

LIONTRUST INVESTMENT FUNDS ICVC

Annual Report &
Financial Statements

For the period:

1 January 2022

to

31 December 2022

LIONTRUST FUND PARTNERS LLP

LIONTRUST 

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

Management and Administration

Management and Administration

The Authorised Corporate Director ("ACD") of Liontrust Investment Funds 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 open-ended investment company ("OEIC") with variable capital under regulation 12 of the Open-Ended Investment Company Regulations 2001, incorporated in Scotland, under registered number IC000716, and authorised by the Financial Conduct Authority on 28 November 2008. At the year end the Company offered two sub-funds, the Liontrust Sustainable Future Monthly Income Bond Fund (formerly the "Liontrust Monthly Income Bond Fund") and the Liontrust Strategic Bond Fund (the "Sub-funds").

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

The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. Investment of the assets of each of the Sub-funds must comply with the FCA's COLL and the investment objective and policy of the relevant Sub-fund.

Remuneration policy

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

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

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

	Headcount	Total Remuneration (£'000)
ACD UK Staff ¹	83	18,744
of which		
Fixed remuneration	83	8,116
Variable remuneration	83	10,628
UCITS Remuneration Code Staff ^{1, 2}	10	2,958
of which		
Senior Management	2	125
Other control functions:		
Other code staff/risk takers	8	2,833

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

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

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

Management and Administration (continued)

Remuneration policy (continued)

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

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

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

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

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

Scope of the policy

By entity

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

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

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

By individual

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

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

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

Approach to the remuneration

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

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

Management and Administration (continued)

Approach to the remuneration (continued)

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. See pages 85 - 87 for disclosures at 31 December 2022.

Assessment of Value

The regulator - the FCA - has asked every asset manager to assess the value of the funds they run. Assessing value goes beyond performance and costs and encompasses a minimum of seven criteria mandated by the FCA. The assessment of value of the Sub-funds and the other UK-domiciled funds managed by Liontrust will be conducted as at 31 August each year. The assessment of value report can be viewed on the Liontrust website www.liontrust.co.uk/learning/assessment-of-value.

Changes to the Company

During the year to 31 December 2022, changes were made to the Company:

- The Liontrust Sustainable Future Monthly Income Bond Fund changed its name from the Liontrust Monthly Income Bond Fund, effective 6 June 2022;
- The Liontrust Multi Asset Strategic Bond Fund merged into the Liontrust Strategic Bond Fund on 14 October 2022.

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 and net capital losses on the property of the Company for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its Sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;

Management and Administration (continued)

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

- using the going concern basis of accounting unless they either intend to liquidate the Company or its Sub-funds or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

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

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

Report of the ACD to the Shareholders

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

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

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

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

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

Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist fund management company with £32.6 billion in assets under management (AUM) as at 31 December 2022 and that takes pride in having a distinct culture and approach to managing money. What makes Liontrust distinct?

- The Company launched in 1995 and was listed on the London Stock Exchange in 1999.
- We are an independent business with no corporate parent, our head office is on the Strand in London and we have offices in Edinburgh and Luxembourg.
- We believe in the benefits of active fund management over the long-term and all our fund managers are truly active.
- We focus only on those areas of investment in which we have particular expertise. As of 8 February 2023, we have seven fund management teams investing in Global equities, Global Fixed Income, Sustainable Investment and Multi-Asset portfolios and funds.
- Our fund managers are independent thinkers and have the courage of their convictions in making investment decisions.
- Our fund managers have the freedom to manage their portfolios according to their own investment processes and market views without being distracted by other day-to-day aspects of running a fund management company.
- Each fund management team applies distinct and rigorous investment processes to the management of funds and portfolios that ensure the way we manage money is predictable and repeatable.
- Staying true to their documented investment processes helps to create an in-built risk control for our fund managers, especially in more challenging environments, by preventing them from investing in companies and funds for the wrong reasons.

Management and Administration (continued)

Liontrust Asset Management PLC (continued)

- 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 Investment Funds 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 Authorised Corporate Director ("the ACD") are carried out (unless they conflict with the Regulations).

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

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

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

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

27 April 2023

Independent Auditor's Report to the Shareholders of Liontrust Investment Funds 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 losses on the property of each of the Sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

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

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

Going Concern

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

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

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.

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

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

Report on the audit of the financial statements (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on the audit of the financial statements (continued)

Other information

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

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

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

Matters on which we are required to report by exception

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

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

Authorised Corporate Director's responsibilities

As explained more fully in their statement set out on pages 4 to 5, the ACD is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

b) Valuation of investments

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

c) Revenue

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

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

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

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

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

d) Expenses

All expenses are recognised on an accruals basis and are charged against revenue except for costs associated with the purchase and sale of investments, and the Annual Management Charge and Performance Fee for the Liontrust Sustainable Future Monthly Income Bond Fund which are allocated to the capital of the Fund.

