
 Vanguard FTSE Developed Europe ex UK Equity Index Fund  
 iShares UK Equity Index Fund (UK)  
 iShares Emerging Markets Equity Index Fund (UK)  
 Vanguard Japan Stock Index Fund  
 Legal & General US Index Trust  
 HSBC Index Tracker Investment Funds - American Index Fund

## MA Passive 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.



- 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 risk profile per the investment objective used by Liontrust to produce the long term asset allocation differs from Synthetic Risk and Reward Indicator, so the two rankings may not be the same.
- The Sub-fund is categorised 5 because of its exposure to a diversified portfolio of funds invested in mainly equities with some fixed income and other asset classes.
- 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.
- Some of the underlying funds may invest in derivatives, which can, in certain circumstances, create wider fluctuations in their prices over time.
- Investments in emerging markets may involve a higher element of risk due to less well regulated markets and political and economic instability. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- Liquidity Risk: If underlying funds suspend or defer the payment of redemption proceeds, the Sub-fund's ability to meet redemption requests may also be affected.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Index Tracking Risk: The performance of any passive funds used may not exactly track that of their indices.

### MA Passive Growth 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 on page 1) or online at [www.liontrust.co.uk](http://www.liontrust.co.uk).

## MA Passive Growth Fund (continued)

## Comparative Tables

for the year ended 31 December 2022

A Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	228.26	201.22	195.50
Return before operating charges	(13.09)	28.34	6.82
Operating charges	(1.30)	(1.30)	(1.10)
Return after operating charges	(14.39)	27.04	5.72
Distributions	(3.63)	(4.03)	(2.89)
Retained distributions on accumulation shares	3.63	4.03	2.89
<b>Closing net asset value per share</b>	<b>213.87</b>	<b>228.26</b>	<b>201.22</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(6.30%)	13.44%	2.93%
<b>Other information</b>			
Closing net asset value (£'000)	4,900	6,027	5,255
Closing number of shares	2,291,381	2,640,350	2,611,812
Operating charges**	0.60%	0.60%	0.61%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	230.23	231.05	202.50
Lowest share price	202.80	199.00	145.40

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Growth Fund (continued)

### Comparative Tables (continued)

for the year ended 31 December 2022

D Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	197.86	174.16	168.96
Return before operating charges	(11.36)	24.54	5.92
Operating charges	(0.84)	(0.84)	(0.72)
Return after operating charges	(12.20)	23.70	5.20
Distributions	(3.43)	(3.76)	(2.72)
Retained distributions on accumulation shares	3.43	3.76	2.72
<b>Closing net asset value per share</b>	<b>185.66</b>	<b>197.86</b>	<b>174.16</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(6.17%)	13.61%	3.08%
<b>Other information</b>			
Closing net asset value (£'000)	13,403	15,653	14,985
Closing number of shares	7,218,979	7,910,954	8,604,144
Operating charges**	0.45%	0.45%	0.46%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	199.58	200.25	175.30
Lowest share price	176.00	172.26	125.70

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Growth Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

R Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	213.69	189.40	184.99
Return before operating charges	(12.24)	26.62	6.40
Operating charges	(2.32)	(2.33)	(1.99)
Return after operating charges	(14.56)	24.29	4.41
Distributions	(2.25)	(2.68)	(1.81)
Retained distributions on accumulation shares	2.25	2.68	1.81
<b>Closing net asset value per share</b>	<b>199.13</b>	<b>213.69</b>	<b>189.40</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(6.81%)	12.82%	2.38%
<b>Other information</b>			
Closing net asset value (£'000)	5,240	6,812	7,183
Closing number of shares	2,631,570	3,187,966	3,792,639
Operating charges**	1.15%	1.15%	1.16%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	215.53	216.44	190.60
Lowest share price	189.05	187.22	137.50

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Growth Fund (continued)

### Comparative Tables (continued)

for the year ended 31 December 2022

S Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	205.04	180.39	174.92
Return before operating charges	(11.77)	25.43	6.13
Operating charges	(0.78)	(0.78)	(0.66)
Return after operating charges	(12.55)	24.65	5.47
Distributions	(3.66)	(3.99)	(2.90)
Retained distributions on accumulation shares	3.66	3.99	2.90
<b>Closing net asset value per share</b>	<b>192.49</b>	<b>205.04</b>	<b>180.39</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(6.12%)	13.66%	3.13%
<b>Other information</b>			
Closing net asset value (£'000)	104,965	104,364	88,963
Closing number of shares	54,528,466	50,899,523	49,317,360
Operating charges**	0.40%	0.40%	0.41%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	206.82	207.50	181.50
Lowest share price	182.45	178.43	130.20

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.



## MA Passive Growth Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

Z Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	236.75	207.80	201.06
Return before operating charges	(13.61)	29.29	7.03
Operating charges	(0.34)	(0.34)	(0.29)
Return after operating charges	(13.95)	28.95	6.74
Distributions	(4.76)	(5.13)	(3.75)
Retained distributions on accumulation shares	4.76	5.13	3.75
<b>Closing net asset value per share</b>	<b>222.80</b>	<b>236.75</b>	<b>207.80</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(5.89%)	13.93%	3.35%
<b>Other information</b>			
Closing net asset value (£'000)	22,487	23,593	19,834
Closing number of shares	10,092,787	9,965,452	9,544,389
Operating charges**	0.15%	0.15%	0.16%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	238.82	239.54	209.10
Lowest share price	211.07	205.59	149.70

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Growth Fund (continued)

### Portfolio Statement

as at 31 December 2022

Holding/Nominal Value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>COLLECTIVE INVESTMENT SCHEMES (97.52%)</b>	<b>146,660</b>	<b>97.13</b>
	<b>ASIA PACIFIC EXCLUDING JAPAN EQUITIES (5.98%)</b>	<b>8,808</b>	<b>5.83</b>
618,036	HSBC Index Tracker Investment Funds - Pacific Index Fund	3,099	2.05
2,653,976	Legal & General Pacific Index Trust	5,709	3.78
	<b>EMERGING MARKETS EQUITIES (9.75%)</b>	<b>18,431</b>	<b>12.20</b>
5,085,051	iShares Emerging Markets Equity Index Fund (UK)	9,217	6.10
8,416,378	Legal & General Emerging Markets Equity Index Fund	9,214	6.10
	<b>EUROPE EXCLUDING UK EQUITIES (10.10%)</b>	<b>11,720</b>	<b>7.76</b>
327,438	HSBC Index Tracker Investment Funds - European Index Fund	3,713	2.46
2,532,418	iShares Continental European Equity Index Fund (UK)	8,007	5.30
	<b>GLOBAL BONDS (0.00%)</b>	<b>1,449</b>	<b>0.96</b>
1,151,696	iShares Overseas Government Bond Index Fund (UK)	1,449	0.96
	<b>JAPAN EQUITIES (12.46%)</b>	<b>18,687</b>	<b>12.38</b>
3,132,582	HSBC Index Tracker Investment Funds - Japan Index Fund	4,395	2.91
5,727,338	iShares Japan Equity Index Fund (UK)	14,292	9.47
	<b>NORTH AMERICA EQUITIES (25.67%)</b>	<b>35,255</b>	<b>23.34</b>
1,586,376	HSBC Index Tracker Investment Funds - American Index Fund	14,093	9.33
2,505,859	Legal & General US Index Trust	21,162	14.01
	<b>PROPERTY (2.26%)</b>	<b>5,065</b>	<b>3.36</b>
345,041	Aegon Property Income Fund§	240	0.16
1,473,615	iShares Global Property Securities Equity Index Fund (UK)	3,317	2.20
1,548,770	Legal & General UK Property Fund	1,508	1.00
	<b>UK CORPORATE BONDS (0.00%)</b>	<b>1,479</b>	<b>0.98</b>
196,034	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	190	0.13
896,901	iShares Corporate Bond Index Fund (UK)	1,289	0.85
	<b>UK EQUITIES (31.30%)</b>	<b>45,766</b>	<b>30.32</b>
1,389,993	HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund	9,631	6.38

## MA Passive Growth Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/Nominal Value	Stock description	Market value (£'000)	Percentage of total net assets (%)
<b>COLLECTIVE INVESTMENT SCHEMES (continued)</b>			
<b>UK EQUITIES (continued)</b>			
6,902,381	iShares UK Equity Index Fund (UK)	18,158	12.03
4,987,962	Legal & General UK Index Trust	17,977	11.91
	<b>Portfolio of investments</b>	<b>146,660</b>	<b>97.13</b>
	<b>Net other assets</b>	<b>4,335</b>	<b>2.87</b>
	<b>Total net assets</b>	<b>150,995</b>	<b>100.00</b>

Each holding listed above is either accumulation units of a Unit Trust or accumulation shares of an Open Ended Investment Company unless otherwise indicated.

Comparative figures shown in brackets relate to 31 December 2021.

§ The Aegon Property Income Fund closed on the 9th August 2021 and will return capital to shareholders as soon as practical.

## MA Passive Growth Fund (continued)

### Statement of Total Return

for the year ended 31 December 2022

	Notes	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
Income					
Net capital (losses)/gains	2		(12,616)		16,144
Revenue	3	3,343		3,572	
Expenses	4	(501)		(517)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation		2,842		3,055	
Taxation	5	–		(8)	
Net revenue after taxation			2,842		3,047
<b>Total return before distributions</b>			<b>(9,774)</b>		<b>19,191</b>
Distributions	7		(2,842)		(3,047)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(12,616)</b>		<b>16,144</b>

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

for the year ended 31 December 2022

	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>156,449</b>		<b>136,220</b>
Amounts received on issue of shares	19,650		26,445	
Amounts paid on cancellation of shares	(15,341)		(25,406)	
		4,309		1,039
Dilution adjustment		–		8
Change in net assets attributable to shareholders from investment activities		(12,616)		16,144
Retained distributions on accumulation shares		2,853		3,038
<b>Closing net assets attributable to shareholders</b>		<b>150,995</b>		<b>156,449</b>

## MA Passive Growth Fund (continued)

## Balance Sheet

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		146,660	152,570
<b>Current assets:</b>			
Debtors	8	1,014	314
Cash and bank balances	9	17	3,651
Cash equivalents	9	3,677	–
<b>Total assets</b>		<b>151,368</b>	<b>156,535</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	10	(373)	(86)
<b>Total liabilities</b>		<b>(373)</b>	<b>(86)</b>
<b>Net assets attributable to shareholders</b>		<b>150,995</b>	<b>156,449</b>

## MA Passive Growth Fund (continued)

## Notes to the financial statements

for the year ended 31 December 2022

**1 Accounting policies**

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities*	(12,616)	16,143
ACD's charge rebates	–	1
<b>Net capital (losses)/gains</b>	<b>(12,616)</b>	<b>16,144</b>

\* Includes realised gains of £20,120,000 and unrealised losses of £32,736,000 (2021: realised gains of £5,180,000 and unrealised gains of £10,963,000). The realised losses on investments in the accounting year to 31 December 2022 includes amounts previously recognised as unrealised gains/losses in the prior accounting year.

**3 Revenue**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Bank interest	6	–
Equity distributions on CIS holdings	3,199	2,419
Interest distributions on CIS holdings	43	79
Management fee rebates on CIS	115	151
Non-taxable overseas dividends	(25)	923
Taxable overseas dividends	5	–
<b>Total revenue</b>	<b>3,343</b>	<b>3,572</b>

## MA Passive Growth Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 4 Expenses

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge	383	390
General administration charges*, **	117	73
	<b>500</b>	<b>463</b>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary fee	1	6
Safe custody fee	—	5
	<b>1</b>	<b>11</b>
<b>Other expenses:</b>		
Audit fee***	—	8
Registration fee	—	35
	<b>—</b>	<b>43</b>
<b>Total expenses</b>	<b>501</b>	<b>517</b>

\* From 1 July 2021 the ACD moved from variable to fixed Administration Fees.

\*\* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,050. Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

\*\*\* The audit fee for the prior year, excluding VAT, was £9,187.

## MA Passive Growth Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 5 Taxation

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>a) Analysis of charge in year</b>		
Irrecoverable UK income tax	–	8
<b>Total tax charge [see note(b)]</b>	<b>–</b>	<b>8</b>

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Net revenue before taxation	2,842	3,055
Corporation tax at 20% (2021: 20%)	568	611
Effects of:		
Irrecoverable UK income tax	–	8
Movement in unrecognised tax losses	67	57
Revenue not subject to tax	(635)	(668)
<b>Total tax charge [see note(a)]</b>	<b>–</b>	<b>8</b>

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

**c) Deferred tax**

At the year end there is a potential deferred tax asset of £185,000 (2021: £118,000) due to tax losses of £923,000 (2021: £591,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

## 6 Interest payable and similar charges

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



## MA Passive Growth Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 7 Distributions

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Interim distribution	1,172	858
Final distribution	1,682	2,180
	<b>2,854</b>	<b>3,038</b>
Amounts deducted on cancellation of shares	75	137
Amounts received on issue of shares	(87)	(128)
<b>Distributions</b>	<b>2,842</b>	<b>3,047</b>
The distributable amount has been calculated as follows:		
Net revenue after taxation	2,842	3,047
<b>Distributions</b>	<b>2,842</b>	<b>3,047</b>

The distribution per share is set out in the tables on page 147.

## 8 Debtors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued management fee rebates on CIS	28	62
Amounts receivable for issue of shares	975	214
Income tax recoverable	11	38
<b>Total debtors</b>	<b>1,014</b>	<b>314</b>

## 9 Cash and bank balances

	31.12.2022 (£'000)	31.12.2021 (£'000)
Cash and bank balances	17	3,651
Cash equivalents	3,677	–
<b>Total cash and bank balances</b>	<b>3,694</b>	<b>3,651</b>

## MA Passive Growth Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 10 Creditors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued expenses	13	16
Accrued ACD's charge	32	34
Amounts payable for cancellation of shares	328	36
<b>Total other creditors</b>	<b>373</b>	<b>86</b>

## 11 Contingent liabilities and outstanding commitments

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

## 12 Related party transactions

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 £40,000 (2021: £45,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £500,000 (2021: £463,000).

## 13 Risk management policies

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

- units and shares in regulated collective investment schemes, securities and other investments;
- 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.

## MA Passive Growth Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that each collective investment scheme, investment trust or other investment vehicle has individual underlying asset types that 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.

Investments in Collective Investment Schemes with an exposure in emerging markets may be more volatile than investments in more developed markets from time to time, as some of these markets have relatively unstable economies based on only a few industries and securities markets that trade only a limited number of securities.

Investments in Collective Investment Schemes with an exposure in the shares of individual companies are subject to a wide range of risks that may cause their prices to fluctuate over time. The value of those financial instruments is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual instrument or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

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. The Sub-fund seeks to minimise all of the above mentioned risks by holding diversified portfolios of investments.

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 the Sub-fund performance changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year.

A 5% increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £7,517,000 (2021: £7,629,000). A 5% decrease would have an equal and opposite effect.

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 Gross Leverage.

In accordance with the Alternative Investment Funds Management Directive (AIFMD) we are required to disclose the 'leverage' of each sub-fund. Leverage is defined as any method by which the Sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways 'gross method' and 'commitment method' and the Sub-fund must not exceed maximum exposures under both methods. 'Gross method' exposure is calculated as the sum of all positions of the Sub-fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes. 'Commitment method' exposure is also calculated as the sum of all positions of the Sub-fund (both positive and negative), but after netting off any derivative and security positions as specified by AIFMD rules.

## MA Passive Growth Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

The Commitment exposure and the gross method leverage for the Sub-fund was:

	AIFM Gross Leverage 31.12.2022	AIFM Gross Leverage 31.12.2021	AIFM Commitment 31.12.2022	AIFM Commitment 31.12.2021
Liontrust MA Passive Growth Fund	99.99%	97.67%	100.00%	100.00%

For the calculation of commitment and gross method the following assumptions were taken:

- for AIFM purposes, money market funds are not assimilated to "cash equivalents". Only UK Treasuries with maturity less than 3 months are considered "cash equivalents".

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 invests predominantly in sterling denominated Collective Investment Schemes (CIS) that in turn invest in a range of instruments, some of which may be overseas and subject to foreign currency risk. 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.

Sub-funds which hold cash balances and invest in fixed interest securities will be subject to interest rate risk. As a result, the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates.

## MA Passive Growth Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Interest rate risk (continued)

The Sub-fund invests predominantly in CIS and therefore has no significant direct exposure to interest rate risk. As the Sub-fund has no direct exposure to interest rate risk no interest rate risk table or sensitivity analysis has been prepared, however the ACD may take a particular view on the interest rate movements and may alter investment strategies accordingly.

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

##### Liquidity risk

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

Sub-funds investing in smaller companies, emerging markets, high yield bonds, alternatives and property or OTC derivatives hold transferable securities that may be less liquid than the securities of larger companies as a result of lower trading volumes or restrictions on trading. The Sub-funds that invest in collective investment schemes that themselves may hold illiquid assets are also exposed to the risk of suspensions of dealing in those collective investment schemes.

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 (directly, or through purchasing the units of collective investment schemes, 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.

Sub-funds are also exposed to credit risk indirectly by the activities of collective investment schemes in which they invest. In general, the Company will only invest in regulated collective investment schemes and in any case the Investment Manager will ensure that underlying schemes have equivalent credit risk management processes in place to those described above.

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-funds' financial assets were past due or impaired.

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

## MA Passive Growth Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Counterparty credit risk (continued)

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

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

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

##### Maturity profile of financial liabilities

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

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

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

## MA Passive Growth Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 13 Risk management policies (continued)

## Valuation of financial investments

	Assets (£'000)	Liabilities (£'000)
<b>31.12.2022</b>		
Level 1: Quoted prices	—	—
Level 2: Observable market data	146,420	—
Level 3: Unobservable data	240	—
	<b>146,660</b>	<b>—</b>
<b>31.12.2021</b>		
Level 1: Quoted prices	—	—
Level 2: Observable market data	151,686	—
Level 3: Unobservable data	884	—
	<b>152,570</b>	<b>—</b>

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

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

Level 3: Valuation techniques using unobservable inputs.\*

\*The current and prior year level 3 balances represent the Aegon Property Income Fund which closed on 9 August 2021 and at the current and prior year end was in liquidation. Aegon has continued to publish a daily valuation share price for the fund during its suspension and liquidation and the valuation of the holding at the current and prior year end reflects the published share price with no discount applied.

## 14 Share movement

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
A Accumulation	2,640,350	162,971	(502,721)	(9,219)	2,291,381
D Accumulation	7,910,954	884,403	(1,571,162)	(5,216)	7,218,979
R Accumulation	3,187,966	102,823	(659,219)	—	2,631,570
S Accumulation	50,899,523	7,865,893	(4,252,234)	15,284	54,528,466
Z Accumulation	9,965,452	951,273	(823,938)	—	10,092,787

## MA Passive Growth Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs

for the year ending 31 December 2022

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Collective investment schemes	136,102	–	–	–	–
<b>Total purchases</b>	<b>136,102</b>	<b>–</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>136,102</b>				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Sales (excluding derivatives)</b>					
Collective investment schemes	132,609	–	–	–	–
<b>Total sales</b>	<b>132,609</b>	<b>–</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>132,609</b>				
<b>Total transaction costs</b>		<b>–</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>–</b>		<b>–</b>	



## MA Passive Growth Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Collective investment schemes	25,906	–	–	–	–
<b>Total purchases</b>	<b>25,906</b>	<b>–</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>25,906</b>				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Sales (excluding derivatives)</b>					
Collective investment schemes	28,176	–	–	–	–
<b>Total sales</b>	<b>28,176</b>	<b>–</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>28,176</b>				
<b>Total transaction costs</b>		<b>–</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>–</b>		<b>–</b>	

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

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 0.01% (2021: 0.20%).

### MA Passive Growth Fund (continued)

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

for the year ended 31 December 2022

#### **16 Post balance sheet events**

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

Since the year-end, the NAV per share of the S Accumulation share class has increased by 4.86% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

## MA Passive Growth Fund (continued)

### Distribution Tables

for the year ended 31 December 2022

#### Final distribution

Group 1 - Shares purchased prior to 1 July 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2023 Pence per share	Distribution paid 28.2.2022 Pence per share
A Accumulation - Group 1	2.1677	—	2.1677	2.9762
A Accumulation - Group 2	0.9678	1.1999	2.1677	2.9762
D Accumulation - Group 1	2.0194	—	2.0194	2.7187
D Accumulation - Group 2	1.3735	0.6459	2.0194	2.7187
R Accumulation - Group 1	1.4563	—	1.4563	2.2217
R Accumulation - Group 2	0.4287	1.0276	1.4563	2.2217
S Accumulation - Group 1	2.1467	—	2.1467	2.8679
S Accumulation - Group 2	1.0079	1.1388	2.1467	2.8679
Z Accumulation - Group 1	2.7495	—	2.7495	3.5682
Z Accumulation - Group 2	1.4836	1.2659	2.7495	3.5682

#### Interim distribution

Group 1 - Shares purchased prior to 1 January 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2022 Pence per share	Distribution paid 31.8.2021 Pence per share
A Accumulation - Group 1	1.4612	—	1.4612	1.0499
A Accumulation - Group 2	1.1415	0.3197	1.4612	1.0499
D Accumulation - Group 1	1.4067	—	1.4067	1.0429
D Accumulation - Group 2	0.9184	0.4883	1.4067	1.0429
R Accumulation - Group 1	0.7952	—	0.7952	0.4566
R Accumulation - Group 2	0.6526	0.1426	0.7952	0.4566
S Accumulation - Group 1	1.5089	—	1.5089	1.1258
S Accumulation - Group 2	0.8073	0.7016	1.5089	1.1258
Z Accumulation - Group 1	2.0152	—	2.0152	1.5609
Z Accumulation - Group 2	1.2996	0.7156	2.0152	1.5609

\* 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.

# MA Passive Intermediate Fund

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

## Investment Objective

The Sub-fund seeks to achieve capital growth and income with a median level of volatility (risk), having a risk profile of 4, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest.

## Investment Policy

The Sub-fund is an actively managed fund of funds.

The Sub-fund invests at least 70% of its assets in other funds (underlying funds), including funds which are traded on stock exchanges (investment trusts and exchange traded funds), other closed-ended funds and funds managed by the ACD or its associates.

The underlying funds will invest globally (including in emerging markets) in a range of asset classes and financial instruments including shares, debt instruments (bonds) including those which can easily be converted into cash (money market instruments), freely transferable rights to buy other investments at a future date (warrants), financial contracts that derive their values from those of other investment instruments or indices (derivatives) and deposits.

The underlying funds will where practicably possible be passive funds, meaning they seek to track investment indices.

The Sub-fund may also invest directly in the above asset classes and financial instruments when there are specific benefits in doing so.