For the Sustainable Future Monthly Income Bond Fund, the ACD is entitled to a performance related fee of 20% of outperformance of the relevant index by each share class and is calculated to the end of the accounting year in December each year. This is currently only applicable to the P share class, please refer to the Prospectus for more details.

The full amount of any performance fee is calculated on an accruals basis and is chargeable against capital in determining distribution. Further details of the calculation can be found in the Prospectus.

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

for the year ended 31 December 2022

1 Accounting Policies (continued)

e) Allocation of income and expenses

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

f) Taxation

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

g) Exchange rates

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.

h) Financial instruments

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

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

Distribution Policies

i) Basis of distribution

The net revenue available for distribution at the end of each distribution period will be paid as a 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.

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

for the year ended 31 December 2022

1 Accounting Policies (continued)

i) Basis of distribution (continued)

For the Liontrust Sustainable Future Monthly Income Bond Fund, all the interim distributions are based on a fixed rate for each share class and any income available for distribution at the end of the accounting year will be distributed or accumulated. The financial statements have been prepared on an effective yield basis but the Liontrust Sustainable Future Monthly Income Bond Fund distributes on a coupon basis. Where the coupon basis is higher, the additional amount, above that recorded in revenue, is transferred from capital in order to make the distribution. A reconciliation of the net distribution to the net revenue of the Sub-fund as reported in the Statement of Total Return is shown in note 7 on page 32.

For the purposes of determining the distribution, all or part of the ACD's periodic charge may be borne by the capital account of the Sub-funds. Currently only the Liontrust Sustainable Future Monthly Income Bond Fund charges the ACD's periodic charge and performance fee against capital.

j) Special dividends

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

k) Functional currency

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

Liontrust Sustainable Future Monthly Income Bond Fund

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

Investment Objective

The Sub-Fund aims to produce monthly income payments together with capital growth through investment in sustainable securities.

Total Return Target Benchmark

The Sub-fund targets a net total return of at least the IBOXX GBP Corporates (5-15Y) index over the long term (rolling 5-year periods).

Investment Policy

The Sub-fund will invest a minimum of 80% in investment grade corporate bonds that are sterling denominated or hedged back to sterling.

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

The investment objective of the Sub-fund will be achieved through investment in securities that provide or produce sustainable products and services as well as having a progressive approach to the management of environmental, social and governance ("ESG") issues.

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

The Sub-fund is permitted to use derivatives and forwards for the purposes of efficient portfolio management and for investment purposes. The Sub-fund will also use derivatives (specifically currency forwards, credit default swaps, interest rate swaps, bond futures and embedded derivatives), to manage the Sub-fund's credit, currency and duration exposures. Please refer to the Prospectus for further details.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned -15.4% over the year, compared with the -16.1% average return from the IA Sterling Corporate Bond sector (the comparator benchmark) and -19.2% return from the iBoxx Sterling Corporates 5-15 Years Index (the target benchmark)*.

*Source: FE Analytics, as at 31.12.22, B share class, total return, net of fees and interest reinvested. Please note that total return has been calculated at midday whereas the financial statements are at close of business.

Market backdrop

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

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

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

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

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

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

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

Sub-fund review

Whilst 2022 proved to be a difficult year for total returns, the Sub-fund delivered outperformance relative to its benchmark of 3.8 percentage points in 2022.

This was primarily driven by the Sub-fund's low duration position for the first nine months of the year, a period when government bonds experienced an unprecedented decline as central banks aggressively raised interest rates in an attempt to get inflation back under control.

Having started the year 4.5 years underweight duration relative to its benchmark, we gradually added duration as yields trended up towards our 2.5% - 3% target range over the course of the year.

The underweight position benefitted from being primarily expressed via the UK market over this period, with 10 year gilt yields peaking above 4.5% having started the year below 1%. As yields reached 4.25%, we elected to close the duration underweight, before taking the Fund long duration for the first time in its history, at one year over the benchmark level, as 10 year gilt yields reached 4.5% amidst the fallout from September's mini budget.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Investment review (continued)

Sub-fund review (continued)

This overweight duration position subsequently benefitted from a recovery in the UK gilt market over the final quarter, as the political landscape stabilised alongside signs that inflation had peaked – signalling a potential end to aggressive monetary policy tightening.

Relative to the index, the strong performance from our duration management over the course of the year more than offset weakness from the Fund's overweight credit position as corporate bonds underperformed alongside broader risk assets during the period.

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

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

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

Despite benefiting from being underweight the sector relative to the benchmark, we also saw negative stock selection from some of our higher beta holdings within the real estate sector, as the aforementioned tough economic outlook weighed on the property market.

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

The weakness in stock selection outweighed strong sector allocation, as our exposures to the more defensive parts of the market including utilities, telecommunications and gilts contributed positively, alongside the underweight to the real estate sector.

We remain confident in the underlying quality of our portfolio, and view the sell-off during 2022 as overdone, with valuations now pricing in a long, severe recession, which we do not expect to come to fruition.

Outlook

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

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

On a monetary policy level, the hiking campaign is likely near complete. In December, the US Federal Reserve signalled that it expected the peak interest rate to be 75bps higher than the current rate, which could easily be reached in the first few months of 2023.

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

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

Please note that the monthly distribution of the Liontrust Sustainable Future Monthly Income Bond Fund will increase from 0.34p to 0.40p per unit. This new distribution amount will be effective from the Fund's end of January distribution onwards.

January 2023

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Investment review (continued)

Sub-fund review (continued)

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

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

Material portfolio changes by value

Purchases

United Kingdom Gilt 6% 7/12/2028
Barclays 8.407% 14/11/2032
NatWest 7.416% 6/6/2033
Verizon Communications 4.75% 17/2/2034
BPCE 5.25% 16/4/2029
Zurich Finance Ireland Designated Activity 5.125% 23/11/2052
Thames Water Utilities Finance 6.75% 16/11/2028
Santander UK 7.098% 16/11/2027
Cooperatieve Rabobank UA 4.625% 23/5/2029
Rentokil Initial 5% 27/6/2032

Sales

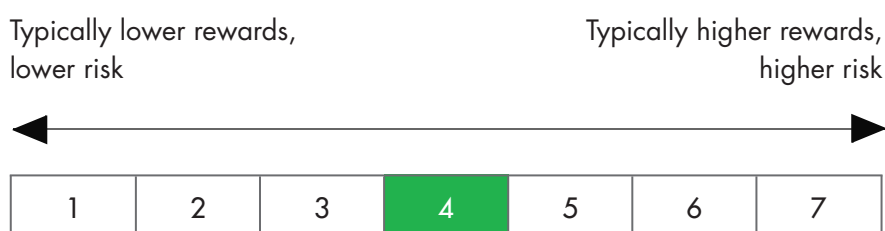
United Kingdom Gilt 6% 7/12/2028
Barclays 3.564% 23/9/2035
Verizon Communications 5.25% 16/3/2037
Standard Chartered 5.125% 6/6/2034
Thames Water Utilities Finance 6.75% 16/11/2028
Assicurazioni Generali 6.269% Perpetual
Lloyds Bank 12% Perpetual
GlaxoSmithKline Capital 5.25% 19/12/2033
Natwest 3.622% 14/8/2030
Rothesay Life 8% 30/10/2025

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Investment review (continued)

Risk and Reward profile

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



- 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 higher of the actual historical annualised volatility and the translated annualised volatility of the Sub-fund based upon the internal Value at Risk limit.
- The Sub-fund is categorised 4 primarily for its exposure to a diversified portfolio of debt instruments along with a number of derivative positions.
- The SRRI may not fully take into account the following risks:
 - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result;
 - The creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- The Sub-fund can invest in derivatives. Derivatives are used to protect against currency, credit or interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions.
- The Sub-fund uses derivative instruments that may result in higher cash levels. Cash may be deposited with several credit counterparties (e.g. international banks) or in short-dated bonds. A credit risk arises should one or more of these counterparties be unable to return the deposited cash.
- The Sub-fund may have both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign exchange contracts to protect returns in the base currency of the Sub-fund.
- The Sub-fund may encounter liquidity constraints from time to time. Participation rates on advertised volumes could fall reflecting the less liquid nature of the current market conditions.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The level of targeted income is not guaranteed.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

- The payment of a performance fee may provide incentive to the investment adviser to take more speculative investments.
- Environmental Social Governance (ESG) Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG.

For full details of the 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.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Comparative Tables

for the year ended 31 December 2022

Class B Gross Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
Change in net assets per share			
Opening net asset value per share	174.87	175.03	166.10
Return before operating charges	(26.01)	0.86	9.96
Operating charges	(0.90)	(1.02)	(1.03)
Return after operating charges	(26.91)	(0.16)	8.93
Distributions	(7.94)	(7.85)	(7.89)
Retained distributions on accumulation shares	7.94	7.85	7.89
Closing net asset value per share	147.96	174.87	175.03
After direct transaction costs of*	(0.02)	(0.02)	(0.01)
Performance			
Return after charges	(15.39%)	(0.09%)	5.38%
Other information			
Closing net asset value (£'000)	91,392	36,673	18,456
Closing number of shares	61,766,666	20,971,324	10,544,817
Operating charges**	0.57%	0.58%	0.62%
Direct transaction costs*	0.01%	0.01%	0.01%
Prices			
Highest share price	176.03	178.39	176.32
Lowest share price	131.29	173.16	144.79

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

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

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

Class B Gross Income Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
Change in net assets per share			
Opening net asset value per share	97.13	101.64	101.14
Return before operating charges	(14.22)	0.51	5.80
Operating charges	(0.49)	(0.58)	(0.60)
Return after operating charges	(14.71)	(0.07)	5.20
Distributions	(4.32)	(4.44)	(4.70)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	78.10	97.13	101.64
After direct transaction costs of*	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	(15.14%)	(0.07%)	5.14%
Other information			
Closing net asset value (£'000)	200,602	226,661	229,488
Closing number of shares	256,852,204	233,350,959	225,791,809
Operating charges**	0.57%	0.58%	0.61%
Direct transaction costs*	0.01%	0.01%	0.01%
Prices			
Highest share price	98.00	102.70	103.41
Lowest share price	70.41	97.31	87.48