Further, the Sub-fund may also obtain indirect exposure to property through investment in Real Estate Investment Trusts (REITs) and shares in property investment companies, and may engage in stock lending and borrowing.

When required to manage liquidity, or the Sub-fund's risk, the Sub-fund may hold its assets in cash or deposits and money market instruments.

The Sub-fund may use derivatives to help achieve the investment objective (investment purposes) as well as to reduce risk or to manage the Sub-fund more efficiently (often referred to as "efficient portfolio management").

The Sub-fund aims to take a median level of risk in achieving its investment objective. The Sub-fund's investments are combined together in different proportions as determined by the ACD based on asset risk profiles set by an external risk modelling company. The riskiness of different combinations and proportions of types of investment are measured by predicting how they might behave over a 15 year period. The risk modelling company assigns each combination of assets to one of seven risk profiles, ranging from 1, which reflects the risk of holding cash in bank accounts, to 7, which is the riskiest profile. The Sub-fund has a risk profile of 4, which means it will typically have a balanced exposure to higher risk assets and lower risk assets than other Sub-funds in the Company which have a higher or lower risk profile. Typically shares, certain types of bonds, or exposure to property/commodities will be classified as higher risk assets, whilst certain other bonds, cash and near cash (money market instruments, deposits and money market funds) will be classified as lower risk assets.

The actual investments of the Sub-fund are not chosen by the risk modelling company and the ACD retains the discretion to select the Sub-fund's investments.

There is no guarantee that the Sub-fund's performance will reflect the behaviour of the assets used to create the risk profile.

## Investment Strategy

Underlying funds are selected on the basis of their efficiency at tracking the performance of certain investment indices which relate to particular types of asset.

## MA Passive Intermediate Fund (continued)

### Investment review

#### Sub-fund review

Financial markets were down in 2022 overall, but they did at least end with a positive performance in Q4 after a relentless stream of negative political and economic news for much of the year. Although the Omicron virus had been a worry going into the year, it was hoped that the pandemic would become less pernicious due to vaccinations and growing immunity. But as one black swan event subsided, another arose with Russia's invasion of Ukraine. Eventually, the bad news abated, and markets reached a nadir in October that has subsequently looked increasingly like a turning point.

With investor sentiment having reached extreme lows, the potential for positive surprises in 2023 is all the greater. A slowing economy is widely expected and the risk is that this will impact company earnings and their financial strength. However, we believe the global economy remains on a reasonably solid footing and we expect the downturn will be mild rather than deep and protracted. The re-opening of China following its draconian Covid lockdowns will also provide a boost to the global economy and trade.

The main focus for investors in 2022 had been how far central banks would hike interest rates in their efforts to control inflation and whether this would tip economies into recession. The pace of central bank tightening was indeed rapid, with the Federal Reserve instigating seven hikes. The European Central Bank (ECB) raised rates for the first time in more than a decade in July by 50bps as inflation soared to a record 8.6% in the eurozone.

The tenacity of the rate hikes impacted both equities and bonds. So much so that the benefits of diversification were noticeably absent. Equities, and particularly 'growth style' stocks that are priced according to longer-term future earnings, were badly hit but bonds suffered a historic sell off. Bonds would usually be expected to provide 'defensive ballast' during equity downturns, but it was a rare period of extreme stress in which normal asset class diversification temporarily broke down.

The obvious risk for financial markets in 2023 lies in unexpected rate hikes and slowing economic growth. But this risk reduces as inflation subsides. And there are growing signs that this is the case. US inflation was down to 6.5% in December after peaking at 9.1% in June. In the UK, it dipped from 11.1% in October to 10.5% in December. Even in the eurozone, where the ECB had warned investors not to expect rate rises to end early in 2023, inflation dropped from its 10.6% record high in October to 9.2% in December.

Financial assets are more attractively priced following the drawdowns they experienced in 2022. There is still a pervasive sense of uncertainty which will keep us 'neutral' in terms of our model limits, but we believe the outlook for equities is brighter and we are looking to raise exposure to them. We do not expect a bull market rally in 2023, but we do expect equities to regain some of their momentum. Our view on fixed income is also more positive, having been underweight the asset class for some time. We especially like the global high yield bond market, where we see attractive opportunities on a risk-return basis. The exposure that hampered our performance in 2022, including gilts, small caps and emerging market equities, together with increasing exposure to bonds, will be geared into a market recovery when it comes through.

Longer term, we see many financial assets reverting to their longer-term trend performances. But trying to predict and time asset class performances is a hazardous pursuit. A better approach is to diversify investment portfolios and reap rewards from across the asset classes.

#### Performance

In the twelve months to 31 December 2022, the Liontrust MA Passive Intermediate Fund (S Accumulation) returned -11.1%\*.

\*Source of discrete performance data: Financial Express, as at 31 December 2022. Please note that total return has been calculated at midday whereas the financial statements are at close of business.

#### Sub-fund performance

To satisfy the Sub-fund's risk profile, the Sub-fund is heavily invested in both equities and fixed income, with a smaller allocation to property.

Our allocation to UK equities produced positive returns over the year, driven by our selection of Vanguard FTSE UK All Share and iShares UK Equity. Equity markets were broadly negative over the year, however, which detracted from performance, particularly the

## MA Passive Intermediate Fund (continued)

### Investment review (continued)

#### Sub-fund performance (continued)

North America and Europe ex-UK regions. UK government (gilts) and corporate bonds weighed significantly, but global government bonds and property holdings also performed poorly. Although our fixed income holdings produced negative returns amid sharply rising interest rates in 2022, we continue to believe these assets provide important long-term diversification benefits.

Throughout the year the asset allocation of the funds is adjusted to emphasise asset classes that are expected to offer, in combination, the best risk-adjusted returns for the mid-point of the Sub-fund's risk profile. During the year we opened new positions in L&G Emerging Markets Equity Index, SPDR® Bloomberg 1-5 Year Gilt, L&G US Index, HSBC American Index, HSBC FTSE All Share Index, L&G UK Index, HSBC Sterling Corporate Bond Index, L&G All Stocks Gilt Index, iShares Continental European Equity, HSBC European Index and HSBC Japan Index. We removed Vanguard US Equity, iShares US Equity, Vanguard FTSE UK All Share, Vanguard UK Investment Grade Bond, Vanguard FTSE Developed Europe ex-UK Equity and Vanguard Japan Stock.

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

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

### Material portfolio changes by value

#### Purchases

iShares Corporate Bond Index Fund (UK)  
 Legal & General UK Index Trust  
 Legal & General US Index Trust  
 HSBC Index Tracker Investment Funds - American Index Fund  
 iShares Overseas Government Bond Index Fund (UK)  
 HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund  
 iShares Continental European Equity Index Fund (UK)  
 Legal & General All Stocks Gilt Index Trust  
 iShares Emerging Markets Equity Index Fund (UK)  
 HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund

#### Sales

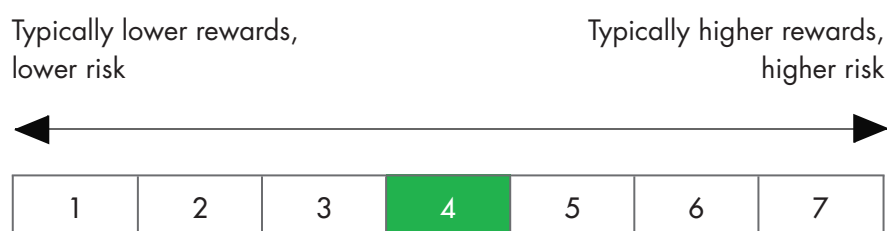
Vanguard FTSE UK All Share Index Unit Trust  
 iShares US Equity Index Fund (UK)  
 iShares UK Equity Index Fund (UK)  
 Vanguard FTSE Developed Europe ex UK Equity Index Fund  
 iShares UK Gilts All Stocks Index Fund (UK)  
 Vanguard US Equity Index Fund  
 Vanguard UK Investment Grade Bond Index Fund  
 Vanguard Japan Stock Index Fund  
 Vanguard UK Government Bond Index Fund  
 iShares Emerging Markets Equity Index Fund (UK)

## MA Passive Intermediate Fund (continued)

### Investment review (continued)

#### Risk and Reward profile

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



- This 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 risk profile used by Liontrust to produce the long-term asset allocation differs from the Synthetic Risk and Reward indicator shown elsewhere in this document, so the two rankings may not be the same.
- The Sub-fund is categorised 4 primarily because of its exposure to a diversified portfolio of funds invested in equities, fixed income and other asset classes.
- 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.
- Some of the underlying funds may invest in derivatives, which can, in certain circumstances, create wider fluctuations in their prices over time.
- Investments in emerging markets may involve a higher element of risk due to less well regulated markets and political and economic instability. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- Liquidity Risk: If underlying funds suspend or defer the payment of redemption proceeds, the Sub-fund's ability to meet redemption requests may also be affected.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Index Tracking Risk: The performance of any passive funds used may not exactly track that of their indices.

## MA Passive Intermediate 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 on page 1) or online at [www.liontrust.co.uk](http://www.liontrust.co.uk).



## MA Passive Intermediate Fund (continued)

## Comparative Tables

for the year ended 31 December 2022

A Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	192.28	178.90	171.03
Return before operating charges	(19.66)	14.45	8.86
Operating charges	(1.05)	(1.07)	(0.99)
Return after operating charges	(20.71)	13.38	7.87
Distributions	(2.43)	(2.64)	(2.43)
Retained distributions on accumulation shares	2.43	2.64	2.43
<b>Closing net asset value per share</b>	<b>171.57</b>	<b>192.28</b>	<b>178.90</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(10.77%)	7.48%	4.60%
<b>Other information</b>			
Closing net asset value (£'000)	17,392	19,225	18,503
Closing number of shares	10,137,036	9,998,767	10,342,921
Operating charges**	0.59%	0.58%	0.59%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	193.10	195.25	179.90
Lowest share price	163.71	174.81	143.80

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Intermediate Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

D Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	170.87	158.79	151.64
Return before operating charges	(17.52)	12.79	7.80
Operating charges	(0.70)	(0.71)	(0.65)
Return after operating charges	(18.22)	12.08	7.15
Distributions	(2.35)	(2.54)	(2.34)
Retained distributions on accumulation shares	2.35	2.54	2.34
<b>Closing net asset value per share</b>	<b>152.65</b>	<b>170.87</b>	<b>158.79</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(10.66%)	7.61%	4.72%
<b>Other information</b>			
Closing net asset value (£'000)	36,532	47,612	51,891
Closing number of shares	23,931,751	27,863,746	32,678,205
Operating charges**	0.44%	0.43%	0.44%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	171.61	173.50	159.70
Lowest share price	145.62	155.20	127.50

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Intermediate Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

R Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	250.97	234.53	225.22
Return before operating charges	(25.37)	19.18	11.82
Operating charges	(2.65)	(2.74)	(2.51)
Return after operating charges	(28.02)	16.44	9.31
Distributions	(2.13)	(2.39)	(2.23)
Retained distributions on accumulation shares	2.13	2.39	2.23
<b>Closing net asset value per share</b>	<b>222.95</b>	<b>250.97</b>	<b>234.53</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(11.16%)	7.01%	4.13%
<b>Other information</b>			
Closing net asset value (£'000)	35,555	43,721	43,352
Closing number of shares	15,947,251	17,420,696	18,484,360
Operating charges**	1.14%	1.13%	1.14%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	252.03	254.93	235.90
Lowest share price	212.95	228.97	189.10

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Intermediate Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

S Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	177.78	165.14	157.64
Return before operating charges	(18.25)	13.29	8.10
Operating charges	(0.64)	(0.65)	(0.60)
Return after operating charges	(18.89)	12.64	7.50
Distributions	(2.51)	(2.71)	(2.49)
Retained distributions on accumulation shares	2.51	2.71	2.49
<b>Closing net asset value per share</b>	<b>158.89</b>	<b>177.78</b>	<b>165.14</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(10.63%)	7.65%	4.76%
<b>Other information</b>			
Closing net asset value (£'000)	588,819	666,654	630,715
Closing number of shares	370,592,454	374,991,091	381,925,063
Operating charges**	0.39%	0.38%	0.39%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	178.55	180.51	166.10
Lowest share price	151.56	161.42	132.50

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Intermediate Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

Z Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	198.75	184.25	175.53
Return before operating charges	(20.51)	14.75	8.96
Operating charges	(0.26)	(0.25)	(0.24)
Return after operating charges	(20.77)	14.50	8.72
Distributions	(3.18)	(3.41)	(3.12)
Retained distributions on accumulation shares	3.18	3.41	3.12
<b>Closing net asset value per share</b>	<b>177.98</b>	<b>198.75</b>	<b>184.25</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(10.45%)	7.87%	4.97%
<b>Other information</b>			
Closing net asset value (£'000)	64,141	74,484	60,149
Closing number of shares	36,037,402	37,475,329	32,644,612
Operating charges**	0.14%	0.13%	0.14%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	199.62	201.79	185.30
Lowest share price	169.70	180.17	147.60

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

# MA Passive Intermediate Fund (continued)

## Portfolio Statement

as at 31 December 2022

Holding/Nominal Value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>COLLECTIVE INVESTMENT SCHEMES (97.63%)</b>	<b>723,823</b>	<b>97.49</b>
	<b>ASIA PACIFIC EXCLUDING JAPAN EQUITIES (4.04%)</b>	<b>28,616</b>	<b>3.85</b>
2,268,410	HSBC Index Tracker Investment Funds - Pacific Index Fund	11,376	1.53
8,014,804	Legal & General Pacific Index Trust	17,240	2.32
	<b>EMERGING MARKETS EQUITIES (2.69%)</b>	<b>45,791</b>	<b>6.17</b>
12,614,370	iShares Emerging Markets Equity Index Fund (UK)	22,863	3.08
20,942,405	Legal & General Emerging Markets Equity Index Fund	22,928	3.09
	<b>EUROPE EXCLUDING UK EQUITIES (6.08%)</b>	<b>29,919</b>	<b>4.03</b>
1,036,371	HSBC Index Tracker Investment Funds - European Index Fund	11,752	1.58
5,746,191	iShares Continental European Equity Index Fund (UK)	18,167	2.45
	<b>GLOBAL BONDS (6.75%)</b>	<b>76,845</b>	<b>10.35</b>
61,075,154	iShares Overseas Government Bond Index Fund (UK)	76,845	10.35
	<b>JAPAN EQUITIES (8.91%)</b>	<b>59,459</b>	<b>8.01</b>
10,069,107	HSBC Index Tracker Investment Funds - Japan Index Fund	14,127	1.90
18,165,971	iShares Japan Equity Index Fund (UK)	45,332	6.11
	<b>NORTH AMERICA EQUITIES (14.76%)</b>	<b>107,674</b>	<b>14.50</b>
5,185,898	HSBC Index Tracker Investment Funds - American Index Fund	46,072	6.20
7,294,539	Legal & General US Index Trust	61,602	8.30
	<b>PROPERTY (4.62%)</b>	<b>22,546</b>	<b>3.03</b>
2,069,029	Aegon Property Income Fund§	1,437	0.19
5,250,603	iShares Global Property Securities Equity Index Fund (UK)	11,818	1.59
9,539,835	Legal & General UK Property Fund	9,291	1.25
	<b>UK CORPORATE BONDS (9.04%)</b>	<b>131,377</b>	<b>17.69</b>
21,152,825	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	20,531	2.76
77,140,612	iShares Corporate Bond Index Fund (UK)	110,846	14.93
	<b>UK EQUITIES (24.17%)</b>	<b>144,587</b>	<b>19.48</b>
4,059,180	HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund	28,126	3.79

## MA Passive Intermediate Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/Nominal Value	Stock description	Market value (£'000)	Percentage of total net assets (%)
<b>COLLECTIVE INVESTMENT SCHEMES (continued)</b>			
<b>UK EQUITIES (continued)</b>			
21,896,807	iShares UK Equity Index Fund (UK)	57,603	7.76
16,331,328	Legal & General UK Index Trust	58,858	7.93
<b>UK GILTS (16.57%)</b>		<b>77,009</b>	<b>10.38</b>
16,160,159	iShares UK Gilts All Stocks Index Fund (UK)	22,624	3.05
12,917,790	Legal & General All Stocks Gilt Index Trust	24,066	3.24
117,270	SPDR Bloomberg Barclays 1-5 Year Gilt UCITS ETF†	5,615	0.76
186,522	Vanguard UK Government Bond Index Fund	24,704	3.33
<b>Portfolio of investments</b>		<b>723,823</b>	<b>97.49</b>
<b>Net other assets</b>		<b>18,616</b>	<b>2.51</b>
<b>Total net assets</b>		<b>742,439</b>	<b>100.00</b>

Each holding listed above is either accumulation units of a Unit Trust or accumulation shares of an Open Ended Investment Company unless otherwise indicated.

Comparative figures shown in brackets relate to 31 December 2021.

§ The Aegon Property Income Fund closed on the 9th August 2021 and will return capital to shareholders as soon as practical.

† Exchange Traded Fund.

## MA Passive Intermediate Fund (continued)

### Statement of Total Return

for the year ended 31 December 2022

	Notes	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
Income					
Net capital (losses)/gains	2		(102,301)		49,014
Revenue	3	14,788		16,212	
Expenses	4	(2,682)		(2,905)	
Interest payable and similar charges	6	(5)		(1)	
Net revenue before taxation		12,101		13,306	
Taxation	5	(318)		(333)	
Net revenue after taxation			11,783		12,973
<b>Total return before distributions</b>			<b>(90,518)</b>		<b>61,987</b>
Distributions	7		(11,784)		(12,975)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(102,302)</b>		<b>49,012</b>

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

for the year ended 31 December 2022

	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>851,696</b>		<b>804,610</b>
Amounts received on issue of shares	40,165		90,244	
Amounts paid on cancellation of shares	(58,818)		(105,088)	
		(18,653)		(14,844)
Dilution adjustment		–		72
Change in net assets attributable to shareholders from investment activities		(102,302)		49,012
Retained distributions on accumulation shares		11,698		12,846
<b>Closing net assets attributable to shareholders</b>		<b>742,439</b>		<b>851,696</b>



## MA Passive Intermediate Fund (continued)

## Balance Sheet

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		723,823	831,508
<b>Current assets:</b>			
Debtors	8	495	1,661
Cash and bank balances	9	60	19,306
Cash equivalents	9	18,980	–
<b>Total assets</b>		<b>743,358</b>	<b>852,475</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	10	(919)	(779)
<b>Total liabilities</b>		<b>(919)</b>	<b>(779)</b>
<b>Net assets attributable to shareholders</b>		<b>742,439</b>	<b>851,696</b>

## MA Passive Intermediate Fund (continued)

## Notes to the financial statements

for the year ended 31 December 2022

**1 Accounting policies**

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities *	(102,304)	49,005
ACD's charge rebates	3	9
<b>Net capital (losses)/gains</b>	<b>(102,301)</b>	<b>49,014</b>

\* Includes realised gains of £62,626,000 and unrealised losses of £164,930,000 (2021: realised gains of £25,244,000 and unrealised gains of £23,761,000). The realised losses on investments in the accounting year to 31 December 2022 includes amounts previously recognised as unrealised gains/losses in the prior accounting year.

**3 Revenue**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Bank interest	14	–
Equity distributions on CIS holdings	10,498	9,663
Interest distributions on CIS holdings	3,336	1,904
Management fee rebates on CIS	752	953
Non-taxable overseas dividends	14	1,985
Taxable overseas dividends	174	1,707
<b>Total revenue</b>	<b>14,788</b>	<b>16,212</b>

## MA Passive Intermediate Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 4 Expenses

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge	2,132	2,311
General administration charges*, **	542	330
	<b>2,674</b>	<b>2,641</b>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary fee	8	33
Safe custody fee	—	21
	<b>8</b>	<b>54</b>
<b>Other expenses:</b>		
Audit fee***	—	8
Registration fee	—	202
	<b>—</b>	<b>210</b>
<b>Total expenses</b>	<b>2,682</b>	<b>2,905</b>

\* From 1 July 2021 the ACD moved from variable to fixed Administration Fees.

\*\* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,050. Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

\*\*\* The audit fee for the prior year, excluding VAT, was £9,187.

## MA Passive Intermediate Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 5 Taxation

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>a) Analysis of charge in year</b>		
Corporation tax	318	333
<b>Total tax charge [see note(b)]</b>	<b>318</b>	<b>333</b>

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Net revenue before taxation	12,101	13,306
Corporation tax at 20% (2021 - 20%)	2,420	2,661
Effects of:		
Capitalised income subject to tax	1	2
Revenue not subject to tax	(2,103)	(2,330)
<b>Total tax charge [see note(a)]</b>	<b>318</b>	<b>333</b>

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

## 6 Interest payable and similar charges

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Overdraft interest	5	1
<b>Total interest payable and similar charges</b>	<b>5</b>	<b>1</b>

## MA Passive Intermediate Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 7 Distributions

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Interim distribution	5,060	3,927
Final distribution	6,638	8,919
	<b>11,698</b>	<b>12,846</b>
Amounts deducted on cancellation of shares	231	500
Amounts received on issue of shares	(145)	(371)
<b>Distributions</b>	<b>11,784</b>	<b>12,975</b>
The distributable amount has been calculated as follows:		
Net revenue after taxation	11,783	12,973
Add: Tax relief on capitalised expenses	1	2
<b>Distributions</b>	<b>11,784</b>	<b>12,975</b>

The distribution per share is set out in the tables on page 175.

## 8 Debtors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued management fee rebates on CIS	184	392
Amounts receivable for issue of shares	278	1,208
Income tax recoverable	33	61
<b>Total debtors</b>	<b>495</b>	<b>1,661</b>

## 9 Cash and bank balances

	31.12.2022 (£'000)	31.12.2021 (£'000)
Cash and bank balances	60	19,306
Cash equivalents	18,980	–
<b>Total cash and bank balances</b>	<b>19,040</b>	<b>19,306</b>

## MA Passive Intermediate Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 10 Creditors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued expenses	43	58
Accrued ACD's charge	173	199
Amounts payable for cancellation of shares	553	358
Corporation tax	150	164
<b>Total other creditors</b>	<b>919</b>	<b>779</b>

## 11 Contingent liabilities and outstanding commitments

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

## 12 Related party transactions

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 £211,000 (2021: £252,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £2,674,000 (2021: £2,641,000).

## 13 Risk management policies

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

- units and shares in regulated collective investment schemes, securities and other investments;
- 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.

## MA Passive Intermediate Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that each collective investment scheme, investment trust or other investment vehicle has individual underlying asset types that 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.

Investments in Collective Investment Schemes with an exposure in emerging markets may be more volatile than investments in more developed markets from time to time, as some of these markets have relatively unstable economies based on only a few industries and securities markets that trade only a limited number of securities.