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

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

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

Class P Gross Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
Change in net assets per share			
Opening net asset value per share	184.72	185.58	175.58
Return before operating charges	(27.28)	1.00	10.55
Operating charges	(2.18)	(1.86)	(0.55)
Return after operating charges	(29.46)	(0.86)	10.00
Distributions	(8.34)	(8.29)	(8.35)
Retained distributions on accumulation shares	8.34	8.29	8.35
Closing net asset value per share	155.26	184.72	185.58
After direct transaction costs of*	(0.02)	(0.02)	(0.01)
Performance			
Return after charges	(15.95%)	(0.46%)	5.70%
Other information			
Closing net asset value (£'000)	66,581	71,184	61,568
Closing number of shares	42,882,776	38,535,683	33,174,953
Operating charges**	0.27%	0.28%	0.31%
Direct transaction costs*	0.01%	0.01%	0.01%
Performance fee	1.04%	0.72%	0.01%
Prices			
Highest share price	185.74	188.64	186.96
Lowest share price	137.92	182.20	153.16

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

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

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

Class P Gross Income Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
Change in net assets per share			
Opening net asset value per share	98.91	104.01	103.20
Return before operating charges	(14.40)	0.44	5.92
Operating charges	(1.17)	(0.99)	(0.31)
Return after operating charges	(15.57)	(0.55)	5.61
Distributions	(4.38)	(4.55)	(4.80)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	78.96	98.91	104.01
After direct transaction costs of*	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	(15.74%)	(0.53%)	5.44%
Other information			
Closing net asset value (£'000)	183,692	220,586	195,141
Closing number of shares	232,643,549	223,016,773	187,612,138
Operating charges**	0.27%	0.28%	0.31%
Direct transaction costs*	0.01%	0.01%	0.01%
Performance fee	1.06%	0.69%	0.00%
Prices			
Highest share price	99.79	105.10	105.53
Lowest share price	71.26	99.19	89.32

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

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

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

Class Z Gross Income Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
Change in net assets per share			
Opening net asset value per share	103.70	107.98	106.91
Return before operating charges	(15.24)	0.57	6.18
Operating charges	(0.07)	(0.10)	(0.13)
Return after operating charges	(15.31)	0.47	6.05
Distributions	(4.59)	(4.75)	(4.98)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	83.80	103.70	107.98
After direct transaction costs of*	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	(14.76%)	0.44%	5.66%
Other information			
Closing net asset value (£'000)	8	10	10
Closing number of shares	9,641	9,641	9,641
Operating charges**	0.08%	0.09%	0.12%
Direct transaction costs*	0.01%	0.01%	0.01%
Prices			
Highest share price	104.75	109.12	109.37
Lowest share price	75.63	104.17	92.61

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

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

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Portfolio Statement

as at 31 December 2022

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UNITED KINGDOM GOVERNMENT BONDS (4.98%)	26,911	4.96
£24,000,000	United Kingdom Gilt 6% 7/12/2028	26,911	4.96
	UK STERLING DENOMINATED DEBT SECURITIES (70.86%)	431,701	79.62
£1,200,000	3i 5.75% 3/12/2032	1,189	0.22
£4,141,000	3i 5.75% 3/12/2032	4,105	0.76
£5,500,000	Anglian Water Services Financing 6.625% 15/1/2029	5,887	1.09
£2,200,000	Annington Funding 3.935% 12/7/2047	1,572	0.29
£5,000,000	Annington Funding 4.75% 9/8/2033	4,389	0.81
£8,600,000	Aroundtown 3% 16/10/2029	5,366	0.99
£12,000,000	AT&T 7% 30/4/2040	13,452	2.48
£8,400,000	Aviva 5.125% 4/6/2050	7,581	1.40
£5,667,000	Aviva 6.875% Perpetual	5,128	0.95
£4,500,000	AXA 5.625% 16/1/2054	4,209	0.78
£19,200,000	Barclays 8.407% 14/11/2032	19,823	3.66
£7,000,000	Blackstone Property Partners Europe 4.875% 29/4/2032	5,424	1.00
£12,500,000	BPCE 5.25% 16/4/2029	11,705	2.16
£7,000,000	Canary Wharf Investment 3.375% 23/4/2028	4,944	0.91
£4,500,000	Circle Anglia Social Housing 7.25% 12/11/2038	5,231	0.96
£6,400,000	Compass 4.375% 8/9/2032	6,146	1.13
£22,000,000	Cooperatieve Rabobank UA 4.625% 23/5/2029	20,048	3.70
£6,500,000	Coventry Building Society 6.875% Perpetual	6,105	1.13
£6,000,000	Credit Agricole 5.75% 29/11/2027	5,955	1.10
£1,000,000	Deutsche Telekom International Finance 8.875% 27/11/2028	1,189	0.22
£8,127,000	DWR Cymru Financing UK 6.015% 31/3/2028	8,449	1.56
£12,800,000	HSBC 7% 7/4/2038	12,992	2.40
£7,000,000	HSBC 8.201% 16/11/2034	7,245	1.34
£2,793,000	Legal & General 5.5% 27/6/2064	2,487	0.46
£9,900,000	Legal & General 4.5% 1/11/2050	8,545	1.58
£6,192,000	Liberty Living Finance 3.375% 28/11/2029	5,038	0.93
£10,957,000	Lloyds Banking 2.707% 3/12/2035	8,120	1.50
£4,690,000	M&G 6.34% 19/12/2063	4,144	0.76
£4,900,000	M&G 5.625% 20/10/2051	4,443	0.82
£3,500,000	Motability Operations 5.625% 29/11/2030	3,707	0.68
£7,000,000	MPT Operating Partnership 3.375% 24/4/2030	4,571	0.84
£6,500,000	National Express 2.375% 20/11/2028	5,343	0.98
£5,912,000	National Express 4.25% Perpetual	4,811	0.89
£7,000,000	Nationwide Building Society 5.875% Perpetual	6,593	1.22
£6,200,000	Natwest 3.622% 14/8/2030	5,702	1.05
£13,500,000	NatWest 7.416% 6/6/2033	13,580	2.50
£5,000,000	NatWest Markets 6.375% 8/11/2027	5,114	0.94

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
UK STERLING DENOMINATED DEBT SECURITIES (continued)			
£7,500,000	NGG Finance 5.625% 18/6/2073	7,078	1.30
£5,500,000	Optivo Finance 2.857% 7/10/2035	4,160	0.77
£9,750,000	Orange 8.125% 20/11/2028	11,230	2.07
£10,100,000	Pension Insurance 5.625% 20/9/2030	9,046	1.67
£11,246,000	Phoenix 5.625% 28/4/2031	9,925	1.83
£8,370,000	Places for People Homes 5.875% 23/5/2031	8,415	1.55
£5,000,000	RAC Bond 4.87% 6/5/2046	4,535	0.84
£8,500,000	Rentokil Initial 5% 27/6/2032	8,023	1.48
£11,000,000	RL Finance Bonds No. 4 4.875% 7/10/2049	8,488	1.56
£6,400,000	Rothsay Life 8% 30/10/2025	6,605	1.22
£10,000,000	Santander UK 7.098% 16/11/2027	10,135	1.87
£8,490,000	Severn Trent Utilities Finance 6.25% 7/6/2029	8,914	1.64
£1,000,000	Severn Trent Utilities Finance 6.25% 7/6/2029	1,050	0.19
£7,000,000	South Eastern Power Networks 6.375% 12/11/2031	7,482	1.38
£6,123,000	SSE 8.375% 20/11/2028	6,962	1.28
£6,477,000	SSE 3.74% Perpetual	5,878	1.08
£7,950,000	Standard Chartered 5.125% 6/6/2034	7,267	1.34
£3,950,000	Telefonica Emisiones 5.445% 8/10/2029	3,904	0.72
£7,550,000	Thames Water Utilities Finance 6.75% 16/11/2028	7,927	1.46
£5,000,000	UNITE 3.5% 15/10/2028	4,223	0.78
£12,000,000	Verizon Communications 4.75% 17/2/2034	11,423	2.11
£5,000,000	Western Power Distribution 3.5% 16/10/2026	4,654	0.86
£6,451,000	Whitbread 3% 31/5/2031	4,901	0.90
£7,850,000	Yorkshire Water Finance 6.454% 28/5/2027	8,206	1.51
£12,100,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	10,938	2.02
UK STERLING DENOMINATED FORWARD EXCHANGE CONTRACTS (0.54%)		(1,886)	(0.35)
78,847,429	UK sterling 78,847,429 Vs US dollar 97,100,000 - 15/3/2023	(1,731)	(0.32)
4,739,873	UK sterling 4,739,873 Vs Euro 5,500,000 - 15/3/2023	(155)	(0.03)
UK STERLING DENOMINATED OPEN FUTURES CONTRACTS ((0.01%))		(8,740)	(1.61)
1,760	Long Gilt Future March 2023	(8,740)	(1.61)
UK STERLING DENOMINATED INTEREST RATE SWAPS (0.07%)		0	0.00
EURO DENOMINATED DEBT SECURITIES (1.81%)		5,332	0.98
€8,200,000	Cellnex Finance 2% 15/2/2033	5,332	0.98