Investments in Collective Investment Schemes with an exposure in the shares of individual companies are subject to a wide range of risks that may cause their prices to fluctuate over time. The value of those financial instruments is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual instrument or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

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. The Sub-fund seeks to minimise all of the above mentioned risks by holding diversified portfolios of investments.

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 the Sub-fund performance changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year.

A 5% increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £37,140,000 (2021: £41,575,000). A 5% decrease would have an equal and opposite effect.

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 Gross Leverage.

In accordance with the Alternative Investment Funds Management Directive (AIFMD) we are required to disclose the 'leverage' of each sub-fund. Leverage is defined as any method by which the Sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways 'gross method' and 'commitment method' and the Sub-fund must not exceed maximum exposures under both methods. 'Gross method' exposure is calculated as the sum of all positions of the Sub-fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes. 'Commitment method' exposure is also calculated as the sum of all positions of the Sub-fund (both positive and negative), but after netting off any derivative and security positions as specified by AIFMD rules.

## MA Passive Intermediate Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

The Commitment exposure and the gross method leverage for the Sub-fund was:

	AIFM Gross Leverage 31.12.2022	AIFM Gross Leverage 31.12.2021	AIFM Commitment 31.12.2022	AIFM Commitment 31.12.2021
Liontrust MA Passive Intermediate Fund	99.99%	97.73%	100.00%	100.00%

For the calculation of commitment and gross method the following assumptions were taken:

- for AIFM purposes, money market funds are not assimilated to "cash equivalents". Only UK Treasuries with maturity less than 3 months are considered "cash equivalents".

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 invests predominantly in sterling denominated Collective Investment Schemes (CIS) that in turn invest in a range of instruments, some of which may be overseas and subject to foreign currency risk. 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.

Sub-funds which hold cash balances and invest in fixed interest securities will be subject to interest rate risk. As a result, the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates.



## MA Passive Intermediate Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Interest rate risk (continued)

The Sub-fund invests predominantly in CIS and therefore has no significant direct exposure to interest rate risk. As the Sub-fund has no direct exposure to interest rate risk no interest rate risk table or sensitivity analysis has been prepared, however the ACD may take a particular view on the interest rate movements and may alter investment strategies accordingly.

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

##### Liquidity risk

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

Sub-funds investing in smaller companies, emerging markets, high yield bonds, alternatives and property or OTC derivatives hold transferable securities that may be less liquid than the securities of larger companies as a result of lower trading volumes or restrictions on trading. The Sub-funds that invest in collective investment schemes that themselves may hold illiquid assets are also exposed to the risk of suspensions of dealing in those collective investment schemes.

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 (directly, or through purchasing the units of collective investment schemes, 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.

Sub-funds are also exposed to credit risk indirectly by the activities of collective investment schemes in which they invest. In general, the Company will only invest in regulated collective investment schemes and in any case the Investment Manager will ensure that underlying schemes have equivalent credit risk management processes in place to those described above.

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-funds' financial assets were past due or impaired.

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

## MA Passive Intermediate Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Counterparty credit risk (continued)

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

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

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

##### Maturity profile of financial liabilities

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

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

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

## MA Passive Intermediate Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 13 Risk management policies (continued)

## Valuation of financial investments

	Assets (£'000)	Liabilities (£'000)
<b>31.12.2022</b>		
Level 1: Quoted prices	5,615	—
Level 2: Observable market data	716,771	—
Level 3: Unobservable data	1,437	—
	<b>723,823</b>	<b>—</b>
<b>31.12.2021</b>		
Level 1: Quoted prices	—	—
Level 2: Observable market data	826,204	—
Level 3: Unobservable data	5,304	—
	<b>831,508</b>	<b>—</b>

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

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

Level 3: Valuation techniques using unobservable inputs.\*

\*The current and prior year level 3 balances represent the Aegon Property Income Fund which closed on 9 August 2021 and at the current and prior year end was in liquidation. Aegon has continued to publish a daily valuation share price for the fund during its suspension and liquidation and the valuation of the holding at the current and prior year end reflects the published share price with no discount applied.

## 14 Share movement

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
A Accumulation	9,998,767	1,283,593	(1,083,091)	(62,233)	10,137,036
D Accumulation	27,863,746	1,345,083	(5,139,673)	(137,405)	23,931,751
R Accumulation	17,420,696	674,062	(2,147,507)	—	15,947,251
S Accumulation	374,991,091	17,986,421	(22,584,346)	199,288	370,592,454
Z Accumulation	37,475,329	2,334,192	(3,772,119)	—	36,037,402

## MA Passive Intermediate Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs

for the year ending 31 December 2022

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Collective investment schemes	605,711	2	–	–	–
<b>Total purchases</b>	<b>605,711</b>	<b>2</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>605,713</b>				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Sales (excluding derivatives)</b>					
Collective investment schemes	625,007	–	–	–	–
<b>Total sales</b>	<b>625,007</b>	<b>–</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>625,007</b>				
<b>Total transaction costs</b>		<b>2</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>-</b>		<b>–</b>	

## MA Passive Intermediate Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Collective investment schemes	179,910	–	–	–	–
<b>Total purchases</b>	<b>179,910</b>	<b>–</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>179,910</b>				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Sales (excluding derivatives)</b>					
Collective investment schemes	209,263	–	–	–	–
<b>Total sales</b>	<b>209,263</b>	<b>–</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>209,263</b>				
<b>Total transaction costs</b>		<b>–</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>–</b>		<b>–</b>	

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

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 0.02% (2021: 0.26%).

### MA Passive Intermediate Fund (continued)

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

for the year ended 31 December 2022

#### **16 Post balance sheet events**

The Fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the S Accumulation share class has increased by 3.12% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

## MA Passive Intermediate Fund (continued)

### Distribution Tables

for the year ended 31 December 2022

#### Final distribution

Group 1 - Shares purchased prior to 1 July 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2023 Pence per share	Distribution paid 28.2.2022 Pence per share
A Accumulation - Group 1	1.4130	—	1.4130	1.8782
A Accumulation - Group 2	0.8835	0.5295	1.4130	1.8782
D Accumulation - Group 1	1.3432	—	1.3432	1.7711
D Accumulation - Group 2	0.7495	0.5937	1.3432	1.7711
R Accumulation - Group 1	1.3256	—	1.3256	1.9066
R Accumulation - Group 2	0.4298	0.8958	1.3256	1.9066
S Accumulation - Group 1	1.4351	—	1.4351	1.8787
S Accumulation - Group 2	0.6916	0.7435	1.4351	1.8787
Z Accumulation - Group 1	1.7856	—	1.7856	2.2961
Z Accumulation - Group 2	0.8204	0.9652	1.7856	2.2961

#### Interim distribution

Group 1 - Shares purchased prior to 1 January 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2022 Pence per share	Distribution paid 31.8.2021 Pence per share
A Accumulation - Group 1	1.0201	—	1.0201	0.7589
A Accumulation - Group 2	0.4922	0.5279	1.0201	0.7589
D Accumulation - Group 1	1.0034	—	1.0034	0.7673
D Accumulation - Group 2	0.4395	0.5639	1.0034	0.7673
R Accumulation - Group 1	0.8064	—	0.8064	0.4800
R Accumulation - Group 2	0.2011	0.6053	0.8064	0.4800
S Accumulation - Group 1	1.0786	—	1.0786	0.8346
S Accumulation - Group 2	0.5513	0.5273	1.0786	0.8346
Z Accumulation - Group 1	1.3942	—	1.3942	1.1175
Z Accumulation - Group 2	0.7375	0.6567	1.3942	1.1175

\* 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.

# MA Passive Moderate Fund

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

## Investment Objective

The Sub-fund seeks to achieve capital growth and income with a below median level of volatility (risk), having a risk profile of 3, in a range from 1 to 7, where 1 is the lowest risk and 7 the highest.

## Investment Policy

The Sub-fund is an actively managed fund of funds.

The Sub-fund invests at least 70% of its assets in other funds (underlying funds), including funds which are traded on stock exchanges (investment trusts and exchange traded funds), other closed-ended funds and funds managed by the ACD or its associates.

The underlying funds will invest globally (including in emerging markets) in a range of asset classes and financial instruments including shares, debt instruments (bonds) including those which can easily be converted into cash (money market instruments), freely transferable rights to buy other investments at a future date (warrants), financial contracts that derive their values from those of other investment instruments or indices (derivatives) and deposits.

The underlying funds will where practicably possible be passive funds, meaning they seek to track investment indices.

The Sub-fund may also invest directly in the above asset classes and financial instruments when there are specific benefits in doing so.

Further, the Sub-fund may also obtain indirect exposure to property through investment in Real Estate Investment Trusts (REITs) and shares in property investment companies, and may engage in stock-lending and borrowing.

When required to manage liquidity, or the Sub-fund's risk, the Sub-fund may hold its assets in cash or deposits and money market instruments.

The Sub-fund may use derivatives to help achieve the investment objective (investment purposes) as well as to reduce risk or to manage the Sub-fund more efficiently (often referred to as "efficient portfolio management").

The Sub-fund aims to take a below median level of risk in achieving its investment objective. The Sub-fund's investments are combined together in different proportions as determined by the ACD based on asset risk profiles set by an external risk modelling company. The riskiness of different combinations and proportions of types of investment are measured by predicting how they might behave over a 15 year period. The risk modelling company assigns each combination of assets to one of seven risk profiles, ranging from 1, which reflects the risk of holding cash in bank accounts, to 7, which is the riskiest profile. The Sub-fund has a risk profile of 3, which means it will typically have a lower exposure to higher risk assets, and a greater exposure to lower risk assets than other Sub-funds in the Company which have a higher risk profile. Typically shares, certain types of bonds, or exposure to property/commodities will be classified as higher risk assets, whilst certain other bonds, cash and near cash (money market instruments, deposits and money market funds) will be classified as lower risk assets.

The actual investments of the Sub-fund are not chosen by the risk modelling company and the ACD retains the discretion to select the Sub-fund's investments.

There is no guarantee that the Sub-fund's performance will reflect the behaviour of the assets used to create the risk profile.

## Investment Strategy

Underlying funds are selected on the basis of their efficiency at tracking the performance of certain investment indices which relate to particular types of assets.



## MA Passive Moderate Fund (continued)

### Investment review

#### Sub-fund review

Financial markets were down in 2022 overall, but they did at least end with a positive performance in Q4 after a relentless stream of negative political and economic news for much of the year. Although the Omicron virus had been a worry going into the year, it was hoped that the pandemic would become less pernicious due to vaccinations and growing immunity. But as one black swan event subsided, another arose with Russia's invasion of Ukraine. Eventually, the bad news abated, and markets reached a nadir in October that has subsequently looked increasingly like a turning point.

With investor sentiment having reached extreme lows, the potential for positive surprises in 2023 is all the greater. A slowing economy is widely expected and the risk is that this will impact company earnings and their financial strength. However, we believe the global economy remains on a reasonably solid footing and we expect the downturn will be mild rather than deep and protracted. The re-opening of China following its draconian Covid lockdowns will also provide a boost to the global economy and trade.

The main focus for investors in 2022 had been how far central banks would hike interest rates in their efforts to control inflation and whether this would tip economies into recession. The pace of central bank tightening was indeed rapid, with the Federal Reserve instigating seven hikes. The European Central Bank (ECB) raised rates for the first time in more than a decade in July by 50bps as inflation soared to a record 8.6% in the eurozone.

The tenacity of the rate hikes impacted both equities and bonds. So much so that the benefits of diversification were noticeably absent. Equities, and particularly 'growth style' stocks that are priced according to longer-term future earnings, were badly hit but bonds suffered a historic sell off. Bonds would usually be expected to provide 'defensive ballast' during equity downturns, but it was a rare period of extreme stress in which normal asset class diversification temporarily broke down.

The obvious risk for financial markets in 2023 lies in unexpected rate hikes and slowing economic growth. But this risk reduces as inflation subsides. And there are growing signs that this is the case. US inflation was down to 6.5% in December after peaking at 9.1% in June. In the UK, it dipped from 11.1% in October to 10.5% in December. Even in the eurozone, where the ECB had warned investors not to expect rate rises to end early in 2023, inflation dropped from its 10.6% record high in October to 9.2% in December.

Financial assets are more attractively priced following the drawdowns they experienced in 2022. There is still a pervasive sense of uncertainty which will keep us 'neutral' in terms of our model limits, but we believe the outlook for equities is brighter and we are looking to raise exposure to them. We do not expect a bull market rally in 2023, but we do expect equities to regain some of their momentum. Our view on fixed income is also more positive, having been underweight the asset class for some time. We especially like the global high yield bond market, where we see attractive opportunities on a risk-return basis. The exposure that hampered our performance in 2022, including gilts, small caps and emerging market equities, together with increasing exposure to bonds, will be geared into a market recovery when it comes through.

Longer term, we see many financial assets reverting to their longer-term trend performances. But trying to predict and time asset class performances is a hazardous pursuit. A better approach is to diversify investment portfolios and reap rewards from across the asset classes.

#### Performance

In the twelve months to 31 Dec 2022, the Liontrust MA Passive Moderate Fund (S Accumulation) returned -13.6%\*.

*\*Source of discrete performance data: Financial Express, as at 31 December 2022. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

#### Sub-fund performance

To satisfy the Sub-fund's risk profile, the Sub-fund is heavily invested in both equities and fixed income, with a smaller allocation to property.

Our allocation to UK equities produced positive returns over the year, driven by our selection of Vanguard FTSE UK All Share. Equity markets were broadly negative over the year, however, which detracted from performance, particularly the North America and Japan

## MA Passive Moderate Fund (continued)

### Investment review (continued)

#### Sub-fund performance (continued)

regions. UK government (gilts) detracted significantly from performance, but corporate and global government bonds and property holdings also performed poorly. Although our fixed income holdings produced negative returns amid sharply rising interest rates in 2022, we continue to believe these assets provide important long-term diversification benefits.

Throughout the year the asset allocation of the funds is adjusted to emphasise asset classes that are expected to offer, in combination, the best risk-adjusted returns for the mid-point of the Sub-fund's risk profile. Throughout the year, we opened new positions in L&G Emerging Markets Equity Index, SPDR® Bloomberg 1-5 Year Gilt, L&G US Index, HSBC American Index, HSBC FTSE All Share Index, L&G UK Index, HSBC Sterling Corp Bd Index, L&G All Stocks Gilt Index, iShares Continental Europe Equity Index, HSBC European Index and HSBC Japan Index. We also removed Vanguard US Equity, Vanguard FTSE UK All Share, Vanguard UK Investment Grade Bond, Vanguard FTSE Developed Europe ex-UK and Vanguard Japan Stock.

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

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

### Material portfolio changes by value

#### Purchases

Legal & General US Index Trust  
iShares Corporate Bond Index Fund (UK)  
Legal & General All Stocks Gilt Index Trust  
Legal & General UK Index Trust  
HSBC Index Tracker Investment Funds - American Index Fund  
iShares Overseas Government Bond Index Fund (UK)  
HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund  
iShares Continental European Equity Index Fund (UK)  
Legal & General Emerging Markets Equity Index Fund  
iShares Japan Equity Index Fund (UK)

#### Sales

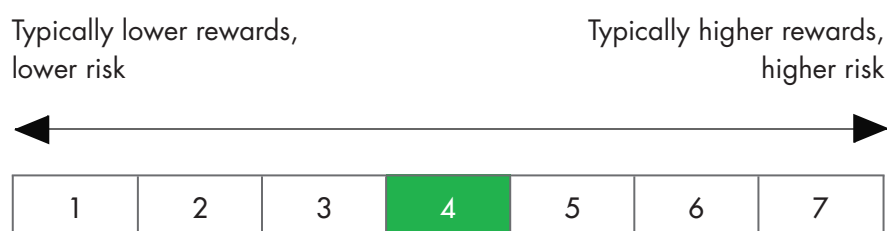
Vanguard US Equity Index Fund  
Vanguard FTSE UK All Share Index Unit Trust  
iShares UK Gilts All Stocks Index Fund (UK)  
Vanguard UK Government Bond Index Fund  
Vanguard FTSE Developed Europe ex UK Equity Index Fund  
iShares UK Equity Index Fund (UK)  
Vanguard Japan Stock Index Fund  
iShares Corporate Bond Index Fund (UK)  
Vanguard UK Investment Grade Bond Index Fund  
Legal & General US Index Trust

## MA Passive Moderate Fund (continued)

### Investment review (continued)

#### Risk and Reward profile

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



- This 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 risk profile per the investment objective used by Liontrust to produce the long term asset allocation differs from Synthetic Risk and Reward Indicator, so the two rankings may not be the same.
- The Sub-fund is categorised 4 primarily because of its exposure to a diversified portfolio of funds invested in mainly fixed income with some equities and other asset classes.
- 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.
- Some of the underlying funds may invest in derivatives, which can, in certain circumstances, create wider fluctuations in their prices over time.
- Investments in emerging markets may involve a higher element of risk due to less well regulated markets and political and economic instability. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- Liquidity Risk: If underlying funds suspend or defer the payment of redemption proceeds, the Sub-fund's ability to meet redemption requests may also be affected.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Index Tracking Risk: The performance of any passive funds used may not exactly track that of their indices.

### MA Passive Moderate 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 on page 1) or online at [www.liontrust.co.uk](http://www.liontrust.co.uk).

## MA Passive Moderate Fund (continued)

## Comparative Tables

for the year ended 31 December 2022

A Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	178.90	170.95	162.64
Return before operating charges	(22.89)	8.96	9.27
Operating charges	(0.98)	(1.01)	(0.96)
Return after operating charges	(23.87)	7.95	8.31
Distributions	(1.95)	(2.27)	(1.99)
Retained distributions on accumulation shares	1.95	2.27	1.99
<b>Closing net asset value per share</b>	<b>155.03</b>	<b>178.90</b>	<b>170.95</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(13.34%)	4.65%	5.11%
<b>Other information</b>			
Closing net asset value (£'000)	17,897	24,681	23,672
Closing number of shares	11,543,991	13,796,160	13,846,865
Operating charges**	0.60%	0.58%	0.59%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	179.21	182.74	171.80
Lowest share price	147.64	165.30	141.30

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Moderate Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

D Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	161.96	154.58	146.89
Return before operating charges	(20.77)	8.06	8.33
Operating charges	(0.67)	(0.68)	(0.64)
Return after operating charges	(21.44)	7.38	7.69
Distributions	(1.95)	(2.24)	(1.98)
Retained distributions on accumulation shares	1.95	2.24	1.98
<b>Closing net asset value per share</b>	<b>140.52</b>	<b>161.96</b>	<b>154.58</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(13.24%)	4.77%	5.24%
<b>Other information</b>			
Closing net asset value (£'000)	27,476	36,426	41,361
Closing number of shares	19,552,765	22,490,930	26,756,206
Operating charges**	0.45%	0.43%	0.44%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	162.24	165.42	155.30
Lowest share price	133.78	149.51	127.70

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Moderate Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

D Income Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	135.28	130.95	126.07
Return before operating charges	(17.32)	6.80	7.12
Operating charges	(0.56)	(0.57)	(0.55)
Return after operating charges	(17.88)	6.23	6.57
Distributions	(1.62)	(1.90)	(1.69)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>115.78</b>	<b>135.28</b>	<b>130.95</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(13.22%)	4.76%	5.21%
<b>Other information</b>			
Closing net asset value (£'000)	1,749	2,241	2,343
Closing number of shares	1,510,405	1,656,400	1,789,016
Operating charges**	0.45%	0.43%	0.44%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	135.53	139.61	132.60
Lowest share price	111.11	126.65	109.60

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Moderate Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

R Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	229.11	219.90	210.12
Return before operating charges	(29.02)	11.73	12.16
Operating charges	(2.41)	(2.52)	(2.38)
Return after operating charges	(31.43)	9.21	9.78
Distributions	(1.57)	(1.93)	(1.65)
Retained distributions on accumulation shares	1.57	1.93	1.65
<b>Closing net asset value per share</b>	<b>197.68</b>	<b>229.11</b>	<b>219.90</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(13.72%)	4.19%	4.65%
<b>Other information</b>			
Closing net asset value (£'000)	25,156	32,788	33,406
Closing number of shares	12,725,722	14,311,054	15,191,564
Operating charges**	1.15%	1.13%	1.14%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	229.48	234.09	221.00
Lowest share price	188.42	212.45	182.40

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.



## MA Passive Moderate Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

R Income Accounting year ended	31 December 2022+ per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	189.24	183.17	176.38
Return before operating charges	(14.23)	9.77	10.16
Operating charges	(0.89)	(2.10)	(1.99)
Return after operating charges	(15.12)	7.67	8.17
Distributions	—	(1.60)	(1.38)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>174.12</b>	<b>189.24</b>	<b>183.17</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(7.99%)	4.19%	4.63%
<b>Other information</b>			
Closing net asset value (£'000)	—	332	369
Closing number of shares	—	175,178	201,714
Operating charges**	1.15%	1.13%	1.14%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	189.56	194.79	185.00
Lowest share price	173.77	176.97	153.10

+ Closed on 10 June 2022.