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	EURO DENOMINATED OPEN FUTURES CONTRACTS (0.03%)	258	0.05
(35)	Euro-Bund Future March 2023	258	0.05
	US DOLLAR DENOMINATED DEBT SECURITIES (20.20%)	77,025	14.20
\$12,000,000	AXA 6.379% Perpetual	9,781	1.80
\$10,000,000	BNP Paribas 4.5% Perpetual	6,384	1.18
\$2,940,000	Deutsche Telekom International Finance 8.75% 15/6/2030	2,890	0.53
\$9,900,000	Deutsche Telekom International Finance 9.25% 1/6/2032	10,318	1.90
\$8,470,000	HSBC Bank 5.40114% Perpetual	4,858	0.90
\$10,500,000	Standard Chartered 7.014% Perpetual	8,118	1.50
\$11,000,000	Swiss Re Finance Luxembourg 5% 2/4/2049	8,290	1.53
\$8,000,000	Telefonica Europe 8.25% 15/9/2030	7,424	1.37
\$14,500,000	Vodafone 6.15% 27/2/2037	12,263	2.26
\$10,500,000	Zurich Finance Ireland Designated Activity 3.5% 2/5/2052	6,699	1.23
	US DOLLAR DENOMINATED OPEN FUTURES CONTRACTS ((0.44%))	763	0.14
(435)	US 10 Year Ultra Future March 2023	653	0.12
(60)	US Long Bond (CBT) Future March 2023	110	0.02
	US DOLLAR DENOMINATED FORWARD EXCHANGE CONTRACTS ((0.04%))	0	0.00
	Portfolio of investments	531,364	97.99
	Net other assets	10,911	2.01
	Total net assets	542,275	100.00

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

Comparative figures show percentages for each category of holding at 31 December 2021.

Liontrust Sustainable Future Monthly Income Bond 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		(94,616)		(15,056)
Revenue	3	18,660		17,410	
Expenses	4	(4,720)		(4,163)	
Interest payable and similar charges	6	(43)		(21)	
Net revenue before taxation		13,897		13,226	
Taxation	5	–		–	
Net revenue after taxation			13,897		13,226
Total return before distributions			(80,719)		(1,830)
Distributions	7		(24,938)		(23,875)
Change in net assets attributable to shareholders from investment activities			(105,657)		(25,705)

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)
Opening net assets attributable to shareholders		555,114		504,663
Amounts received on issue of shares	170,493		136,041	
Amounts paid on cancellation of shares	(85,152)		(64,113)	
		85,341		71,928
Dilution adjustment		459		2
Change in net assets attributable to shareholders from investment activities		(105,657)		(25,705)
Retained distributions on accumulation shares		7,018		4,226
Closing net assets attributable to shareholders		542,275		555,114

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Balance Sheet

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
Assets			
Fixed assets			
Investments		541,990	547,245
Current assets:			
Debtors	8	11,412	8,840
Cash and bank balances	9	9,876	6,279
Total assets		563,278	562,364
Liabilities			
Investment liabilities		(10,626)	(3,236)
Creditors:			
Amounts due to futures clearing houses and brokers		–	(573)
Bank overdrafts		(1,293)	–
Distribution payable		(2,965)	(1,253)
Other creditors	10	(6,119)	(2,188)
Total liabilities		(21,003)	(7,250)
Net assets attributable to shareholders		542,275	555,114

Liontrust Sustainable Future Monthly Income Bond 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	(105,501)	(20,001)
Derivative contracts	24,046	6,621
Forward currency contracts	(15,121)	(1,623)
Foreign currency gains/(losses)	1,960	(53)
Net capital losses	(94,616)	(15,056)

3 Revenue

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Bank interest	18	1
Interest from overseas fixed income securities	5,780	6,123
Interest from UK fixed income securities	12,838	11,261
Stock lending income	24	25
Total revenue	18,660	17,410

Liontrust Sustainable Future Monthly Income Bond 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)
Payable to the ACD or associates of the ACD:		
ACD's charge	1,740	1,882
General administration charges*	363	448
Performance fees	2,617	1,832
	4,720	4,162
Other expenses:		
Professional service fees	–	1
	–	1
Total expenses	4,720	4,163

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £9,200 (2021: £9,975). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Liontrust Sustainable Future Monthly Income Bond 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)
--------------------------------------	--------------------------------------

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	13,897	13,226
Corporation tax at 20% (2021 - 20%)	2,779	2,645
Effects of:		
Add: transfer to capital re amortisation	1,338	1,386
Tax deductible interest distributions	(4,117)	(4,031)
Total tax charge [see note(a)]	-	-

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

c) Deferred tax

No deferred tax asset has been recognised in the accounts. The Sub-fund has no tax losses (2021: £nil).

6 Interest payable and similar charges

1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
--------------------------------------	--------------------------------------

Overdraft interest	43	21
Total interest payable and similar charges	43	21

Liontrust Sustainable Future Monthly Income Bond 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	1,750	1,818
Second Interim	1,757	1,817
Third Interim	1,719	1,840
Fourth Interim	1,707	1,925
Fifth Interim	1,685	1,970
Sixth Interim	1,687	2,004
Seventh Interim	1,651	2,022
Eighth Interim	1,658	2,039
Ninth Interim	1,751	1,745
Tenth Interim	1,838	1,785
Eleventh Interim	1,963	1,786
Final	7,533	3,582
	26,699	24,333
Amounts deducted on cancellation of shares	484	167
Amounts received on issue of shares	(2,245)	(625)
Distributions	24,938	23,875

The distributable amount has been calculated as follows:

Net revenue after taxation	13,897	13,226
(Less)/Add: Equalisation on conversions	(1)	4
Add: ACD's charge reimbursed by capital	1,740	1,882
Add: Other expenses reimbursed by capital	–	1
Add: Performance fees reimbursed by capital	2,617	1,832
Add: Transfer to capital re amortisation	6,685	6,930
Distributions	24,938	23,875

The distribution per share is set out in the tables on pages 46 to 51.