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Moderate Fund (continued)

### Comparative Tables (continued)

for the year ended 31 December 2022

S Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	169.36	161.58	153.47
Return before operating charges	(21.74)	8.41	8.71
Operating charges	(0.62)	(0.63)	(0.60)
Return after operating charges	(22.36)	7.78	8.11
Distributions	(2.10)	(2.41)	(2.13)
Retained distributions on accumulation shares	2.10	2.41	2.13
<b>Closing net asset value per share</b>	<b>147.00</b>	<b>169.36</b>	<b>161.58</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(13.20%)	4.81%	5.28%
<b>Other information</b>			
Closing net asset value (£'000)	423,499	529,329	540,743
Closing number of shares	288,086,972	312,544,980	334,657,048
Operating charges**	0.40%	0.38%	0.39%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	169.66	172.98	162.40
Lowest share price	139.94	156.29	133.40

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Moderate Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

<b>S Income</b>	<b>31 December 2022</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Accounting year ended</b>	<b>per share (p)</b>	<b>per share (p)</b>	<b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	135.29	130.96	126.08
Return before operating charges	(17.35)	6.79	7.11
Operating charges	(0.49)	(0.51)	(0.49)
Return after operating charges	(17.84)	6.28	6.62
Distributions	(1.67)	(1.95)	(1.74)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>115.78</b>	<b>135.29</b>	<b>130.96</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(13.19%)	4.80%	5.25%
<b>Other information</b>			
Closing net asset value (£'000)	11,333	14,832	11,218
Closing number of shares	9,788,114	10,962,986	8,566,234
Operating charges**	0.40%	0.38%	0.39%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	135.53	139.64	132.60
Lowest share price	111.13	126.67	109.60

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Moderate Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

Z Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	185.01	176.16	166.99
Return before operating charges	(23.85)	9.08	9.41
Operating charges	(0.25)	(0.23)	(0.24)
Return after operating charges	(24.10)	8.85	9.17
Distributions	(2.64)	(2.99)	(2.65)
Retained distributions on accumulation shares	2.64	2.99	2.65
<b>Closing net asset value per share</b>	<b>160.91</b>	<b>185.01</b>	<b>176.16</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(13.03%)	5.02%	5.49%
<b>Other information</b>			
Closing net asset value (£'000)	43,573	55,035	48,278
Closing number of shares	27,079,371	29,747,113	27,406,113
Operating charges**	0.15%	0.13%	0.14%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	185.34	188.94	177.00
Lowest share price	153.11	170.45	145.20

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Moderate Fund (continued)

## Portfolio Statement

as at 31 December 2022

Holding/Nominal Value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>COLLECTIVE INVESTMENT SCHEMES (98.48%)</b>	<b>534,791</b>	<b>97.11</b>
	<b>ASIA PACIFIC EXCLUDING JAPAN EQUITIES (3.05%)</b>	<b>19,237</b>	<b>3.50</b>
1,401,136	HSBC Index Tracker Investment Funds - Pacific Index Fund	7,027	1.28
5,676,391	Legal & General Pacific Index Trust	12,210	2.22
	<b>EMERGING MARKETS EQUITIES (2.96%)</b>	<b>27,630</b>	<b>5.02</b>
7,843,493	iShares Emerging Markets Equity Index Fund (UK)	14,216	2.58
12,252,870	Legal & General Emerging Markets Equity Index Fund	13,414	2.44
	<b>EUROPE EXCLUDING UK EQUITIES (5.20%)</b>	<b>16,834</b>	<b>3.06</b>
483,136	HSBC Index Tracker Investment Funds - European Index Fund	5,479	1.00
3,591,404	iShares Continental European Equity Index Fund (UK)	11,355	2.06
	<b>GLOBAL BONDS (7.09%)</b>	<b>58,350</b>	<b>10.60</b>
46,375,904	iShares Overseas Government Bond Index Fund (UK)	58,350	10.60
	<b>JAPAN EQUITIES (6.98%)</b>	<b>33,451</b>	<b>6.07</b>
5,426,408	HSBC Index Tracker Investment Funds - Japan Index Fund	7,613	1.38
10,354,002	iShares Japan Equity Index Fund (UK)	25,838	4.69
	<b>NORTH AMERICA EQUITIES (12.16%)</b>	<b>62,724</b>	<b>11.39</b>
2,456,116	HSBC Index Tracker Investment Funds - American Index Fund	21,820	3.96
4,843,613	Legal & General US Index Trust	40,904	7.43
	<b>PROPERTY (4.63%)</b>	<b>15,836</b>	<b>2.88</b>
1,803,075	Aegon Property Income Fund§	1,252	0.23
3,275,658	iShares Global Property Securities Equity Index Fund (UK)	7,373	1.34
7,404,008	Legal & General UK Property Fund	7,211	1.31
	<b>UK CORPORATE BONDS (5.01%)</b>	<b>49,609</b>	<b>9.00</b>
8,194,529	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	7,954	1.44
28,989,150	iShares Corporate Bond Index Fund (UK)	41,655	7.56
	<b>UK EQUITIES (18.70%)</b>	<b>91,528</b>	<b>16.62</b>
2,807,568	HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund	19,454	3.53

## MA Passive Moderate Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/Nominal Value	Stock description	Market value (£'000)	Percentage of total net assets (%)
<b>COLLECTIVE INVESTMENT SCHEMES (continued)</b>			
<b>UK EQUITIES (continued)</b>			
13,889,121	iShares UK Equity Index Fund (UK)	36,538	6.64
9,860,178	Legal & General UK Index Trust	35,536	6.45
<b>UK GILTS (32.70%)</b>		<b>159,592</b>	<b>28.97</b>
32,111,335	iShares UK Gilts All Stocks Index Fund (UK)	44,956	8.16
24,187,003	Legal & General All Stocks Gilt Index Trust	45,060	8.18
235,159	SPDR Bloomberg Barclays 1-5 Year Gilt UCITS ETF†	11,259	2.04
440,309	Vanguard UK Government Bond Index Fund	58,317	10.59
<b>Portfolio of investments</b>		<b>534,791</b>	<b>97.11</b>
<b>Net other assets</b>		<b>15,892</b>	<b>2.89</b>
<b>Total net assets</b>		<b>550,683</b>	<b>100.00</b>

Each holding listed above is either accumulation units of a Unit Trust or accumulation shares of an Open Ended Investment Company unless otherwise indicated.

Comparative figures shown in brackets relate to 31 December 2021.

§ The Aegon Property Income Fund closed on the 9th August 2021 and will return capital to shareholders as soon as practical.

† Exchange Traded Fund.

## MA Passive Moderate Fund (continued)

## Statement of Total Return

for the year ended 31 December 2022

	Notes	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
Income					
Net capital (losses)/gains	2		(97,281)		22,804
Revenue	3	10,563		12,917	
Expenses	4	(2,109)		(2,439)	
Interest payable and similar charges	6	(4)		(1)	
Net revenue before taxation		8,450		10,477	
Taxation	5	(354)		(418)	
Net revenue after taxation			8,096		10,059
<b>Total return before distributions</b>			<b>(89,185)</b>		<b>32,863</b>
Distributions	7		(8,096)		(10,059)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(97,281)</b>		<b>22,804</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2022

	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>695,664</b>		<b>701,390</b>
Amounts received on issue of shares	18,455		58,329	
Amounts paid on cancellation of shares	(73,876)		(96,446)	
		(55,421)		(38,117)
Change in net assets attributable to shareholders from investment activities		(97,281)		22,804
Retained distributions on accumulation shares		7,721		9,587
<b>Closing net assets attributable to shareholders</b>		<b>550,683</b>		<b>695,664</b>

## MA Passive Moderate Fund (continued)

### Balance Sheet

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		534,791	685,089
<b>Current assets:</b>			
Debtors	8	3,042	624
Cash and bank balances	9	17	11,752
Cash equivalents	9	14,492	–
<b>Total assets</b>		<b>552,342</b>	<b>697,465</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Distribution payable		(107)	(182)
Other creditors	10	(1,552)	(1,619)
<b>Total liabilities</b>		<b>(1,659)</b>	<b>(1,801)</b>
<b>Net assets attributable to shareholders</b>		<b>550,683</b>	<b>695,664</b>



## MA Passive Moderate Fund (continued)

## Notes to the financial statements

for the year ended 31 December 2022

**1 Accounting policies**

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities *	(97,283)	22,797
Foreign currency losses **	–	(1)
ACD's charge rebates	2	8
<b>Net capital (losses)/gains</b>	<b>(97,281)</b>	<b>22,804</b>

\* Includes realised gains of £38,200,000 and unrealised losses of £135,484,000 (2021: realised gains of £15,483,000 and unrealised gains of £7,314,000). The realised losses on investments in the accounting year to 31 December 2022 includes amounts previously recognised as unrealised gains/losses in the prior accounting year.

\*\* Includes realised gains of £0 and unrealised gains of £0 (2021: realised gains of £0 and unrealised losses of £1,000). The realised gains on currency in the accounting year to 31 December 2022 includes amounts previously recognised as unrealised gains/losses in the prior accounting year.

**3 Revenue**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Bank interest	16	–
Equity distributions on CIS holdings	6,670	6,855
Interest distributions on CIS holdings	2,532	1,406
Management fee rebates on CIS	581	672
Non-taxable overseas dividends	10	1,535
Taxable overseas dividends	754	2,449
<b>Total revenue</b>	<b>10,563</b>	<b>12,917</b>

## MA Passive Moderate Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 4 Expenses

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge	1,679	1,938
General administration charges*, **	423	276
	<b>2,102</b>	<b>2,214</b>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary fee	7	27
Safe custody fee	—	18
	<b>7</b>	<b>45</b>
<b>Other expenses:</b>		
Audit fee***	—	8
Registration fee	—	172
	<b>—</b>	<b>180</b>
<b>Total expenses</b>	<b>2,109</b>	<b>2,439</b>

\* From 1 July 2021 the ACD moved from variable to fixed Administration Fees.

\*\* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,050. Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

\*\*\* The audit fee for the prior year, excluding VAT, was £9,187.

## MA Passive Moderate Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 5 Taxation

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>a) Analysis of charge in year</b>		
Corporation tax	354	419
Corporation tax prior year adjustment	–	(1)
<b>Total tax charge [see note(b)]</b>	<b>354</b>	<b>418</b>

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Net revenue before taxation	8,450	10,477
Corporation tax at 20% (2021 - 20%)	1,690	2,095
Effects of:		
Capitalised income subject to tax	–	1
Corporation tax prior year adjustment	–	(1)
Revenue not subject to tax	(1,336)	(1,677)
<b>Total tax charge [see note(a)]</b>	<b>354</b>	<b>418</b>

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

## 6 Interest payable and similar charges

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Overdraft interest	4	1
<b>Total interest payable and similar charges</b>	<b>4</b>	<b>1</b>

## MA Passive Moderate Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 7 Distributions

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Interim distribution	3,485	2,647
Final distribution	4,433	7,183
	<b>7,918</b>	<b>9,830</b>
Amounts deducted on cancellation of shares	237	404
Amounts received on issue of shares	(59)	(175)
<b>Distributions</b>	<b>8,096</b>	<b>10,059</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	8,096	10,059
<b>Distributions</b>	<b>8,096</b>	<b>10,059</b>

The distribution per share is set out in the tables on pages 206 to 207.

## 8 Debtors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued management fee rebates on CIS	131	286
Accrued revenue	20	–
Amounts receivable for issue of shares	94	287
Income tax recoverable	47	51
Sales awaiting settlement	2,750	–
<b>Total debtors</b>	<b>3,042</b>	<b>624</b>

## 9 Cash and bank balances

	31.12.2022 (£'000)	31.12.2021 (£'000)
Cash and bank balances	17	11,752
Cash equivalents	14,492	–
<b>Total cash and bank balances</b>	<b>14,509</b>	<b>11,752</b>

## MA Passive Moderate Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 10 Creditors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued expenses	34	49
Accrued ACD's charge	130	165
Amounts payable for cancellation of shares	1,183	1,212
Corporation tax	205	193
<b>Total other creditors</b>	<b>1,552</b>	<b>1,619</b>

#### 11 Contingent liabilities and outstanding commitments

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

#### 12 Related party transactions

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 £158,000 (2021: £208,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £2,102,000 (2021: £2,214,000).

#### 13 Risk management policies

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

- units and shares in regulated collective investment schemes, securities and other investments;
- 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.

## MA Passive Moderate Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that each collective investment scheme, investment trust or other investment vehicle has individual underlying asset types that 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.

Investments in Collective Investment Schemes with an exposure in emerging markets may be more volatile than investments in more developed markets from time to time, as some of these markets have relatively unstable economies based on only a few industries and securities markets that trade only a limited number of securities.

Investments in Collective Investment Schemes with an exposure in the shares of individual companies are subject to a wide range of risks that may cause their prices to fluctuate over time. The value of those financial instruments is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual instrument or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

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. The Sub-fund seeks to minimise all of the above mentioned risks by holding diversified portfolios of investments.

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 the Sub-fund performance changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year.

A 5% increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £27,464,000 (2021: £34,254,000). A 5% decrease would have an equal and opposite effect.

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 Gross Leverage.

In accordance with the Alternative Investment Funds Management Directive (AIFMD) we are required to disclose the 'leverage' of each sub-fund. Leverage is defined as any method by which the Sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways 'gross method' and 'commitment method' and the Sub-fund must not exceed maximum exposures under both methods. 'Gross method' exposure is calculated as the sum of all positions of the Sub-fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes. 'Commitment method' exposure is also calculated as the sum of all positions of the Sub-fund (both positive and negative), but after netting off any derivative and security positions as specified by AIFMD rules.

## MA Passive Moderate Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

The Commitment exposure and the gross method leverage for the Sub-fund was:

	AIFM Gross Leverage 31.12.2022	AIFM Gross Leverage 31.12.2021	AIFM Commitment 31.12.2022	AIFM Commitment 31.12.2021
Liontrust MA Passive Moderate Fund	100.00%	98.31%	100.00%	100.00%

For the calculation of commitment and gross method the following assumptions were taken:

- for AIFM purposes, money market funds are not assimilated to "cash equivalents". Only UK Treasuries with maturity less than 3 months are considered "cash equivalents".

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 invests predominantly in sterling denominated Collective Investment Schemes (CIS) that in turn invest in a range of instruments, some of which may be overseas and subject to foreign currency risk. 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.

Sub-funds which hold cash balances and invest in fixed interest securities will be subject to interest rate risk. As a result, the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates.

## MA Passive Moderate Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Interest rate risk (continued)

The Sub-fund invests predominantly in CIS and therefore has no significant direct exposure to interest rate risk. As the Sub-fund has no direct exposure to interest rate risk no interest rate risk table or sensitivity analysis has been prepared, however the ACD may take a particular view on the interest rate movements and may alter investment strategies accordingly.

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

##### Liquidity risk

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

Sub-funds investing in smaller companies, emerging markets, high yield bonds, alternatives and property or OTC derivatives hold transferable securities that may be less liquid than the securities of larger companies as a result of lower trading volumes or restrictions on trading. The Sub-funds that invest in collective investment schemes that themselves may hold illiquid assets are also exposed to the risk of suspensions of dealing in those collective investment schemes.

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 (directly, or through purchasing the units of collective investment schemes, 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.

Sub-funds are also exposed to credit risk indirectly by the activities of collective investment schemes in which they invest. In general, the Company will only invest in regulated collective investment schemes and in any case the Investment Manager will ensure that underlying schemes have equivalent credit risk management processes in place to those described above.

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-funds' financial assets were past due or impaired.

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



## MA Passive Moderate Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Counterparty credit risk (continued)

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

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

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

##### Maturity profile of financial liabilities

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

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

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

## MA Passive Moderate Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Valuation of financial investments

	Assets (£'000)	Liabilities (£'000)
<b>31.12.2022</b>		
Level 1: Quoted prices	11,259	—
Level 2: Observable market data	522,280	—
Level 3: Unobservable data	1,252	—
	<b>534,791</b>	<b>—</b>
<b>31.12.2021</b>		
Level 1: Quoted prices	—	—
Level 2: Observable market data	680,467	—
Level 3: Unobservable data	4,622	—
	<b>685,089</b>	<b>—</b>

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

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

Level 3: Valuation techniques using unobservable inputs.\*

\*The current and prior year level 3 balances represent the Aegon Property Income Fund which closed on 9 August 2021 and at the current and prior year end was in liquidation. Aegon has continued to publish a daily valuation share price for the fund during its suspension and liquidation and the valuation of the holding at the current and prior year end reflects the published share price with no discount applied.

#### 14 Share movement

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
A Accumulation	13,796,160	1,007,773	(3,190,431)	(69,511)	11,543,991
D Accumulation	22,490,930	734,781	(3,472,093)	(200,853)	19,552,765
D Income	1,656,400	200,157	(346,152)	—	1,510,405
R Accumulation	14,311,054	650,598	(2,229,280)	(6,650)	12,725,722
R Income	175,178	137	(175,315)	—	—
S Accumulation	312,544,980	6,709,989	(31,480,928)	312,931	288,086,972
S Income	10,962,986	1,024,772	(2,199,644)	—	9,788,114
Z Accumulation	29,747,113	1,400,300	(4,032,751)	(35,291)	27,079,371

## MA Passive Moderate Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs

for the year ending 31 December 2022

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Collective investment schemes	444,055	3	–	–	–
<b>Total purchases</b>	<b>444,055</b>	<b>3</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>444,058</b>				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Sales (excluding derivatives)</b>					
Collective investment schemes	506,973	–	–	–	–
<b>Total sales</b>	<b>506,973</b>	<b>–</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>506,973</b>				
<b>Total transaction costs</b>		<b>3</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>-</b>		<b>–</b>	

## MA Passive Moderate Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Collective investment schemes	94,373	–	–	–	–
<b>Total purchases</b>	<b>94,373</b>	<b>–</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>94,373</b>				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Sales (excluding derivatives)</b>					
Collective investment schemes	139,638	–	–	–	–
<b>Total sales</b>	<b>139,638</b>	<b>–</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>139,638</b>				
<b>Total transaction costs</b>		<b>–</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>–</b>		<b>–</b>	

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

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 0.02% (2021: 0.23%).

## MA Passive Moderate Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### **16 Post balance sheet events**

The Fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the S Accumulation share class has increased by 2.52% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

## MA Passive Moderate Fund (continued)

### Distribution Tables

for the year ended 31 December 2022

#### Final distribution

Group 1 - Shares purchased prior to 1 July 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2023 Pence per share	Distribution paid 28.2.2022 Pence per share
A Accumulation - Group 1	1.1364	—	1.1364	1.7229
A Accumulation - Group 2	0.4682	0.6682	1.1364	1.7229
D Accumulation - Group 1	1.1156	—	1.1156	1.6557
D Accumulation - Group 2	0.6306	0.4850	1.1156	1.6557
D Income - Group 1	0.9284	—	0.9284	1.3986
D Income - Group 2	0.6616	0.2668	0.9284	1.3986
R Accumulation - Group 1	0.9931	—	0.9931	1.7027
R Accumulation - Group 2	0.2539	0.7392	0.9931	1.7027
R Income - Group 1+	—	—	—	1.4052
R Income - Group 2+	—	—	—	1.4052
S Accumulation - Group 1	1.1975	—	1.1975	1.7659
S Accumulation - Group 2	0.5559	0.6416	1.1975	1.7659
S Income - Group 1	0.9532	—	0.9532	1.4260
S Income - Group 2	0.6213	0.3319	0.9532	1.4260
Z Accumulation - Group 1	1.4769	—	1.4769	2.1126
Z Accumulation - Group 2	0.9281	0.5488	1.4769	2.1126

+ Closed on 10 June 2022.

## MA Passive Moderate Fund (continued)

## Distribution Tables (continued)

for the year ended 31 December 2022

## Interim distribution

Group 1 - Shares purchased prior to 1 January 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2022 Pence per share	Distribution paid 31.8.2021 Pence per share
A Accumulation - Group 1	0.8169	—	0.8169	0.5496
A Accumulation - Group 2	0.4036	0.4133	0.8169	0.5496
D Accumulation - Group 1	0.8312	—	0.8312	0.5874
D Accumulation - Group 2	0.4077	0.4235	0.8312	0.5874
D Income - Group 1	0.6945	—	0.6945	0.4993
D Income - Group 2	0.2032	0.4913	0.6945	0.4993
R Accumulation - Group 1	0.5725	—	0.5725	0.2279
R Accumulation - Group 2	0.4521	0.1204	0.5725	0.2279
R Income - Group 1+	—	—	—	0.1905
R Income - Group 2+	—	—	—	0.1905
S Accumulation - Group 1	0.9012	—	0.9012	0.6475
S Accumulation - Group 2	0.5079	0.3933	0.9012	0.6475
S Income - Group 1	0.7203	—	0.7203	0.5284
S Income - Group 2	0.3615	0.3588	0.7203	0.5284
Z Accumulation - Group 1	1.1596	—	1.1596	0.8798
Z Accumulation - Group 2	0.6905	0.4691	1.1596	0.8798

+ Closed on 10 June 2022.

\* 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.

# MA Passive Progressive Fund

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

## Investment Objective

The Sub-fund seeks to achieve capital growth and income with an above median level of volatility (risk), having a risk profile of 5, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest.

## Investment Policy

The Sub-fund is an actively managed fund of funds.

The Sub-fund invests at least 70% of its assets in other funds (underlying funds), including funds which are traded on stock exchanges (investment trusts and exchange traded funds), other closed-ended funds and funds managed by the ACD or its associates.

The underlying funds will invest globally (including in emerging markets) in a range of asset classes and financial instruments including shares, debt instruments (bonds) including those which can easily be converted into cash (money market instruments), freely transferable rights to buy other investments at a future date (warrants), financial contracts that derive their values from those of other investment instruments or indices (derivatives) and deposits.

The underlying funds will where practicably possible be passive funds, meaning they seek to track investment indices.

The Sub-fund may also invest directly in the above asset classes and financial instruments when there are specific benefits in doing so.

Further, the Sub-fund may also obtain indirect exposure to property through investment in Real Estate Investment Trusts (REITs) and shares in property investment companies, and may engage in stock-lending and borrowing.

When required to manage liquidity, or the Sub-fund's risk, the Sub-fund may hold its assets in cash or deposits and money market instruments.

The Sub-fund may use derivatives to help achieve the investment objective (investment purposes) as well as to reduce risk or to manage the Sub-fund more efficiently (often referred to as "efficient portfolio management").

The Sub-fund aims to take an above median level of risk in achieving its investment objective. The Sub-fund's investments are combined together in different proportions as determined by the ACD based on asset risk profiles set by an external risk modelling company. The riskiness of different combinations and proportions of types of investment are measured by predicting how they might behave over a 15 year period. The risk modelling company assigns each combination of assets to one of seven risk profiles, ranging from 1, which reflects the risk of holding cash in bank accounts, to 7, which is the riskiest profile. The Sub-fund has a risk profile of 5, which means it will typically have greater exposure to higher risk assets than other Sub-funds in the Company which have a lower risk profile. Typically shares, certain types of bonds, or exposure to property/commodities will be classified as higher risk assets, whilst certain other bonds, cash and near cash (money market instruments, deposits and money market funds) will be classified as lower risk assets.

The actual investments of the Sub-fund are not chosen by the risk modelling company and the ACD retains the discretion to select the Sub-fund's investments.

There is no guarantee that the Sub-fund's performance will reflect the behaviour of the assets used to create the risk profile.

## Investment Strategy

Underlying funds are selected on the basis of their efficiency at tracking the performance of certain investment indices which relate to particular types of assets.



## MA Passive Progressive Fund (continued)

### Investment review

#### Sub-fund review

Financial markets were down in 2022 overall, but they did at least end with a positive performance in Q4 after a relentless stream of negative political and economic news for much of the year. Although the Omicron virus had been a worry going into the year, it was hoped that the pandemic would become less pernicious due to vaccinations and growing immunity. But as one black swan event subsided, another arose with Russia's invasion of Ukraine. Eventually, the bad news abated, and markets reached a nadir in October that has subsequently looked increasingly like a turning point.

With investor sentiment having reached extreme lows, the potential for positive surprises in 2023 is all the greater. A slowing economy is widely expected and the risk is that this will impact company earnings and their financial strength. However, we believe the global economy remains on a reasonably solid footing and we expect the downturn will be mild rather than deep and protracted. The re-opening of China following its draconian Covid lockdowns will also provide a boost to the global economy and trade.

The main focus for investors in 2022 had been how far central banks would hike interest rates in their efforts to control inflation and whether this would tip economies into recession. The pace of central bank tightening was indeed rapid, with the Federal Reserve instigating seven hikes. The European Central Bank (ECB) raised rates for the first time in more than a decade in July by 50bps as inflation soared to a record 8.6% in the eurozone.

The tenacity of the rate hikes impacted both equities and bonds. So much so that the benefits of diversification were noticeably absent. Equities, and particularly 'growth style' stocks that are priced according to longer-term future earnings, were badly hit but bonds suffered a historic sell off. Bonds would usually be expected to provide 'defensive ballast' during equity downturns, but it was a rare period of extreme stress in which normal asset class diversification temporarily broke down.

The obvious risk for financial markets in 2023 lies in unexpected rate hikes and slowing economic growth. But this risk reduces as inflation subsides. And there are growing signs that this is the case. US inflation was down to 6.5% in December after peaking at 9.1% in June. In the UK, it dipped from 11.1% in October to 10.5% in December. Even in the eurozone, where the ECB had warned investors not to expect rate rises to end early in 2023, inflation dropped from its 10.6% record high in October to 9.2% in December.

Financial assets are more attractively priced following the drawdowns they experienced in 2022. There is still a pervasive sense of uncertainty which will keep us 'neutral' in terms of our model limits, but we believe the outlook for equities is brighter and we are looking to raise exposure to them. We do not expect a bull market rally in 2023, but we do expect equities to regain some of their momentum. Our view on fixed income is also more positive, having been underweight the asset class for some time. We especially like the global high yield bond market, where we see attractive opportunities on a risk-return basis. The exposure that hampered our performance in 2022, including gilts, small caps and emerging market equities, together with increasing exposure to bonds, will be geared into a market recovery when it comes through.

Longer term, we see many financial assets reverting to their longer-term trend performances. But trying to predict and time asset class performances is a hazardous pursuit. A better approach is to diversify investment portfolios and reap rewards from across the asset classes.

#### Performance

In the twelve months to 31 December 2022, the Liontrust MA Passive Progressive Fund (S Accumulation) returned -8.8%\*.

*\*Source of discrete performance data: Financial Express, as at 31 December 2022. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

#### Sub-fund performance

To satisfy the Sub-fund's risk profile, the Sub-fund is predominantly invested in equities but has significant exposure to fixed income and a relatively small exposure to property.

Our allocation to UK equities produced positive returns over the year, driven by our selection of Vanguard FTSE UK All Share and iShares UK Equity. Equity markets were broadly negative over the year, however, which detracted from performance, particularly the

## MA Passive Progressive Fund (continued)

### Investment review (continued)

#### Sub-fund performance (continued)

North America and Europe ex-UK regions. Corporate and UK/global government bonds, and property, also weighed on performance. Although our fixed income holdings produced negative returns amid sharply rising interest rates in 2022, we continue to believe these assets provide important long-term diversification benefits.

Throughout the year the asset allocation of the funds is adjusted to emphasise asset classes that are expected to offer, in combination, the best risk-adjusted returns for the mid-point of the Sub-fund's risk profile. Over the period, we opened positions in L&G Emerging Markets Equity, SPDR® Bloomberg 1-5 Year Gilt, L&G US Index, HSBC American Index, HSBC FTSE All Share Index, L&G UK Index, HSBC Sterling Corporate Bond, L&G All Stocks Gilt, iShares Continental European Equity, HSBC European Index and HSBC Japan Index. Funds that we removed included Vanguard US Equity, iShares US Equity, Vanguard FTSE UK All Share, Vanguard UK Investment Grade Bond, Vanguard FTSE Developed Europe ex UK Equity, Vanguard Japan Stock and Vanguard Emerging Markets Stock.

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

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

#### Material portfolio changes by value

##### Purchases

Legal & General US Index Trust  
 Legal & General UK Index Trust  
 iShares Corporate Bond Index Fund (UK)  
 HSBC Index Tracker Investment Funds - American Index Fund  
 iShares Continental European Equity Index Fund (UK)  
 iShares Emerging Markets Equity Index Fund (UK)  
 HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund  
 iShares Overseas Government Bond Index Fund (UK)  
 Legal & General Emerging Markets Equity Index Fund  
 Legal & General All Stocks Gilt Index Trust

##### Sales

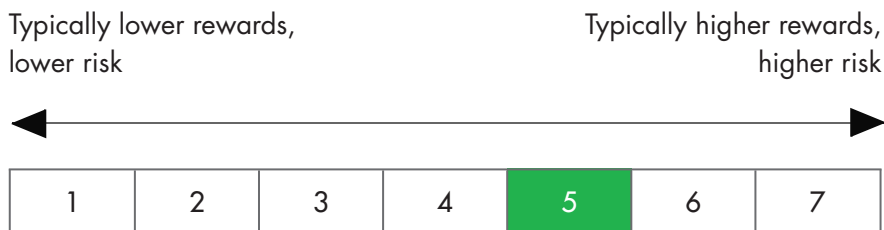
Vanguard FTSE UK All Share Index Unit Trust  
 Vanguard US Equity Index Fund  
 iShares US Equity Index Fund (UK)  
 Vanguard FTSE Developed Europe ex UK Equity Index Fund  
 iShares UK Equity Index Fund (UK)  
 Vanguard UK Investment Grade Bond Index Fund  
 Vanguard Japan Stock Index Fund  
 iShares Emerging Markets Equity Index Fund (UK)  
 Legal & General US Index Trust  
 Legal & General All Stocks Gilt Index Trust

## MA Passive Progressive Fund (continued)

### Investment review (continued)

#### Risk and Reward profile

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



- This 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 risk profile per the investment objective used by Liontrust to produce the long term asset allocation differs from Synthetic Risk and Reward Indicator, so the two rankings may not be the same.
- The Sub-fund is categorised 5 primarily because of its exposure to a diversified portfolio of funds invested in equities, fixed income and other asset classes.
- 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.
- Some of the underlying funds may invest in derivatives, which can, in certain circumstances, create wider fluctuations in their prices over time.
- Investments in emerging markets may involve a higher element of risk due to less well regulated markets and political and economic instability. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- Liquidity Risk: If underlying funds suspend or defer the payment of redemption proceeds, the Sub-fund's ability to meet redemption requests may also be affected.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Index Tracking Risk: The performance of any passive funds used may not exactly track that of their indices.

## MA Passive Progressive 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 on page 1) or online at [www.liontrust.co.uk](http://www.liontrust.co.uk).

## MA Passive Progressive Fund (continued)

## Comparative Tables

for the year ended 31 December 2022

A Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	210.69	190.99	185.04
Return before operating charges	(16.52)	20.87	7.00
Operating charges	(1.17)	(1.17)	(1.05)
Return after operating charges	(17.69)	19.70	5.95
Distributions	(2.90)	(3.60)	(2.56)
Retained distributions on accumulation shares	2.90	3.60	2.56
<b>Closing net asset value per share</b>	<b>193.00</b>	<b>210.69</b>	<b>190.99</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(8.40%)	10.31%	3.22%
<b>Other information</b>			
Closing net asset value (£'000)	9,980	10,965	11,332
Closing number of shares	5,171,251	5,204,174	5,933,185
Operating charges**	0.59%	0.58%	0.59%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	212.11	213.03	192.10
Lowest share price	183.85	188.42	146.50

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Progressive Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

D Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	184.27	166.83	161.44
Return before operating charges	(14.52)	18.20	6.07
Operating charges	(0.76)	(0.76)	(0.68)
Return after operating charges	(15.28)	17.44	5.39
Distributions	(2.75)	(3.36)	(2.42)
Retained distributions on accumulation shares	2.75	3.36	2.42
<b>Closing net asset value per share</b>	<b>168.99</b>	<b>184.27</b>	<b>166.83</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(8.29%)	10.45%	3.34%
<b>Other information</b>			
Closing net asset value (£'000)	17,823	20,155	20,672
Closing number of shares	10,546,789	10,938,075	12,391,128
Operating charges**	0.44%	0.43%	0.44%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	185.51	186.29	167.80
Lowest share price	160.94	164.63	127.90

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Progressive Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

R Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	274.13	249.60	242.89
Return before operating charges	(21.21)	27.49	9.35
Operating charges	(2.92)	(2.96)	(2.64)
Return after operating charges	(24.13)	24.53	6.71
Distributions	(2.64)	(3.54)	(2.33)
Retained distributions on accumulation shares	2.64	3.54	2.33
<b>Closing net asset value per share</b>	<b>250.00</b>	<b>274.13</b>	<b>249.60</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(8.80%)	9.83%	2.76%
<b>Other information</b>			
Closing net asset value (£'000)	14,065	15,957	16,005
Closing number of shares	5,626,153	5,820,880	6,412,090
Operating charges**	1.14%	1.13%	1.14%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	275.95	277.25	251.10
Lowest share price	238.38	246.02	192.20

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Progressive Fund (continued)

### Comparative Tables (continued)

for the year ended 31 December 2022

S Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	191.46	173.27	167.61
Return before operating charges	(15.10)	18.88	6.29
Operating charges	(0.70)	(0.69)	(0.63)
Return after operating charges	(15.80)	18.19	5.66
Distributions	(2.93)	(3.57)	(2.58)
Retained distributions on accumulation shares	2.93	3.57	2.58
<b>Closing net asset value per share</b>	<b>175.66</b>	<b>191.46</b>	<b>173.27</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(8.25%)	10.50%	3.38%
<b>Other information</b>			
Closing net asset value (£'000)	282,388	295,461	271,775
Closing number of shares	160,757,485	154,319,022	156,847,789
Operating charges**	0.39%	0.38%	0.39%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	192.75	193.56	174.30
Lowest share price	167.28	171.00	132.80

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.



## MA Passive Progressive Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

Z Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	218.06	196.95	190.13
Return before operating charges	(17.30)	21.38	7.08
Operating charges	(0.29)	(0.27)	(0.26)
Return after operating charges	(17.59)	21.11	6.82
Distributions	(3.76)	(4.47)	(3.29)
Retained distributions on accumulation shares	3.76	4.47	3.29
<b>Closing net asset value per share</b>	<b>200.47</b>	<b>218.06</b>	<b>196.95</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(8.07%)	10.72%	3.59%
<b>Other information</b>			
Closing net asset value (£'000)	30,102	33,756	27,464
Closing number of shares	15,015,960	15,480,050	13,944,240
Operating charges**	0.14%	0.13%	0.14%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	219.54	220.43	198.10
Lowest share price	190.82	194.43	150.70

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

# MA Passive Progressive Fund (continued)

## Portfolio Statement

as at 31 December 2022

Holding/Nominal Value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>COLLECTIVE INVESTMENT SCHEMES (97.54%)</b>	<b>345,286</b>	<b>97.44</b>
	<b>ASIA PACIFIC EXCLUDING JAPAN EQUITIES (5.01%)</b>	<b>15,962</b>	<b>4.51</b>
1,241,827	HSBC Index Tracker Investment Funds - Pacific Index Fund	6,228	1.76
4,525,288	Legal & General Pacific Index Trust	9,734	2.75
	<b>EMERGING MARKETS EQUITIES (3.68%)</b>	<b>28,994</b>	<b>8.19</b>
7,988,017	iShares Emerging Markets Equity Index Fund (UK)	14,478	4.09
13,258,892	Legal & General Emerging Markets Equity Index Fund	14,516	4.10
	<b>EUROPE EXCLUDING UK EQUITIES (8.08%)</b>	<b>17,665</b>	<b>4.98</b>
578,183	HSBC Index Tracker Investment Funds - European Index Fund	6,556	1.85
3,513,736	iShares Continental European Equity Index Fund (UK)	11,109	3.13
	<b>GLOBAL BONDS (4.76%)</b>	<b>26,865</b>	<b>7.58</b>
21,351,935	iShares Overseas Government Bond Index Fund (UK)	26,865	7.58
	<b>JAPAN EQUITIES (9.86%)</b>	<b>33,348</b>	<b>9.41</b>
6,919,381	HSBC Index Tracker Investment Funds - Japan Index Fund	9,708	2.74
9,473,133	iShares Japan Equity Index Fund (UK)	23,640	6.67
	<b>NORTH AMERICA EQUITIES (20.85%)</b>	<b>62,066</b>	<b>17.52</b>
2,787,335	HSBC Index Tracker Investment Funds - American Index Fund	24,763	6.99
4,417,234	Legal & General US Index Trust	37,303	10.53
	<b>PROPERTY (4.73%)</b>	<b>11,845</b>	<b>3.34</b>
708,228	Aegon Property Income Fund§	492	0.14
2,486,059	iShares Global Property Securities Equity Index Fund (UK)	5,595	1.58
5,912,041	Legal & General UK Property Fund	5,758	1.62
	<b>UK CORPORATE BONDS (10.43%)</b>	<b>55,102</b>	<b>15.55</b>
7,410,887	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	7,193	2.03
33,341,590	iShares Corporate Bond Index Fund (UK)	47,909	13.52
	<b>UK EQUITIES (27.07%)</b>	<b>89,109</b>	<b>25.15</b>
2,517,188	HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund	17,441	4.92

## MA Passive Progressive Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/Nominal Value	Stock description	Market value (£'000)	Percentage of total net assets (%)
<b>COLLECTIVE INVESTMENT SCHEMES (continued)</b>			
<b>UK EQUITIES (continued)</b>			
13,545,997	iShares UK Equity Index Fund (UK)	35,635	10.06
9,998,190	Legal & General UK Index Trust	36,033	10.17
<b>UK GILTS (3.07%)</b>		<b>4,330</b>	<b>1.21</b>
592,596	iShares UK Gilts All Stocks Index Fund (UK)	830	0.23
1,072,263	Legal & General All Stocks Gilt Index Trust	1,998	0.56
11,005	SPDR Bloomberg Barclays 1-5 Year Gilt UCITS ETF†	527	0.15
7,359	Vanguard UK Government Bond Index Fund	975	0.27
<b>Portfolio of investments</b>		<b>345,286</b>	<b>97.44</b>
<b>Net other assets</b>		<b>9,072</b>	<b>2.56</b>
<b>Total net assets</b>		<b>354,358</b>	<b>100.00</b>

Each holding listed above is either accumulation units of a Unit Trust or accumulation shares of an Open Ended Investment Company unless otherwise indicated.

Comparative figures shown in brackets relate to 31 December 2021.

§ The Aegon Property Income Fund closed on the 9th August 2021 and will return capital to shareholders as soon as practical.

† Exchange Traded Fund.

## MA Passive Progressive Fund (continued)

## Statement of Total Return

for the year ended 31 December 2022

	Notes	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
Income					
Net capital (losses)/gains	2		(37,322)		29,591
Revenue	3	7,050		8,327	
Expenses	4	(1,208)		(1,253)	
Interest payable and similar charges	6	(1)		(1)	
Net revenue before taxation		5,841		7,073	
Taxation	5	(35)		(79)	
Net revenue after taxation			5,806		6,994
<b>Total return before distributions</b>			<b>(31,516)</b>		<b>36,585</b>
Distributions	7		(5,806)		(6,995)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(37,322)</b>		<b>29,590</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2022

	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>376,294</b>		<b>347,248</b>
Amounts received on issue of shares	38,401		47,921	
Amounts paid on cancellation of shares	(28,862)		(55,453)	
		9,539		(7,532)
Dilution adjustment		–		29
Change in net assets attributable to shareholders from investment activities		(37,322)		29,590
Retained distributions on accumulation shares		5,847		6,959
<b>Closing net assets attributable to shareholders</b>		<b>354,358</b>		<b>376,294</b>

## MA Passive Progressive Fund (continued)

## Balance Sheet

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		345,286	367,021
<b>Current assets:</b>			
Debtors	8	521	955
Cash and bank balances	9	32	8,756
Cash equivalents	9	8,919	–
<b>Total assets</b>		<b>354,758</b>	<b>376,732</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	10	(400)	(438)
<b>Total liabilities</b>		<b>(400)</b>	<b>(438)</b>
<b>Net assets attributable to shareholders</b>		<b>354,358</b>	<b>376,294</b>

## MA Passive Progressive Fund (continued)

## Notes to the financial statements

for the year ended 31 December 2022

**1 Accounting policies**

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities*	(37,323)	29,588
ACD's charge rebates	1	3
<b>Net capital (losses)/gains</b>	<b>(37,322)</b>	<b>29,591</b>

\* Includes realised gains of £40,509,000 and unrealised losses of £77,832,000 (2021: realised gains of £8,541,000 and unrealised gains of £21,047,000). The realised losses on investments in the accounting year to 31 December 2022 includes amounts previously recognised as unrealised gains/losses in the prior accounting year.

**3 Revenue**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Bank interest	13	–
Equity distributions on CIS holdings	5,660	5,166
Interest distributions on CIS holdings	1,177	397
Management fee rebates on CIS	323	371
Non-taxable overseas dividends	6	1,514
Taxable overseas dividends	(129)	879
<b>Total revenue</b>	<b>7,050</b>	<b>8,327</b>

## MA Passive Progressive Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 4 Expenses

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge	957	988
General administration charges*, **	248	145
	<b>1,205</b>	<b>1,133</b>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary fee	3	14
Safe custody fee	—	10
	<b>3</b>	<b>24</b>
<b>Other expenses:</b>		
Audit fee***	—	8
Registration fee	—	88
	<b>—</b>	<b>96</b>
<b>Total expenses</b>	<b>1,208</b>	<b>1,253</b>

\* From 1 July 2021 the ACD moved from variable to fixed Administration Fees.

\*\* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,050. Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

\*\*\* The audit fee for the prior year, excluding VAT, was £9,187.

## MA Passive Progressive Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 5 Taxation

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>a) Analysis of charge in year</b>		
Corporation tax	35	79
<b>Total tax charge [see note(b)]</b>	<b>35</b>	<b>79</b>

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Net revenue before taxation	5,841	7,073
Corporation tax at 20% (2021 - 20%)	1,168	1,414
Effects of:		
Capitalised income subject to tax	—	1
Revenue not subject to tax	(1,133)	(1,336)
<b>Total tax charge [see note(a)]</b>	<b>35</b>	<b>79</b>

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

## 6 Interest payable and similar charges

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



## MA Passive Progressive Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 7 Distributions

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Interim distribution	2,411	1,911
Final distribution	3,436	5,049
	<b>5,847</b>	<b>6,960</b>
Amounts deducted on cancellation of shares	124	277
Amounts received on issue of shares	(165)	(242)
<b>Distributions</b>	<b>5,806</b>	<b>6,995</b>
The distributable amount has been calculated as follows:		
Net revenue after taxation	5,806	6,994
Add: Tax relief on capitalised expenses	–	1
<b>Distributions</b>	<b>5,806</b>	<b>6,995</b>

The distribution per share is set out in the tables on page 235.

## 8 Debtors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued management fee rebates on CIS	81	145
Amounts receivable for issue of shares	404	810
Income tax recoverable	36	–
<b>Total debtors</b>	<b>521</b>	<b>955</b>

## 9 Cash and bank balances

	31.12.2022 (£'000)	31.12.2021 (£'000)
Cash and bank balances	32	8,756
Cash equivalents	8,919	–
<b>Total cash and bank balances</b>	<b>8,951</b>	<b>8,756</b>

## MA Passive Progressive Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 10 Creditors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued expenses	23	28
Accrued ACD's charge	81	85
Amounts payable for cancellation of shares	287	319
Corporation tax	9	6
<b>Total other creditors</b>	<b>400</b>	<b>438</b>

#### 11 Contingent liabilities and outstanding commitments

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

#### 12 Related party transactions

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 £99,000 (2021: £108,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £1,205,000 (2021: £1,133,000).

#### 13 Risk management policies

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

- units and shares in regulated collective investment schemes, securities and other investments;
- 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.

## MA Passive Progressive Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that each collective investment scheme, investment trust or other investment vehicle has individual underlying asset types that 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.

Investments in Collective Investment Schemes with an exposure in emerging markets may be more volatile than investments in more developed markets from time to time, as some of these markets have relatively unstable economies based on only a few industries and securities markets that trade only a limited number of securities.

Investments in Collective Investment Schemes with an exposure in the shares of individual companies are subject to a wide range of risks that may cause their prices to fluctuate over time. The value of those financial instruments is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual instrument or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

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. The Sub-fund seeks to minimise all of the above mentioned risks by holding diversified portfolios of investments.

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 the Sub-fund performance changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year.

A 5% increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £17,710,000 (2021: £18,351,000). A 5% decrease would have an equal and opposite effect.

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 Gross Leverage.

In accordance with the Alternative Investment Funds Management Directive (AIFMD) we are required to disclose the 'leverage' of each sub-fund. Leverage is defined as any method by which the Sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways 'gross method' and 'commitment method' and the Sub-fund must not exceed maximum exposures under both methods. 'Gross method' exposure is calculated as the sum of all positions of the Sub-fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes. 'Commitment method' exposure is also calculated as the sum of all positions of the Sub-fund (both positive and negative), but after netting off any derivative and security positions as specified by AIFMD rules.

## MA Passive Progressive Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

The Commitment exposure and the gross method leverage for the Sub-fund was:

	AIFM Gross Leverage 31.12.2022	AIFM Gross Leverage 31.12.2021	AIFM Commitment 31.12.2022	AIFM Commitment 31.12.2021
Liontrust MA Passive Progressive Fund	99.99%	97.67%	100.00%	100.00%

For the calculation of commitment and gross method the following assumptions were taken:

- for AIFM purposes, money market funds are not assimilated to "cash equivalents". Only UK Treasuries with maturity less than 3 months are considered "cash equivalents".

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 invests predominantly in sterling denominated Collective Investment Schemes (CIS) that in turn invest in a range of instruments, some of which may be overseas and subject to foreign currency risk. 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.

Sub-funds which hold cash balances and invest in fixed interest securities will be subject to interest rate risk. As a result, the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates.

## MA Passive Progressive Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Interest rate risk (continued)

The Sub-fund invests predominantly in CIS and therefore has no significant direct exposure to interest rate risk. As the Sub-fund has no direct exposure to interest rate risk no interest rate risk table or sensitivity analysis has been prepared, however the ACD may take a particular view on the interest rate movements and may alter investment strategies accordingly.

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

##### Liquidity risk

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

Sub-funds investing in smaller companies, emerging markets, high yield bonds, alternatives and property or OTC derivatives hold transferable securities that may be less liquid than the securities of larger companies as a result of lower trading volumes or restrictions on trading. The Sub-funds that invest in collective investment schemes that themselves may hold illiquid assets are also exposed to the risk of suspensions of dealing in those collective investment schemes.

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 (directly, or through purchasing the units of collective investment schemes, 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.

Sub-funds are also exposed to credit risk indirectly by the activities of collective investment schemes in which they invest. In general, the Company will only invest in regulated collective investment schemes and in any case the Investment Manager will ensure that underlying schemes have equivalent credit risk management processes in place to those described above.