8 Debtors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued revenue	10,400	8,223
Amounts receivable for issue of shares	1,012	617
Total debtors	11,412	8,840

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

9 Cash and bank balances

	31.12.2022 (£'000)	31.12.2021 (£'000)
Amount held at futures clearing houses and brokers	9,876	2,074
Cash and bank balances	-	4,205
Total cash and bank balances	9,876	6,279

10 Creditors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued expenses	28	34
Accrued ACD's charge	167	165
Accrued performance fee	2,617	1,832
Amounts payable for cancellation of shares	1,095	157
Purchases awaiting settlement	2,212	-
Total other creditors	6,119	2,188

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 £2,812,000 (2021: £2,031,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £4,720,000 (2021: £4,162,000).

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Securities lending

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

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

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

Return and cost

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

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Monthly Income Bond Fund				
Securities lending				
Gross return	24	—	10	34
% of total	70%	0%	30%	100%
Cost	—	—	—	—

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 December 2021.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	25	—	11	36
% of total	70%	0%	30%	100%
Cost	—	—	—	—

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Securities lending (continued)

Securities on loan and collateral received

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

Counterparty	Counterparty's country of establishment	31 December 2022		31 December 2021	
		Securities on loan (£'000)	Collateral received (£'000)	Securities on loan (£'000)	Collateral received (£'000)
BNP Paribas	France	—	—	1,001	1,051
Citigroup Global Markets Limited	UK	—	—	1,412	1,440
Credit Suisse International	Switzerland	—	—	482	507
Credit Suisse Securities (USA) LLC	USA	—	—	483	493
UBS AG	Switzerland	—	—	338	355
Total		—	—	3,716	3,846

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

Management of counterparty credit risk related to securities lending

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

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

14 Risk management policies

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

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

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

14 Risk management policies (continued)

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

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

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

Market price risk

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

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

Risk management process

The Sub-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR). The Sub-fund uses the VaR approach. VaR is a method of estimating potential loss due to market risk, rather than a statement of leverage, using a given confidence level, or probability, over a specific time period and assuming normal market conditions. The VaR is calculated using a Monte Carlo Simulation model carried out in accordance with regulatory guidelines.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

14 Risk management policies (continued)

Risk management process (continued)

The table below provides an analysis of the VaR measures and leverage levels* for the Liontrust Sustainable Future Monthly Income Bond Fund. The maximum VaR the Sub-fund is allowed to use under the UCITS Regulations is 20%.

* The leverage has been calculated using the sum of the notional of the derivatives used.

The Sub-fund's lowest, highest and average utilisation of the VaR limit during the year was:

Lowest VaR	2022 Highest VaR	Average VaR	Lowest VaR	2021 Highest VaR	Average VaR
1.73%	11.36%	5.03%	1.44%	2.05%	1.77%

The Sub-fund's lowest, highest and average level of leverage employed during the year was:

Lowest Leverage	2022 Highest Leverage	Average Leverage	Lowest Leverage	2021 Highest Leverage	Average Leverage
37.71%	99.01%	63.21%	47.09%	81.34%	66.70%

Currency risk

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

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

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

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

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

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

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

14 Risk management policies (continued)

Interest rate risk

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

The Sub-fund's revenue is generated by the holding of bonds, which contractually oblige the borrower to repay the Sub-fund interest under specific terms. Changes to interest rates may affect the cash inflows and outflows calculated with reference to financial assets and liabilities. By a careful assessment of economic and other relevant factors, the Portfolio ACD will seek to invest in those companies most likely to benefit, or be shielded, from anticipated changes in interest rates.

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

Liquidity risk

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

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

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

Counterparty credit risk

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

The table below summarises the credit quality of the Sub-fund debt portfolio as at 31 December 2022 and 31 December 2021.

Summary of Credit ratings	31.12.2022 (£'000)	31.12.2021 (£'000)
Investment grade	441,589	438,268
Below Investment grade	68,903	67,490
Not Rated	30,477	37,430
Total	540,969	543,188

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

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

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

14 Risk management policies (continued)

Counterparty credit risk (continued)

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

Counterparty exposures

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

Counterparty details Financial Derivative Transactions	Forward Foreign Exchange Contracts (£'000)	Total Exposure (£'000)
Bank of New York Mellon International	(1,886)	(1,886)
Total	(1,886)	(1,886)

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

Counterparty details Financial Derivative Transactions	Forward Foreign Exchange Contracts (£'000)	Interest Rate Swaps (£'000)	Total Exposure (£'000)
Bank of New York Mellon International	2,746	–	2,746
UBS AG	–	389	389
Total	2,746	389	3,135

At the year-end collateral of £Nil (prior year: £Nil) was received; collateral pledged was £Nil (prior year: £Nil) and none (prior year: none) of the Sub-fund's financial assets were past due or impaired.