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-funds' financial assets were past due or impaired.

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

## MA Passive Progressive Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Counterparty credit risk (continued)

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

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

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

##### Maturity profile of financial liabilities

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

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

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

## MA Passive Progressive Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 13 Risk management policies (continued)

## Valuation of financial investments

	Assets (£'000)	Liabilities (£'000)
<b>31.12.2022</b>		
Level 1: Quoted prices	527	—
Level 2: Observable market data	344,267	—
Level 3: Unobservable data	492	—
	<b>345,286</b>	<b>—</b>
<b>31.12.2021</b>		
Level 1: Quoted prices	—	—
Level 2: Observable market data	365,205	—
Level 3: Unobservable data	1,816	—
	<b>367,021</b>	<b>—</b>

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

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

Level 3: Valuation techniques using unobservable inputs.\*

\*The current and prior year level 3 balances represent the Aegon Property Income Fund which closed on 9 August 2021 and at the current and prior year end was in liquidation. Aegon has continued to publish a daily valuation share price for the fund during its suspension and liquidation and the valuation of the holding at the current and prior year end reflects the published share price with no discount applied.

## 14 Share movement

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
A Accumulation	5,204,174	853,262	(875,613)	(10,572)	5,171,251
D Accumulation	10,938,075	1,250,855	(1,531,226)	(110,915)	10,546,789
R Accumulation	5,820,880	231,505	(425,914)	(318)	5,626,153
S Accumulation	154,319,022	16,561,825	(10,259,118)	135,756	160,757,485
Z Accumulation	15,480,050	2,052,461	(2,501,681)	(14,870)	15,015,960

## MA Passive Progressive Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs

for the year ending 31 December 2022

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Collective investment schemes	312,950	–	–	–	–
<b>Total purchases</b>	<b>312,950</b>	<b>–</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>312,950</b>				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Sales (excluding derivatives)</b>					
Collective investment schemes	304,027	–	–	–	–
<b>Total sales</b>	<b>304,027</b>	<b>–</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>304,027</b>				
<b>Total transaction costs</b>		<b>–</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>–</b>		<b>–</b>	



## MA Passive Progressive Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Collective investment schemes	83,453	–	–	–	–
<b>Total purchases</b>	<b>83,453</b>	<b>–</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>83,453</b>				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Sales (excluding derivatives)</b>					
Collective investment schemes	99,513	–	–	–	–
<b>Total sales</b>	<b>99,513</b>	<b>–</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>99,513</b>				
<b>Total transaction costs</b>		<b>–</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>–</b>		<b>–</b>	

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

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 0.02% (2021: 0.26%).

### MA Passive Progressive Fund (continued)

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

for the year ended 31 December 2022

#### 16 Post balance sheet events

The Fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the S Accumulation share class has increased by 3.83% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

## MA Passive Progressive Fund (continued)

### Distribution Tables

for the year ended 31 December 2022

#### Final distribution

Group 1 - Shares purchased prior to 1 July 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2023 Pence per share	Distribution paid 28.2.2022 Pence per share
A Accumulation - Group 1	1.7509	—	1.7509	2.6735
A Accumulation - Group 2	1.0370	0.7139	1.7509	2.6735
D Accumulation - Group 1	1.6177	—	1.6177	2.4485
D Accumulation - Group 2	0.7204	0.8973	1.6177	2.4485
R Accumulation - Group 1	1.8374	—	1.8374	2.8808
R Accumulation - Group 2	0.4561	1.3813	1.8374	2.8808
S Accumulation - Group 1	1.7101	—	1.7101	2.5826
S Accumulation - Group 2	0.7249	0.9852	1.7101	2.5826
Z Accumulation - Group 1	2.1469	—	2.1469	3.1555
Z Accumulation - Group 2	1.1444	1.0025	2.1469	3.1555

#### Interim distribution

Group 1 - Shares purchased prior to 1 January 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2022 Pence per share	Distribution paid 31.8.2021 Pence per share
A Accumulation - Group 1	1.1481	—	1.1481	0.9231
A Accumulation - Group 2	0.3351	0.8130	1.1481	0.9231
D Accumulation - Group 1	1.1328	—	1.1328	0.9095
D Accumulation - Group 2	0.5948	0.5380	1.1328	0.9095
R Accumulation - Group 1	0.7983	—	0.7983	0.6553
R Accumulation - Group 2	0.1384	0.6599	0.7983	0.6553
S Accumulation - Group 1	1.2214	—	1.2214	0.9828
S Accumulation - Group 2	0.5628	0.6586	1.2214	0.9828
Z Accumulation - Group 1	1.6101	—	1.6101	1.3173
Z Accumulation - Group 2	1.0452	0.5649	1.6101	1.3173

\* 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.

# MA Passive Prudent Fund

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

## Investment Objective

The Sub-fund seeks to achieve capital growth and income with a low level of volatility (risk), having a risk profile of 2, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest.

## Investment Policy

The Sub-fund is an actively managed fund of funds.

The Sub-fund invests at least 70% of its assets in other funds (underlying funds), including funds which are traded on stock exchanges (investment trusts and exchange traded funds), other closed-ended funds and funds managed by the ACD or its associates.

The underlying funds will invest globally (including in emerging markets) in a range of asset classes and financial instruments including shares, debt instruments (bonds) including those which can easily be converted into cash (money market instruments), freely transferable rights to buy other investments at a future date (warrants), financial contracts that derive their values from those of other investment instruments or indices (derivatives) and deposits.

The underlying funds will where practicably possible be passive funds, meaning they seek to track investment indices.

The Sub-fund may also invest directly in the above asset classes and financial instruments when there are specific benefits in doing so.

Further, the Sub-fund may also obtain indirect exposure to property through investment in Real Estate Investment Trusts (REITs) and shares in property investment companies, and may engage in stock-lending and borrowing.

When required to manage liquidity, or the Sub-fund's risk, Sub-fund's may hold its assets in cash or deposits and money market instruments.

The Sub-fund may use derivatives to help achieve the investment objective (investment purposes) as well as to reduce risk or to manage the Sub-fund more efficiently (often referred to as "efficient portfolio management").

The Sub-fund aims to take a low level of risk in achieving its investment objective. The Sub-fund's investments are combined together in different proportions as determined by the ACD based on asset risk profiles set by an external risk modelling company. The riskiness of different combinations and proportions of types of investment are measured by predicting how they might behave over a 7 year period. The risk modelling company assigns each combination of assets to one of seven risk profiles, ranging from 1, which reflects the risk of holding cash in bank accounts, to 7, which is the riskiest profile. The Sub-fund has a risk profile of 2, which means it will typically have a lower exposure to higher risk assets, and a greater exposure to lower risk assets than other Sub-funds in the Company which have a higher risk profile. Typically shares, certain types of bonds, or exposure to property/commodities will be classified as higher risk assets, whilst certain other bonds, cash and near cash (money market instruments, deposits and money market funds) will be classified as lower risk assets.

The actual investments of the Sub-fund are not chosen by the risk modelling company and the ACD retains the discretion to select the Sub-fund's investments.

There is no guarantee that the Sub-fund's performance will reflect the behaviour of the assets used to create the risk profile.

## Investment Strategy

Underlying funds are selected on the basis of their efficiency at tracking the performance of certain investment indices which relate to particular types of assets.

## MA Passive Prudent Fund (continued)

### Investment review

#### Sub-fund review

Financial markets were down in 2022 overall, but they did at least end with a positive performance in Q4 after a relentless stream of negative political and economic news for much of the year. Although the Omicron virus had been a worry going into the year, it was hoped that the pandemic would become less pernicious due to vaccinations and growing immunity. But as one black swan event subsided, another arose with Russia's invasion of Ukraine. Eventually, the bad news abated, and markets reached a nadir in October that has subsequently looked increasingly like a turning point.

With investor sentiment having reached extreme lows, the potential for positive surprises in 2023 is all the greater. A slowing economy is widely expected and the risk is that this will impact company earnings and their financial strength. However, we believe the global economy remains on a reasonably solid footing and we expect the downturn will be mild rather than deep and protracted. The re-opening of China following its draconian Covid lockdowns will also provide a boost to the global economy and trade.

The main focus for investors in 2022 had been how far central banks would hike interest rates in their efforts to control inflation and whether this would tip economies into recession. The pace of central bank tightening was indeed rapid, with the Federal Reserve instigating seven hikes. The European Central Bank (ECB) raised rates for the first time in more than a decade in July by 50bps as inflation soared to a record 8.6% in the eurozone.

The tenacity of the rate hikes impacted both equities and bonds. So much so that the benefits of diversification were noticeably absent. Equities, and particularly 'growth style' stocks that are priced according to longer-term future earnings, were badly hit but bonds suffered a historic sell off. Bonds would usually be expected to provide 'defensive ballast' during equity downturns, but it was a rare period of extreme stress in which normal asset class diversification temporarily broke down.

The obvious risk for financial markets in 2023 lies in unexpected rate hikes and slowing economic growth. But this risk reduces as inflation subsides. And there are growing signs that this is the case. US inflation was down to 6.5% in December after peaking at 9.1% in June. In the UK, it dipped from 11.1% in October to 10.5% in December. Even in the eurozone, where the ECB had warned investors not to expect rate rises to end early in 2023, inflation dropped from its 10.6% record high in October to 9.2% in December.

Financial assets are more attractively priced following the drawdowns they experienced in 2022. There is still a pervasive sense of uncertainty which will keep us 'neutral' in terms of our model limits, but we believe the outlook for equities is brighter and we are looking to raise exposure to them. We do not expect a bull market rally in 2023, but we do expect equities to regain some of their momentum. Our view on fixed income is also more positive, having been underweight the asset class for some time. We especially like the global high yield bond market, where we see attractive opportunities on a risk-return basis. The exposure that hampered our performance in 2022, including gilts, small caps and emerging market equities, together with increasing exposure to bonds, will be geared into a market recovery when it comes through.

Longer term, we see many financial assets reverting to their longer-term trend performances. But trying to predict and time asset class performances is a hazardous pursuit. A better approach is to diversify investment portfolios and reap rewards from across the asset classes.

#### Performance

In the twelve months to 31 December 2022, the Liontrust MA Passive Prudent Fund (S Accumulation) returned -10.2%\*.

*\*Source of discrete performance data: Financial Express, as at 31 December 2022. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

#### Sub-fund performance

To satisfy the Sub-fund's risk profile, the Sub-fund is heavily invested in money market instruments, with significant allocations to equities and fixed income assets and a smaller allocation to property.

A substantial allocation to cash protected the Sub-fund from the broad declines seen in bond and equity markets in 2022. However, the allocation in UK government bonds (gilts) detracted significantly from performance, while holdings in corporate and global

## MA Passive Prudent Fund (continued)

### Investment review (continued)

#### Sub-fund performance (continued)

government bonds also weighed as central banks hiked interest rates sharply. We continue to believe fixed income offers important long-term diversification benefits, however.

Our allocation to UK equities produced positive returns over the year, driven by our selection of iShares UK Equity and Vanguard FTSE UK All Share. Equity markets were broadly negative over the year, however, which detracted from performance, particularly the North America and Japan regions. Property also performed poorly.

Throughout the year the asset allocation of the funds is adjusted to emphasise asset classes that are expected to offer, in combination, the best risk-adjusted returns for the mid-point of the Sub-fund's risk profile. During the year we opened new positions in SPDR® Bloomberg 1-5 Year Gilt, iShares Overseas Govt Bond, L&G All Stocks Gilt Index, L&G US Index, HSBC American Index, HSBC FTSE All Share Index, L&G UK Index, HSBC Sterling Corporate Bond Index, iShares Corporate Bond, iShares Continental European Equity and HSBC European Index. Funds that we removed included HSBC Sterling Corp Bond Index, iShares Corporate Bond, iShares US Equity, Vanguard FTSE UK All Share, Vanguard US Equity and Vanguard Japan Stock.

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

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

### Material portfolio changes by value

#### Purchases

Legal & General All Stocks Gilt Index Trust  
 Legal & General US Index Trust  
 Legal & General UK Index Trust  
 iShares Overseas Government Bond Index Fund (UK)  
 iShares Corporate Bond Index Fund (UK)  
 HSBC Index Tracker Investment Funds - American Index Fund  
 HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund  
 Vanguard UK Government Bond Index Fund  
 SPDR Bloomberg Barclays 1-5 Year Gilt UCITS ETF  
 iShares Continental European Equity Index Fund (UK)

#### Sales

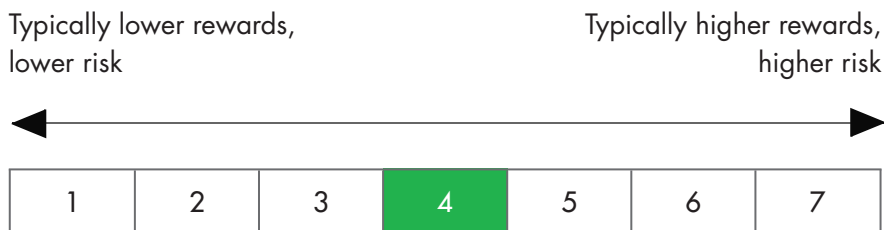
iShares US Equity Index Fund (UK)  
 iShares UK Equity Index Fund (UK)  
 Vanguard UK Government Bond Index Fund  
 iShares UK Gilts All Stocks Index Fund (UK)  
 Vanguard FTSE UK All Share Index Unit Trust  
 iShares Corporate Bond Index Fund (UK)  
 Vanguard FTSE Developed Europe ex UK Equity Index Fund  
 iShares Emerging Markets Equity Index Fund (UK)  
 iShares Japan Equity Index Fund (UK)  
 Legal & General All Stocks Gilt Index Trust

## MA Passive Prudent Fund (continued)

### Investment review (continued)

#### Risk and Reward profile

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



- This 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 risk profile per the investment objective used by Liontrust to produce the long term asset allocation differs from Synthetic Risk and Reward Indicator, so the two rankings may not be the same.
- The Sub-fund is categorised 4 primarily because of its exposure to a diversified portfolio of funds invested in mainly fixed income with some equities and other asset classes.
- 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.
- Some of the underlying funds may invest in derivatives, which can, in certain circumstances, create wider fluctuations in their prices over time.
- Investments in emerging markets may involve a higher element of risk due to less well regulated markets and political and economic instability. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- Liquidity Risk: If underlying funds suspend or defer the payment of redemption proceeds, the Sub-fund's ability to meet redemption requests may also be affected.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Index Tracking Risk: The performance of any passive funds used may not exactly track that of their indices.

### MA Passive Prudent 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 on page 1) or online at [www.liontrust.co.uk](http://www.liontrust.co.uk).



## MA Passive Prudent Fund (continued)

## Comparative Tables

for the year ended 31 December 2022

A Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	155.63	149.61	144.94
Return before operating charges	(14.73)	6.96	5.61
Operating charges	(0.92)	(0.94)	(0.94)
Return after operating charges	(15.65)	6.02	4.67
Distributions	(0.93)	(1.01)	(0.66)
Retained distributions on accumulation shares	0.93	1.01	0.66
<b>Closing net asset value per share</b>	<b>139.98</b>	<b>155.63</b>	<b>149.61</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(10.06%)	4.02%	3.22%
<b>Other information</b>			
Closing net asset value (£'000)	2,326	3,331	2,634
Closing number of shares	1,661,838	2,140,139	1,760,422
Operating charges**	0.63%	0.62%	0.65%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	155.77	157.40	150.10
Lowest share price	135.21	147.86	132.80

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Prudent Fund (continued)

### Comparative Tables (continued)

for the year ended 31 December 2022

D Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	146.22	140.40	135.84
Return before operating charges	(13.89)	6.49	5.24
Operating charges	(0.66)	(0.67)	(0.68)
Return after operating charges	(14.55)	5.82	4.56
Distributions	(1.05)	(1.12)	(0.79)
Retained distributions on accumulation shares	1.05	1.12	0.79
<b>Closing net asset value per share</b>	<b>131.67</b>	<b>146.22</b>	<b>140.40</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(9.95%)	4.15%	3.36%
<b>Other information</b>			
Closing net asset value (£'000)	2,193	2,822	1,637
Closing number of shares	1,665,316	1,929,837	1,165,917
Operating charges**	0.48%	0.47%	0.50%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	146.35	147.86	140.80
Lowest share price	127.15	138.78	124.50

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Prudent Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

R Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	150.39	145.24	141.37
Return before operating charges	(14.06)	6.92	5.63
Operating charges	(1.65)	(1.77)	(1.76)
Return after operating charges	(15.71)	5.15	3.87
Distributions	(0.26)	(0.30)	(0.04)
Retained distributions on accumulation shares	0.26	0.30	0.04
<b>Closing net asset value per share</b>	<b>134.68</b>	<b>150.39</b>	<b>145.24</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(10.45%)	3.55%	2.74%
<b>Other information</b>			
Closing net asset value (£'000)	776	866	858
Closing number of shares	576,028	575,696	590,550
Operating charges**	1.17%	1.20%	1.25%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	150.52	152.14	145.70
Lowest share price	130.22	143.40	129.40

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Prudent Fund (continued)

### Comparative Tables (continued)

for the year ended 31 December 2022

<b>R Income</b> <b>Accounting year ended</b>	<b>31 December 2022+ per share (p)</b>	<b>31 December 2021 per share (p)</b>	<b>31 December 2020 per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	143.05	138.43	134.79
Return before operating charges	(7.81)	6.57	5.36
Operating charges	(0.39)	(1.67)	(1.68)
Return after operating charges	(8.20)	4.90	3.68
Distributions	—	(0.28)	(0.04)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>134.85</b>	<b>143.05</b>	<b>138.43</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(5.73%)	3.54%	2.73%
<b>Other information</b>			
Closing net asset value (£'000)	—	17	20
Closing number of shares	—	12,121	14,281
Operating charges**	1.26%	1.19%	1.25%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	143.19	144.96	138.90
Lowest share price	134.85	136.67	123.40

+ Closed on 10 June 2022.

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Prudent Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

S Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	151.02	144.95	140.20
Return before operating charges	(14.37)	6.69	5.38
Operating charges	(0.60)	(0.62)	(0.63)
Return after operating charges	(14.97)	6.07	4.75
Distributions	(1.14)	(1.21)	(0.87)
Retained distributions on accumulation shares	1.14	1.21	0.87
<b>Closing net asset value per share</b>	<b>136.05</b>	<b>151.02</b>	<b>144.95</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(9.91%)	4.19%	3.39%
<b>Other information</b>			
Closing net asset value (£'000)	24,834	26,493	25,247
Closing number of shares	18,253,787	17,542,159	17,417,814
Operating charges**	0.42%	0.42%	0.45%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	151.16	152.72	145.40
Lowest share price	131.37	143.30	128.50

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Prudent Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

Z Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	160.75	153.97	148.62
Return before operating charges	(15.38)	7.05	5.65
Operating charges	(0.27)	(0.27)	(0.30)
Return after operating charges	(15.65)	6.78	5.35
Distributions	(1.51)	(1.61)	(1.21)
Retained distributions on accumulation shares	1.51	1.61	1.21
<b>Closing net asset value per share</b>	<b>145.10</b>	<b>160.75</b>	<b>153.97</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(9.74%)	4.40%	3.60%
<b>Other information</b>			
Closing net asset value (£'000)	2,962	3,530	2,328
Closing number of shares	2,041,266	2,196,456	1,512,265
Operating charges**	0.18%	0.17%	0.20%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	160.90	162.53	154.50
Lowest share price	140.05	152.28	136.30

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Prudent Fund (continued)

## Portfolio Statement

as at 31 December 2022

Holding/Nominal Value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>COLLECTIVE INVESTMENT SCHEMES (58.48%)</b>	<b>21,706</b>	<b>65.59</b>
	<b>ASIA PACIFIC EXCLUDING JAPAN EQUITIES (2.00%)</b>	<b>914</b>	<b>2.76</b>
71,366	HSBC Index Tracker Investment Funds - Pacific Index Fund	358	1.08
258,603	Legal & General Pacific Index Trust	556	1.68
	<b>EMERGING MARKETS EQUITIES (1.77%)</b>	<b>859</b>	<b>2.60</b>
237,075	iShares Emerging Markets Equity Index Fund (UK)	430	1.30
391,806	Legal & General Emerging Markets Equity Index Fund	429	1.30
	<b>EUROPE EXCLUDING UK EQUITIES (2.82%)</b>	<b>373</b>	<b>1.12</b>
11,464	HSBC Index Tracker Investment Funds - European Index Fund	130	0.39
77,023	iShares Continental European Equity Index Fund (UK)	243	0.73
	<b>GLOBAL BONDS (0.00%)</b>	<b>1,873</b>	<b>5.66</b>
1,488,702	iShares Overseas Government Bond Index Fund (UK)	1,873	5.66
	<b>JAPAN EQUITIES (4.05%)</b>	<b>1,349</b>	<b>4.08</b>
197,870	HSBC Index Tracker Investment Funds - Japan Index Fund	278	0.84
429,099	iShares Japan Equity Index Fund (UK)	1,071	3.24
	<b>NORTH AMERICA EQUITIES (9.23%)</b>	<b>2,990</b>	<b>9.04</b>
115,259	HSBC Index Tracker Investment Funds - American Index Fund	1,024	3.10
232,858	Legal & General US Index Trust	1,966	5.94
	<b>PROPERTY (4.60%)</b>	<b>1,352</b>	<b>4.08</b>
82,578	Aegon Property Income Fund§	57	0.17
317,915	iShares Global Property Securities Equity Index Fund (UK)	716	2.16
594,328	Legal & General UK Property Fund	579	1.75
	<b>UK EQUITIES (11.16%)</b>	<b>4,040</b>	<b>12.21</b>
120,571	HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund	835	2.52
615,790	iShares UK Equity Index Fund (UK)	1,620	4.90
439,831	Legal & General UK Index Trust	1,585	4.79
	<b>UK GILTS (22.85%)</b>	<b>7,956</b>	<b>24.04</b>
1,695,627	iShares UK Gilts All Stocks Index Fund (UK)	2,374	7.17
1,131,519	Legal & General All Stocks Gilt Index Trust	2,108	6.37

## MA Passive Prudent Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/Nominal Value	Stock description	Market value (£'000)	Percentage of total net assets (%)
<b>COLLECTIVE INVESTMENT SCHEMES (continued)</b>			
<b>UK GILTS (continued)</b>			
18,333	SPDR Bloomberg Barclays 1-5 Year Gilt UCITS ETF†	878	2.65
19,599	Vanguard UK Government Bond Index Fund	2,596	7.85
<b>Portfolio of investments</b>		<b>21,706</b>	<b>65.59</b>
<b>Net other assets</b>		<b>11,385</b>	<b>34.41</b>
<b>Total net assets</b>		<b>33,091</b>	<b>100.00</b>

Each holding listed above is either accumulation units of a Unit Trust or accumulation shares of an Open Ended Investment Company unless otherwise indicated.

Comparative figures shown in brackets relate to 31 December 2021.

§ The Aegon Property Income Fund closed on the 9th August 2021 and will return capital to shareholders as soon as practical.

† Exchange Traded Fund.



## MA Passive Prudent Fund (continued)

## Statement of Total Return

for the year ended 31 December 2022

	Notes	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
Income					
Net capital (losses)/gains	2		(4,090)		1,165
Revenue	3	411		405	
Expenses	4	(122)		(122)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation		289		283	
Taxation	5	(4)		(7)	
Net revenue after taxation			285		276
<b>Total return before distributions</b>			<b>(3,805)</b>		<b>1,441</b>
Distributions	7		(285)		(276)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(4,090)</b>		<b>1,165</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2022

	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>37,059</b>		<b>32,724</b>
Amounts received on issue of shares	7,829		11,417	
Amounts paid on cancellation of shares	(7,988)		(8,537)	
		(159)		2,880
Change in net assets attributable to shareholders from investment activities		(4,090)		1,165
Retained distributions on accumulation shares		281		290
<b>Closing net assets attributable to shareholders</b>		<b>33,091</b>		<b>37,059</b>

## MA Passive Prudent Fund (continued)

### Balance Sheet

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		21,706	21,672
<b>Current assets:</b>			
Debtors	8	37	93
Cash and bank balances	9	2	1,826
Cash equivalents	9	11,589	13,514
<b>Total assets</b>		<b>33,334</b>	<b>37,105</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	10	(243)	(46)
<b>Total liabilities</b>		<b>(243)</b>	<b>(46)</b>
<b>Net assets attributable to shareholders</b>		<b>33,091</b>	<b>37,059</b>

## MA Passive Prudent Fund (continued)

## Notes to the financial statements

for the year ended 31 December 2022

**1 Accounting policies**

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities *	(4,090)	1,165
<b>Net capital (losses)/gains</b>	<b>(4,090)</b>	<b>1,165</b>

\* Includes realised gains of £685,000 and unrealised losses of £4,775,000 (2021: realised gains of £455,000 and unrealised gains of £720,000). The realised losses on investments in the accounting year to 31 December 2022 includes amounts previously recognised as unrealised gains/losses in the prior accounting year.

**3 Revenue**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Bank interest	2	5
Equity distributions on CIS holdings	272	217
Interest distributions on CIS holdings	76	30
Management fee rebates on CIS	22	22
Non-taxable overseas dividends	(1)	32
Taxable overseas dividends	40	99
<b>Total revenue</b>	<b>411</b>	<b>405</b>

## MA Passive Prudent Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 4 Expenses

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge	95	93
ACD's charge and other expenses rebates	—	(8)
General administration charges*, **	27	18
	<b>122</b>	<b>103</b>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary fee	—	1
Safe custody fee	—	2
	<b>—</b>	<b>3</b>
<b>Other expenses:</b>		
Audit fee***	—	8
Registration fee	—	8
	<b>—</b>	<b>16</b>
<b>Total expenses</b>	<b>122</b>	<b>122</b>

\* From 1 July 2021 the ACD moved from variable to fixed Administration Fees.

\*\* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,050. Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

\*\*\* The audit fee for the prior year, excluding VAT, was £9,187.

## MA Passive Prudent Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 5 Taxation

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>a) Analysis of charge in year</b>		
Corporation tax	4	7
<b>Total tax charge [see note(b)]</b>	<b>4</b>	<b>7</b>

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Net revenue before taxation	289	283
Corporation tax at 20% (2021 - 20%)	58	57
Effects of:		
Revenue not subject to tax	(54)	(50)
<b>Total tax charge [see note(a)]</b>	<b>4</b>	<b>7</b>

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

## 6 Interest payable and similar charges

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

## MA Passive Prudent Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 7 Distributions

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Interim distribution	114	121
Final distribution	167	170
	<b>281</b>	<b>291</b>
Amounts deducted on cancellation of shares	17	16
Amounts received on issue of shares	(13)	(31)
<b>Distributions</b>	<b>285</b>	<b>276</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	285	276
<b>Distributions</b>	<b>285</b>	<b>276</b>

The distribution per share is set out in the tables on page 264.

## 8 Debtors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued management fee rebates on CIS	6	11
Amounts receivable for issue of shares	15	65
Expense rebate due from the ACD	14	14
Income tax recoverable	2	3
<b>Total debtors</b>	<b>37</b>	<b>93</b>

## 9 Cash and bank balances

	31.12.2022 (£'000)	31.12.2021 (£'000)
Cash and bank balances	2	1,826
Cash equivalents	11,589	13,514
<b>Total cash and bank balances</b>	<b>11,591</b>	<b>15,340</b>

## MA Passive Prudent Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 10 Creditors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued expenses	7	8
Accrued ACD's charge	8	8
Amounts payable for cancellation of shares	224	23
Corporation tax	4	7
<b>Total other creditors</b>	<b>243</b>	<b>46</b>

#### 11 Contingent liabilities and outstanding commitments

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

#### 12 Related party transactions

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 £9,000 (2021: £11,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £122,000 (2021: £103,000).

#### 13 Risk management policies

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

- units and shares in regulated collective investment schemes, securities and other investments;
- 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.

## MA Passive Prudent Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that each collective investment scheme, investment trust or other investment vehicle has individual underlying asset types that 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.

Investments in Collective Investment Schemes with an exposure in emerging markets may be more volatile than investments in more developed markets from time to time, as some of these markets have relatively unstable economies based on only a few industries and securities markets that trade only a limited number of securities.

Investments in Collective Investment Schemes with an exposure in the shares of individual companies are subject to a wide range of risks that may cause their prices to fluctuate over time. The value of those financial instruments is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual instrument or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

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. The Sub-fund seeks to minimise all of the above mentioned risks by holding diversified portfolios of investments.

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 the Sub-fund performance changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year.

A 5% increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £1,665,000 (2021: £1,759,000). A 5% decrease would have an equal and opposite effect.

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 Gross Leverage.

In accordance with the Alternative Investment Funds Management Directive (AIFMD) we are required to disclose the 'leverage' of each sub-fund. Leverage is defined as any method by which the Sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways 'gross method' and 'commitment method' and the Sub-fund must not exceed maximum exposures under both methods. 'Gross method' exposure is calculated as the sum of all positions of the Sub-fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes. 'Commitment method' exposure is also calculated as the sum of all positions of the Sub-fund (both positive and negative), but after netting off any derivative and security positions as specified by AIFMD rules.



## MA Passive Prudent Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

The Commitment exposure and the gross method leverage for the Sub-fund was:

	AIFM Gross Leverage 31.12.2022	AIFM Gross Leverage 31.12.2021	AIFM Commitment 31.12.2022	AIFM Commitment 31.12.2021
Liontrust MA Passive Prudent Fund	99.99%	95.07%	100.00%	100.00%

For the calculation of commitment and gross method the following assumptions were taken:

- for AIFM purposes, money market funds are not assimilated to "cash equivalents". Only UK Treasuries with maturity less than 3 months are considered "cash equivalents".

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 invests predominantly in sterling denominated Collective Investment Schemes (CIS) that in turn invest in a range of instruments, some of which may be overseas and subject to foreign currency risk. 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.

Sub-funds which hold cash balances and invest in fixed interest securities will be subject to interest rate risk. As a result, the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates.

## MA Passive Prudent Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Interest rate risk (continued)

The Sub-fund invests predominantly in CIS and therefore has no significant direct exposure to interest rate risk. As the Sub-fund has no direct exposure to interest rate risk no interest rate risk table or sensitivity analysis has been prepared, however the ACD may take a particular view on the interest rate movements and may alter investment strategies accordingly.

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

##### Liquidity risk

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

Sub-funds investing in smaller companies, emerging markets, high yield bonds, alternatives and property or OTC derivatives hold transferable securities that may be less liquid than the securities of larger companies as a result of lower trading volumes or restrictions on trading. The Sub-funds that invest in collective investment schemes that themselves may hold illiquid assets are also exposed to the risk of suspensions of dealing in those collective investment schemes.

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 (directly, or through purchasing the units of collective investment schemes, 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.

Sub-funds are also exposed to credit risk indirectly by the activities of collective investment schemes in which they invest. In general, the Company will only invest in regulated collective investment schemes and in any case the Investment Manager will ensure that underlying schemes have equivalent credit risk management processes in place to those described above.

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-funds' financial assets were past due or impaired.

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

## MA Passive Prudent Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Counterparty credit risk (continued)

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

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

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

##### Maturity profile of financial liabilities

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

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

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

## MA Passive Prudent Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 13 Risk management policies (continued)

## Valuation of financial investments

	Assets (£'000)	Liabilities (£'000)
<b>31.12.2022</b>		
Level 1: Quoted prices	878	—
Level 2: Observable market data	20,771	—
Level 3: Unobservable data	57	—
	<b>21,706</b>	<b>—</b>
<b>31.12.2021</b>		
Level 1: Quoted prices	—	—
Level 2: Observable market data	21,460	—
Level 3: Unobservable data	212	—
	<b>21,672</b>	<b>—</b>

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

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

Level 3: Valuation techniques using unobservable inputs.\*

\*The current and prior year level 3 balances represent the Aegon Property Income Fund which closed on 9 August 2021 and at the current and prior year end was in liquidation. Aegon has continued to publish a daily valuation share price for the fund during its suspension and liquidation and the valuation of the holding at the current and prior year end reflects the published share price with no discount applied.

## 14 Share movement

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
A Accumulation	2,140,139	180,717	(659,018)	—	1,661,838
D Accumulation	1,929,837	191,359	(350,867)	(105,013)	1,665,316
R Accumulation	575,696	148,354	(148,022)	—	576,028
R Income <sup>+</sup>	12,121	—	(12,121)	—	—
S Accumulation	17,542,159	4,041,846	(3,565,037)	234,819	18,253,787
Z Accumulation	2,196,456	869,920	(900,076)	(125,034)	2,041,266

+ Closed on 10 June 2022.

## MA Passive Prudent Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs

for the year ending 31 December 2022

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Collective investment schemes	18,906	–	–	–	–
<b>Total purchases</b>	<b>18,906</b>	<b>–</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>18,906</b>				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Sales (excluding derivatives)</b>					
Collective investment schemes	15,015	–	–	–	–
<b>Total sales</b>	<b>15,015</b>	<b>–</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>15,015</b>				
<b>Total transaction costs</b>		<b>–</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>–</b>		<b>–</b>	

## MA Passive Prudent Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Collective investment schemes	7,866	–	–	–	–
<b>Total purchases</b>	<b>7,866</b>	<b>–</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>7,866</b>				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Sales (excluding derivatives)</b>					
Collective investment schemes	6,591	–	–	–	–
<b>Total sales</b>	<b>6,591</b>	<b>–</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>6,591</b>				
<b>Total transaction costs</b>		<b>–</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>–</b>		<b>–</b>	

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

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 0.02% (2021: 0.20%).

## MA Passive Prudent Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 16 Post balance sheet events

The Fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the S Accumulation share class has increased by 2.12% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

## MA Passive Prudent Fund (continued)

### Distribution Tables

for the year ended 31 December 2022

#### Final distribution

Group 1 - Shares purchased prior to 1 July 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2023 Pence per share	Distribution paid 28.2.2022 Pence per share
A Accumulation - Group 1	0.5997	—	0.5997	0.6059
A Accumulation - Group 2	0.2591	0.3406	0.5997	0.6059
D Accumulation - Group 1	0.6442	—	0.6442	0.6514
D Accumulation - Group 2	0.2029	0.4413	0.6442	0.6514
R Accumulation - Group 1	0.2639	—	0.2639	0.2486
R Accumulation - Group 2	0.0339	0.2300	0.2639	0.2486
R Income - Group 1+	—	—	—	0.2376
R Income - Group 2+	—	—	—	0.2376
S Accumulation - Group 1	0.6936	—	0.6936	0.7024
S Accumulation - Group 2	0.4032	0.2904	0.6936	0.7024
Z Accumulation - Group 1	0.8821	—	0.8821	0.9087
Z Accumulation - Group 2	0.5432	0.3389	0.8821	0.9087

+ Closed on 10 June 2022.



## MA Passive Prudent Fund (continued)

## Distribution Tables (continued)

for the year ended 31 December 2022

## Interim distribution

Group 1 - Shares purchased prior to 1 January 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2022 Pence per share	Distribution paid 31.8.2021 Pence per share
A Accumulation - Group 1	0.3321	—	0.3321	0.4065
A Accumulation - Group 2	0.1412	0.1909	0.3321	0.4065
D Accumulation - Group 1	0.4011	—	0.4011	0.4664
D Accumulation - Group 2	0.2830	0.1181	0.4011	0.4664
R Accumulation - Group 1	—	—	—	0.0476
R Accumulation - Group 2	—	—	—	0.0476
R Income - Group 1+	—	—	—	0.0455
R Income - Group 2+	—	—	—	0.0455
S Accumulation - Group 1	0.4434	—	0.4434	0.5112
S Accumulation - Group 2	0.2505	0.1929	0.4434	0.5112
Z Accumulation - Group 1	0.6237	—	0.6237	0.6969
Z Accumulation - Group 2	0.1248	0.4989	0.6237	0.6969

+ Closed on 10 June 2022.

\* 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.

# MA Passive Reserve Fund

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

## Investment Objective

The Sub-fund seeks to achieve capital growth and income with a low level of volatility (risk), having a risk profile of 2, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest.

## Investment Policy

The Sub-fund is an actively managed fund of funds.

The Sub-fund invests at least 70% of its assets in other funds (underlying funds), including funds which are traded on stock exchanges (investment trusts and exchange traded funds), other closed-ended funds and funds managed by the ACD or its associates.

The underlying funds will invest globally (including in emerging markets) in a range of asset classes and financial instruments including shares, debt instruments (bonds) including those which can easily be converted into cash (money market instruments), freely transferable rights to buy other investments at a future date (warrants), financial contracts that derive their values from those of other investment instruments or indices (derivatives) and deposits.

The underlying funds will where practicably possible be passive funds, meaning they seek to track investment indices.

The Sub-fund may also invest directly in the above asset classes and financial instruments when there are specific benefits in doing so.

Further, the Sub-fund may also obtain indirect exposure to property through investment in Real Estate Investment Trusts (REITs) and shares in property investment companies, and may engage in stock-lending and borrowing.

When required to manage liquidity, or the Sub-fund's risk, the Sub-fund may hold its assets in cash or deposits and money market instruments.

The Sub-fund may use derivatives to help achieve the investment objective (investment purposes) as well as to reduce risk or to manage the Sub-fund more efficiently (often referred to as "efficient portfolio management").

The Sub-fund aims to take a low level of risk in achieving its investment objective. The Sub-fund's investments are combined together in different proportions as determined by the ACD based on asset risk profiles set by an external risk modelling company. The riskiness of different combinations and proportions of types of investment are measured by predicting how they might behave over a 15 year period. The risk modelling company assigns each combination of assets to one of seven risk profiles, ranging from 1, which reflects the risk of holding cash in bank accounts, to 7, which is the riskiest profile. The Sub-fund has a risk profile of 2, which means it will typically have a lower exposure to higher risk assets, and a greater exposure to lower risk assets than other Sub-funds in the Company which have a higher risk profile. Typically shares, certain types of bonds, or exposure to property/commodities will be classified as higher risk assets, whilst certain other bonds, cash and near cash (money market instruments, deposits and money market funds) will be classified as lower risk assets.

The actual investments of the Sub-fund are not chosen by the risk modelling company and the ACD retains the discretion to select the Sub-fund's investments.

There is no guarantee that the Sub-fund's performance will reflect the behaviour of the assets used to create the risk profile.

## Investment Strategy

Underlying funds are selected on the basis of their efficiency at tracking the performance of certain investment indices which relate to particular types of assets.

## MA Passive Reserve Fund (continued)

### Investment review

#### Sub-fund review

Financial markets were down in 2022 overall, but they did at least end with a positive performance in Q4 after a relentless stream of negative political and economic news for much of the year. Although the Omicron virus had been a worry going into the year, it was hoped that the pandemic would become less pernicious due to vaccinations and growing immunity. But as one black swan event subsided, another arose with Russia's invasion of Ukraine. Eventually, the bad news abated, and markets reached a nadir in October that has subsequently looked increasingly like a turning point.

With investor sentiment having reached extreme lows, the potential for positive surprises in 2023 is all the greater. A slowing economy is widely expected and the risk is that this will impact company earnings and their financial strength. However, we believe the global economy remains on a reasonably solid footing and we expect the downturn will be mild rather than deep and protracted. The re-opening of China following its draconian Covid lockdowns will also provide a boost to the global economy and trade.

The main focus for investors in 2022 had been how far central banks would hike interest rates in their efforts to control inflation and whether this would tip economies into recession. The pace of central bank tightening was indeed rapid, with the Federal Reserve instigating seven hikes. The European Central Bank (ECB) raised rates for the first time in more than a decade in July by 50bps as inflation soared to a record 8.6% in the eurozone.

The tenacity of the rate hikes impacted both equities and bonds. So much so that the benefits of diversification were noticeably absent. Equities, and particularly 'growth style' stocks that are priced according to longer-term future earnings, were badly hit but bonds suffered a historic sell off. Bonds would usually be expected to provide 'defensive ballast' during equity downturns, but it was a rare period of extreme stress in which normal asset class diversification temporarily broke down.

The obvious risk for financial markets in 2023 lies in unexpected rate hikes and slowing economic growth. But this risk reduces as inflation subsides. And there are growing signs that this is the case. US inflation was down to 6.5% in December after peaking at 9.1% in June. In the UK, it dipped from 11.1% in October to 10.5% in December. Even in the eurozone, where the ECB had warned investors not to expect rate rises to end early in 2023, inflation dropped from its 10.6% record high in October to 9.2% in December.

Financial assets are more attractively priced following the drawdowns they experienced in 2022. There is still a pervasive sense of uncertainty which will keep us 'neutral' in terms of our model limits, but we believe the outlook for equities is brighter and we are looking to raise exposure to them. We do not expect a bull market rally in 2023, but we do expect equities to regain some of their momentum. Our view on fixed income is also more positive, having been underweight the asset class for some time. We especially like the global high yield bond market, where we see attractive opportunities on a risk-return basis. The exposure that hampered our performance in 2022, including gilts, small caps and emerging market equities, together with increasing exposure to bonds, will be geared into a market recovery when it comes through.

Longer term, we see many financial assets reverting to their longer-term trend performances. But trying to predict and time asset class performances is a hazardous pursuit. A better approach is to diversify investment portfolios and reap rewards from across the asset classes.

#### Performance

In the twelve months to 31 December 2022, the Liontrust MA Passive Reserve Fund (S Accumulation) returned -15.2%\*.

*\*Source of discrete performance data: Financial Express, as at 31 December 2022. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

#### Sub-fund performance

To satisfy the Sub-fund's risk profile, the majority of the Sub-fund is invested in fixed income assets, but with a significant allocation to equities and a smaller allocation to property.

## MA Passive Reserve Fund (continued)

### Investment review (continued)

#### Sub-fund performance (continued)

Fixed income and equity markets were broadly down over the year, which detracted from performance. Our holding in UK government bonds (gilts) weighed significantly, but other fixed income investments were also down amid sharply rising interest rates. We continue to believe fixed income offers important long-term diversification benefits, however.

In equity markets, North America and Japan detracted the most from performance while the UK was the best-performing region relatively, with Vanguard UK FTSE All Share delivering positive returns. Our small allocation in UK property also performed poorly.

Throughout the year the target asset allocation of the funds is adjusted to emphasise asset classes that are expected to offer, in combination, the best risk-adjusted returns for the mid-point of the Sub-fund's risk profile. Throughout the year we opened positions in L&G Emerging Markets Equities Index, SPDR® Bloomberg 1-5 Year Gilt, L&G US Index, HSBC American Index, HSBC FTSE All Share Index, L&G UK Index, HSBC Sterling Corporate Bond Index, iShares Continental Europe Equity and HSBC European Index. Funds that we removed included Vanguard US Equity, Vanguard FTSE UK All Share, Vanguard UK Investment Grade Bond and Vanguard FTSE Developed Europe ex UK Equity.

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

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

### Material portfolio changes by value

#### Purchases

iShares Corporate Bond Index Fund (UK)  
Legal & General All Stocks Gilt Index Trust  
Legal & General US Index Trust  
Vanguard UK Government Bond Index Fund  
Legal & General UK Index Trust  
iShares UK Gilts All Stocks Index Fund (UK)  
iShares Overseas Government Bond Index Fund (UK)  
HSBC Index Tracker Investment Funds - American Index Fund  
HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund  
HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund

#### Sales

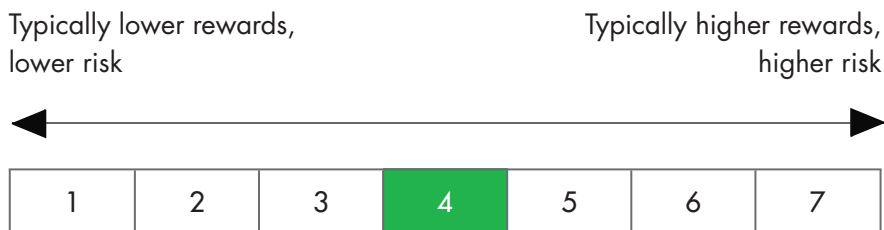
iShares UK Gilts All Stocks Index Fund (UK)  
Vanguard UK Government Bond Index Fund  
iShares Corporate Bond Index Fund (UK)  
Vanguard US Equity Index Fund  
Vanguard FTSE UK All Share Index Unit Trust  
iShares UK Equity Index Fund (UK)  
Vanguard FTSE Developed Europe ex UK Equity Index Fund  
iShares Japan Equity Index Fund (UK)  
Legal & General US Index Trust  
iShares Overseas Government Bond Index Fund (UK)

## MA Passive Reserve Fund (continued)

### Investment review (continued)

#### Risk and Reward profile

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



- This 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 risk profile per the investment objective used by Liontrust to produce the long term asset allocation differs from Synthetic Risk and Reward Indicator, so the two rankings may not be the same.
- The Sub-fund is categorised 4 primarily because of its exposure to a diversified portfolio of funds invested in mainly fixed income with some equities and other asset classes.
- 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.
- Some of the underlying funds may invest in derivatives, which can, in certain circumstances, create wider fluctuations in their prices over time.
- Investments in emerging markets may involve a higher element of risk due to less well regulated markets and political and economic instability. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- Liquidity Risk: If underlying funds suspend or defer the payment of redemption proceeds, the Sub-fund's ability to meet redemption requests may also be affected.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Index Tracking Risk: The performance of any passive funds used may not exactly track that of their indices.

### MA Passive Reserve 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 on page 1) or online at [www.liontrust.co.uk](http://www.liontrust.co.uk).

## MA Passive Reserve Fund (continued)

## Comparative Tables

for the year ended 31 December 2022

A Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	168.50	164.04	154.49
Return before operating charges	(24.36)	5.43	10.48
Operating charges	(0.92)	(0.97)	(0.93)
Return after operating charges	(25.28)	4.46	9.55
Distributions	(1.61)	(1.90)	(1.56)
Retained distributions on accumulation shares	1.61	1.90	1.56
<b>Closing net asset value per share</b>	<b>143.22</b>	<b>168.50</b>	<b>164.04</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(15.00%)	2.72%	6.18%
<b>Other information</b>			
Closing net asset value (£'000)	5,321	6,672	7,688
Closing number of shares	3,715,017	3,959,679	4,686,783
Operating charges**	0.60%	0.59%	0.60%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	168.70	172.72	164.90
Lowest share price	135.81	157.67	139.80

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Reserve Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

D Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	156.02	151.71	142.71
Return before operating charges	(22.60)	4.98	9.65
Operating charges	(0.64)	(0.67)	(0.65)
Return after operating charges	(23.24)	4.31	9.00
Distributions	(1.65)	(1.94)	(1.62)
Retained distributions on accumulation shares	1.65	1.94	1.62
<b>Closing net asset value per share</b>	<b>132.78</b>	<b>156.02</b>	<b>151.71</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(14.90%)	2.84%	6.31%
<b>Other information</b>			
Closing net asset value (£'000)	7,920	11,472	14,048
Closing number of shares	5,964,921	7,352,852	9,259,577
Operating charges**	0.45%	0.44%	0.45%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	156.21	159.92	152.50
Lowest share price	125.87	145.85	129.10

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.



## MA Passive Reserve Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

R Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	171.37	167.57	158.51
Return before operating charges	(24.56)	5.72	10.90
Operating charges	(1.78)	(1.92)	(1.84)
Return after operating charges	(26.34)	3.80	9.06
Distributions	(0.94)	(1.19)	(0.90)
Retained distributions on accumulation shares	0.94	1.19	0.90
<b>Closing net asset value per share</b>	<b>145.03</b>	<b>171.37</b>	<b>167.57</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(15.37%)	2.27%	5.72%
<b>Other information</b>			
Closing net asset value (£'000)	4,998	6,894	7,800
Closing number of shares	3,445,997	4,023,084	4,654,886
Operating charges**	1.15%	1.14%	1.15%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	171.56	175.71	168.50
Lowest share price	137.65	160.95	143.30

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Reserve Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

S Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	163.10	158.53	149.06
Return before operating charges	(23.65)	5.19	10.07
Operating charges	(0.59)	(0.62)	(0.60)
Return after operating charges	(24.24)	4.57	9.47
Distributions	(1.79)	(2.09)	(1.75)
Retained distributions on accumulation shares	1.79	2.09	1.75
<b>Closing net asset value per share</b>	<b>138.86</b>	<b>163.10</b>	<b>158.53</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(14.86%)	2.88%	6.35%
<b>Other information</b>			
Closing net asset value (£'000)	133,906	184,684	185,703
Closing number of shares	96,434,247	113,231,912	117,138,148
Operating charges**	0.40%	0.39%	0.40%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	163.30	167.17	159.40
Lowest share price	131.63	152.42	134.90

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Reserve Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2022

Z Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	174.30	169.08	158.66
Return before operating charges	(25.37)	5.46	10.66
Operating charges	(0.24)	(0.24)	(0.24)
Return after operating charges	(25.61)	5.22	10.42
Distributions	(2.24)	(2.57)	(2.19)
Retained distributions on accumulation shares	2.24	2.57	2.19
<b>Closing net asset value per share</b>	<b>148.69</b>	<b>174.30</b>	<b>169.08</b>
After direct transaction costs of*	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(14.69%)	3.09%	6.57%
<b>Other information</b>			
Closing net asset value (£'000)	16,309	20,186	18,452
Closing number of shares	10,968,853	11,580,884	10,913,096
Operating charges**	0.15%	0.14%	0.15%
Direct transaction costs*	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	174.51	178.63	170.00
Lowest share price	140.89	162.61	143.60

\* 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 includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

## MA Passive Reserve Fund (continued)

### Portfolio Statement

as at 31 December 2022

Holding/Nominal Value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>COLLECTIVE INVESTMENT SCHEMES (97.61%)</b>	<b>164,140</b>	<b>97.44</b>
	<b>ASIA PACIFIC EXCLUDING JAPAN EQUITIES (2.05%)</b>	<b>4,225</b>	<b>2.51</b>
309,499	HSBC Index Tracker Investment Funds - Pacific Index Fund	1,552	0.92
1,242,891	Legal & General Pacific Index Trust	2,673	1.59
	<b>EMERGING MARKETS EQUITIES (1.87%)</b>	<b>6,775</b>	<b>4.03</b>
1,911,724	iShares Emerging Markets Equity Index Fund (UK)	3,465	2.06
3,023,432	Legal & General Emerging Markets Equity Index Fund	3,310	1.97
	<b>EUROPE EXCLUDING UK EQUITIES (4.03%)</b>	<b>3,367</b>	<b>2.00</b>
125,106	HSBC Index Tracker Investment Funds - European Index Fund	1,419	0.84
616,274	iShares Continental European Equity Index Fund (UK)	1,948	1.16
	<b>GLOBAL BONDS (9.23%)</b>	<b>23,237</b>	<b>13.79</b>
18,468,502	iShares Overseas Government Bond Index Fund (UK)	23,237	13.79
	<b>JAPAN EQUITIES (5.21%)</b>	<b>6,593</b>	<b>3.91</b>
1,067,847	HSBC Index Tracker Investment Funds - Japan Index Fund	1,498	0.89
2,041,661	iShares Japan Equity Index Fund (UK)	5,095	3.02
	<b>NORTH AMERICA EQUITIES (9.20%)</b>	<b>14,503</b>	<b>8.61</b>
549,836	HSBC Index Tracker Investment Funds - American Index Fund	4,885	2.90
1,138,869	Legal & General US Index Trust	9,618	5.71
	<b>PROPERTY (4.20%)</b>	<b>6,190</b>	<b>3.67</b>
582,924	Aegon Property Income Fund§	405	0.24
1,880,993	iShares Global Property Securities Equity Index Fund (UK)	4,234	2.51
1,592,671	Legal & General UK Property Fund	1,551	0.92
	<b>UK CORPORATE BONDS (3.06%)</b>	<b>13,556</b>	<b>8.05</b>
2,259,205	HSBC Index Tracker Investment Funds - Sterling Corporate Bond Index Fund	2,193	1.30
7,908,196	iShares Corporate Bond Index Fund (UK)	11,363	6.75
	<b>UK EQUITIES (14.56%)</b>	<b>20,372</b>	<b>12.10</b>
640,762	HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund	4,440	2.64

## MA Passive Reserve Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2022

Holding/Nominal Value	Stock description	Market value (£'000)	Percentage of total net assets (%)
<b>COLLECTIVE INVESTMENT SCHEMES (continued)</b>			
<b>UK EQUITIES (continued)</b>			
2,818,799	iShares UK Equity Index Fund (UK)	7,415	4.40
2,363,126	Legal & General UK Index Trust	8,517	5.06
<b>UK GILTS (44.20%)</b>		<b>65,322</b>	<b>38.77</b>
13,577,013	iShares UK Gilts All Stocks Index Fund (UK)	19,008	11.28
9,688,439	Legal & General All Stocks Gilt Index Trust	18,049	10.71
108,478	SPDR Bloomberg Barclays 1-5 Year Gilt UCITS ETF†	5,194	3.08
174,190	Vanguard UK Government Bond Index Fund	23,071	13.70
<b>Portfolio of investments</b>		<b>164,140</b>	<b>97.44</b>
<b>Net other assets</b>		<b>4,314</b>	<b>2.56</b>
<b>Total net assets</b>		<b>168,454</b>	<b>100.00</b>

Each holding listed above is either accumulation units of a Unit Trust or accumulation shares of an Open Ended Investment Company unless otherwise indicated.

Comparative figures shown in brackets relate to 31 December 2021.

§ The Aegon Property Income Fund closed on the 9th August 2021 and will return capital to shareholders as soon as practical.

† Exchange Traded Fund.

## MA Passive Reserve Fund (continued)

## Statement of Total Return

for the year ended 31 December 2022

	Notes	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
Income					
Net capital (losses)/gains	2		(34,639)		3,690
Revenue	3	3,139		4,043	
Expenses	4	(657)		(800)	
Interest payable and similar charges	6	(2)		(1)	
Net revenue before taxation		2,480		3,242	
Taxation	5	(168)		(214)	
Net revenue after taxation			2,312		3,028
<b>Total return before distributions</b>			<b>(32,327)</b>		<b>6,718</b>
Distributions	7		(2,312)		(3,029)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(34,639)</b>		<b>3,689</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2022

	(£'000)	1.1.2022 to 31.12.2022 (£'000)	(£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>229,908</b>		<b>233,691</b>
Amounts received on issue of shares	7,792		22,552	
Amounts paid on cancellation of shares	(36,837)		(32,991)	
		(29,045)		(10,439)
Change in net assets attributable to shareholders from investment activities		(34,639)		3,689
Retained distributions on accumulation shares		2,230		2,967
<b>Closing net assets attributable to shareholders</b>		<b>168,454</b>		<b>229,908</b>

## MA Passive Reserve Fund (continued)

## Balance Sheet

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		164,140	224,417
<b>Current assets:</b>			
Debtors	8	968	459
Cash and bank balances	9	6	5,288
Cash equivalents	9	3,611	–
<b>Total assets</b>		<b>168,725</b>	<b>230,164</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	10	(271)	(256)
<b>Total liabilities</b>		<b>(271)</b>	<b>(256)</b>
<b>Net assets attributable to shareholders</b>		<b>168,454</b>	<b>229,908</b>

## MA Passive Reserve Fund (continued)

## Notes to the financial statements

for the year ended 31 December 2022

**1 Accounting policies**

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
The net capital (losses)/gains comprise:		
Non-derivative securities *	(34,639)	3,687
Foreign currency (losses)/gains **	(1)	1
ACD's charge rebates	1	2
<b>Net capital (losses)/gains</b>	<b>(34,639)</b>	<b>3,690</b>

\* Includes realised gains of £6,812,000 and unrealised losses of £41,451,000 (2021: realised gains of £7,421,000 and unrealised losses of £3,734,000). The realised losses on investments in the accounting year to 31 December 2022 includes amounts previously recognised as unrealised gains/losses in the prior accounting year.

\*\* Includes realised gains of £0 and unrealised losses of £1,000 (2021: realised gains of £0 and unrealised gains of £1,000). The realised losses on currency in the accounting year to 31 December 2022 includes amounts previously recognised as unrealised gains/losses in the prior accounting year.

**3 Revenue**

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Bank interest	6	–
Equity distributions on CIS holdings	1,643	1,906
Interest distributions on CIS holdings	1,008	576
Management fee rebates on CIS	201	262
Non-taxable overseas dividends	–	267
Taxable overseas dividends	281	1,032
<b>Total revenue</b>	<b>3,139</b>	<b>4,043</b>



## MA Passive Reserve Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 4 Expenses

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge	503	613
General administration charges*, **	152	105
	<b>655</b>	<b>718</b>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary fee	2	9
Safe custody fee	—	7
	<b>2</b>	<b>16</b>
<b>Other expenses:</b>		
Audit fee***	—	8
Registration fee	—	58
	<b>—</b>	<b>66</b>
<b>Total expenses</b>	<b>657</b>	<b>800</b>

\* From 1 July 2021 the ACD moved from variable to fixed Administration Fees.

\*\* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,050. Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

\*\*\* The audit fee for the prior year, excluding VAT, was £9,187.

## MA Passive Reserve Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 5 Taxation

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
<b>a) Analysis of charge in year</b>		
Corporation tax	168	214
<b>Total tax charge [see note(b)]</b>	<b>168</b>	<b>214</b>

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

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

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Net revenue before taxation	2,480	3,242
Corporation tax at 20% (2021 - 20%)	496	648
Effects of:		
Capitalised income subject to tax	–	1
Revenue not subject to tax	(328)	(435)
<b>Total tax charge [see note(a)]</b>	<b>168</b>	<b>214</b>

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

## 6 Interest payable and similar charges

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Overdraft interest	2	1
<b>Total interest payable and similar charges</b>	<b>2</b>	<b>1</b>

## MA Passive Reserve Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 7 Distributions

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Interim distribution	934	919
Final distribution	1,296	2,048
	<b>2,230</b>	<b>2,967</b>
Amounts deducted on cancellation of shares	105	126
Amounts received on issue of shares	(23)	(64)
<b>Distributions</b>	<b>2,312</b>	<b>3,029</b>
The distributable amount has been calculated as follows:		
Net revenue after taxation	2,312	3,028
Add: Tax relief on capitalised expenses	–	1
<b>Distributions</b>	<b>2,312</b>	<b>3,029</b>

The distribution per share is set out in the tables on page 293.

## 8 Debtors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued management fee rebates on CIS	44	110
Amounts receivable for issue of shares	245	270
Income tax recoverable	7	79
Sales awaiting settlement	672	–
<b>Total debtors</b>	<b>968</b>	<b>459</b>

## 9 Cash and bank balances

	31.12.2022 (£'000)	31.12.2021 (£'000)
Cash and bank balances	6	5,288
Cash equivalents	3,611	–
<b>Total cash and bank balances</b>	<b>3,617</b>	<b>5,288</b>

## MA Passive Reserve Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 10 Creditors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued expenses	14	22
Accrued ACD's charge	37	51
Amounts payable for cancellation of shares	127	17
Corporation tax	93	166
<b>Total other creditors</b>	<b>271</b>	<b>256</b>

## 11 Contingent liabilities and outstanding commitments

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

## 12 Related party transactions

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 £46,000 (2021: £67,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £655,000 (2021: £718,000).

## 13 Risk management policies

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

- units and shares in regulated collective investment schemes, securities and other investments;
- 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.

## MA Passive Reserve Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that each collective investment scheme, investment trust or other investment vehicle has individual underlying asset types that 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.

Investments in Collective Investment Schemes with an exposure in emerging markets may be more volatile than investments in more developed markets from time to time, as some of these markets have relatively unstable economies based on only a few industries and securities markets that trade only a limited number of securities.

Investments in Collective Investment Schemes with an exposure in the shares of individual companies are subject to a wide range of risks that may cause their prices to fluctuate over time. The value of those financial instruments is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual instrument or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

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. The Sub-fund seeks to minimise all of the above mentioned risks by holding diversified portfolios of investments.

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 the Sub-fund performance changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year.

A 5% increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £8,388,000 (2021: £11,221,000). A 5% decrease would have an equal and opposite effect.

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 Gross Leverage.

In accordance with the Alternative Investment Funds Management Directive (AIFMD) we are required to disclose the 'leverage' of each sub-fund. Leverage is defined as any method by which the Sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways 'gross method' and 'commitment method' and the Sub-fund must not exceed maximum exposures under both methods. 'Gross method' exposure is calculated as the sum of all positions of the Sub-fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes. 'Commitment method' exposure is also calculated as the sum of all positions of the Sub-fund (both positive and negative), but after netting off any derivative and security positions as specified by AIFMD rules.

## MA Passive Reserve Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Market price risk (continued)

The Commitment exposure and the gross method leverage for the Sub-fund was:

	AIFM Gross Leverage 31.12.2022	AIFM Gross Leverage 31.12.2021	AIFM Commitment 31.12.2022	AIFM Commitment 31.12.2021
Liontrust MA Passive Reserve Fund	100.00%	97.70%	100.00%	100.00%

For the calculation of commitment and gross method the following assumptions were taken:

- for AIFM purposes, money market funds are not assimilated to "cash equivalents". Only UK Treasuries with maturity less than 3 months are considered "cash equivalents".

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 invests predominantly in sterling denominated Collective Investment Schemes (CIS) that in turn invest in a range of instruments, some of which may be overseas and subject to foreign currency risk. 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.

Sub-funds which hold cash balances and invest in fixed interest securities will be subject to interest rate risk. As a result, the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates.

## MA Passive Reserve Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Interest rate risk (continued)

The Sub-fund invests predominantly in CIS and therefore has no significant direct exposure to interest rate risk. As the Sub-fund has no direct exposure to interest rate risk no interest rate risk table or sensitivity analysis has been prepared, however the ACD may take a particular view on the interest rate movements and may alter investment strategies accordingly.

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

##### Liquidity risk

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

Sub-funds investing in smaller companies, emerging markets, high yield bonds, alternatives and property or OTC derivatives hold transferable securities that may be less liquid than the securities of larger companies as a result of lower trading volumes or restrictions on trading. The Sub-funds that invest in collective investment schemes that themselves may hold illiquid assets are also exposed to the risk of suspensions of dealing in those collective investment schemes.

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 (directly, or through purchasing the units of collective investment schemes, 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.

Sub-funds are also exposed to credit risk indirectly by the activities of collective investment schemes in which they invest. In general, the Company will only invest in regulated collective investment schemes and in any case the Investment Manager will ensure that underlying schemes have equivalent credit risk management processes in place to those described above.

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-funds' financial assets were past due or impaired.

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

## MA Passive Reserve Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2022

#### 13 Risk management policies (continued)

##### Counterparty credit risk (continued)

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

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

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

##### Maturity profile of financial liabilities

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

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

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



## MA Passive Reserve Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 13 Risk management policies (continued)

## Valuation of financial investments

	Assets (£'000)	Liabilities (£'000)
<b>31.12.2022</b>		
Level 1: Quoted prices	5,194	—
Level 2: Observable market data	158,541	—
Level 3: Unobservable data	405	—
	<b>164,140</b>	<b>—</b>
<b>31.12.2021</b>		
Level 1: Quoted prices	—	—
Level 2: Observable market data	222,923	—
Level 3: Unobservable data	1,494	—
	<b>224,417</b>	<b>—</b>

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

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

Level 3: Valuation techniques using unobservable inputs.\*

\*The current and prior year level 3 balances represent the Aegon Property Income Fund which closed on 9 August 2021 and at the current and prior year end was in liquidation. Aegon has continued to publish a daily valuation share price for the fund during its suspension and liquidation and the valuation of the holding at the current and prior year end reflects the published share price with no discount applied.

## 14 Share movement

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
A Accumulation	3,959,679	191,322	(435,984)	—	3,715,017
D Accumulation	7,352,852	298,155	(1,645,350)	(40,736)	5,964,921
R Accumulation	4,023,084	63,063	(640,150)	—	3,445,997
S Accumulation	113,231,912	3,586,005	(20,422,624)	38,954	96,434,247
Z Accumulation	11,580,884	1,063,103	(1,675,134)	—	10,968,853

## MA Passive Reserve Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs

for the year ending 31 December 2022

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Collective investment schemes	157,813	2	–	–	–
<b>Total purchases</b>	<b>157,813</b>	<b>2</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>157,815</b>				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Sales (excluding derivatives)</b>					
Collective investment schemes	186,363	–	–	–	–
<b>Total sales</b>	<b>186,363</b>	<b>–</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>186,363</b>				
<b>Total transaction costs</b>		<b>2</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>-</b>		<b>–</b>	

## MA Passive Reserve Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Purchases (excluding derivatives)</b>					
Collective investment schemes	36,490	–	–	–	–
<b>Total purchases</b>	<b>36,490</b>	<b>–</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>36,490</b>				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
<b>Sales (excluding derivatives)</b>					
Collective investment schemes	51,887	–	–	–	–
<b>Total sales</b>	<b>51,887</b>	<b>–</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>51,887</b>				
<b>Total transaction costs</b>		<b>–</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>–</b>		<b>–</b>	

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

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 0.01% (2021: 0.22%).

### MA Passive Reserve Fund (continued)

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

for the year ended 31 December 2022

#### **16 Post balance sheet events**

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

Since the year-end, the NAV per share of the S Accumulation share class has increased by 1.81% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

## MA Passive Reserve Fund (continued)

### Distribution Tables

for the year ended 31 December 2022

#### Final distribution

Group 1 - Shares purchased prior to 1 July 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2023 Pence per share	Distribution paid 28.2.2022 Pence per share
A Accumulation - Group 1	0.9903	—	0.9903	1.3728
A Accumulation - Group 2	0.9394	0.0509	0.9903	1.3728
D Accumulation - Group 1	0.9951	—	0.9951	1.3625
D Accumulation - Group 2	0.6835	0.3116	0.9951	1.3625
R Accumulation - Group 1	0.6700	—	0.6700	1.0162
R Accumulation - Group 2	0.5069	0.1631	0.6700	1.0162
S Accumulation - Group 1	1.0726	—	1.0726	1.4584
S Accumulation - Group 2	0.5756	0.4970	1.0726	1.4584
Z Accumulation - Group 1	1.3041	—	1.3041	1.7332
Z Accumulation - Group 2	0.5155	0.7886	1.3041	1.7332

#### Interim distribution

Group 1 - Shares purchased prior to 1 January 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2022 Pence per share	Distribution paid 31.8.2021 Pence per share
A Accumulation - Group 1	0.6161	—	0.6161	0.5228
A Accumulation - Group 2	0.1972	0.4189	0.6161	0.5228
D Accumulation - Group 1	0.6596	—	0.6596	0.5729
D Accumulation - Group 2	0.3921	0.2675	0.6596	0.5729
R Accumulation - Group 1	0.2717	—	0.2717	0.1736
R Accumulation - Group 2	0.1722	0.0995	0.2717	0.1736
S Accumulation - Group 1	0.7192	—	0.7192	0.6300
S Accumulation - Group 2	0.3280	0.3912	0.7192	0.6300
Z Accumulation - Group 1	0.9334	—	0.9334	0.8381
Z Accumulation - Group 2	0.5258	0.4076	0.9334	0.8381

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

### Additional Information (unaudited)

#### **Important information**

Past performance is not a guide to future performance. The value of an investment and the income generated may fall as well as rise and is not guaranteed. You may get back less than you originally invested. The issue of shares may be subject to an initial charge and this is likely to have an impact on the realisable value of your investment, particularly in the short term. The annual management fee of the Liontrust MA Active Reserve Fund, Liontrust MA Diversified Global Income Fund and Liontrust MA Diversified Real Assets Fund is deducted from capital. Whilst this results in the dividend paid to investors being higher than would be the case were the annual management fee charged to income, the potential for capital growth may be reduced.



**Liontrust Customer Services Team**

PO Box 373, Darlington, DL1 9RQ



0344 892 0349



Facsimile 0207 964 2562



Liontrustadmin@bnymellon.com

**LIONTRUST** 

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