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

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

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

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

14 Risk management policies (continued)

Counterparty exposures (continued)

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

Maturity profile of financial liabilities

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

Fair value of financial assets and liabilities

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

Valuation of financial investments

31.12.2022	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	27,932	(8,740)
Level 2: Observable market data	514,058	(1,886)
	541,990	(10,626)
31.12.2021	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	27,830	(2,494)
Level 2: Observable market data	519,415	(742)
	547,245	(3,236)

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

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

Level 3: Valuation techniques using unobservable inputs.

15 Share movement

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class B Gross Accumulation	20,971,324	43,938,242	(3,002,809)	(140,091)	61,766,666
Class B Gross Income	233,350,959	57,223,934	(33,389,326)	(333,363)	256,852,204
Class P Gross Accumulation	38,535,683	15,821,269	(11,459,133)	(15,043)	42,882,776
Class P Gross Income	223,016,773	45,974,859	(36,957,490)	609,407	232,643,549
Class Z Gross Income	9,641	9,641	(9,641)	—	9,641

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

16 Portfolio transaction costs

for the year ending 31 December 2022

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Purchases (excluding derivatives)					
Debt instruments (direct)	349,822	–	–	–	–
Total purchases	349,822	–		–	
Total purchases including transaction costs	349,822				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Sales (excluding derivatives)					
Debt instruments (direct)	239,872	–	–	–	–
Total sales	239,872	–		–	
Total sales net of transaction costs	239,872				
Derivative transaction costs		61		–	
Total transaction costs		61		–	
Total transaction costs as a % of average net assets		0.01%		–	

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

16 Portfolio transaction costs (continued)

for the year ending 31 December 2021

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	316,783	–	–	–	–
Total purchases	316,783	–		–	
Total purchases including transaction costs	316,783				
Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	242,102	–	–	–	–
Total sales	242,102	–		–	
Total sales net of transaction costs	242,102				
Derivative transaction costs		57		–	
Total transaction costs		57		–	
Total transaction costs as a % of average net assets		0.01%		–	

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

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.76% (2021: 0.60%).

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

17 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 Class B Gross Income share has increased by 1.68% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Distribution Tables

for the year ended 31 December 2022

Final distribution

Group 1 - Shares purchased prior to 1 December 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.1.2023 Pence per share	Distribution paid 31.1.2022 Pence per share
Class B Gross Accumulation - Group 1	4.2011	—	4.2011	3.6314
Class B Gross Accumulation - Group 2	0.3895	3.8116	4.2011	3.6314
Class B Gross Income - Group 1	0.5785	—	0.5785	0.2218
Class B Gross Income - Group 2	0.2191	0.3594	0.5785	0.2218
Class P Gross Accumulation - Group 1	4.6021	—	4.6021	4.0668
Class P Gross Accumulation - Group 2	0.4575	4.1446	4.6021	4.0668
Class P Gross Income - Group 1	0.6355	—	0.6355	0.3299
Class P Gross Income - Group 2	0.2198	0.4157	0.6355	0.3299
Class Z Gross Income - Group 1	0.8481	—	0.8481	0.5273
Class Z Gross Income - Group 2	0.8481	—	0.8481	0.5273

Eleventh interim distribution

Group 1 - Shares purchased prior to 1 November 2022

Group 2 - Shares purchased 1 November 2022 to 30 November 2022

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.12.2022 Pence per share	Distribution paid 31.12.2021 Pence per share
Class B Gross Accumulation - Group 1	0.3400	—	0.3400	0.3400
Class B Gross Accumulation - Group 2	—	0.3400	0.3400	0.3400
Class B Gross Income - Group 1	0.3400	—	0.3400	0.3400
Class B Gross Income - Group 2	—	0.3400	0.3400	0.3400
Class P Gross Accumulation - Group 1	0.3400	—	0.3400	0.3400
Class P Gross Accumulation - Group 2	—	0.3400	0.3400	0.3400
Class P Gross Income - Group 1	0.3400	—	0.3400	0.3400
Class P Gross Income - Group 2	—	0.3400	0.3400	0.3400
Class Z Gross Income - Group 1	0.3400	—	0.3400	0.3400
Class Z Gross Income - Group 2	0.3400	—	0.3400	0.3400

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Distribution Tables (continued)

for the year ended 31 December 2022

Tenth interim distribution

Group 1 - Shares purchased prior to 1 October 2022

Group 2 - Shares purchased 1 October 2022 to 31 October 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
Class B Gross Accumulation - Group 1	0.3400	—	0.3400	0.3400
Class B Gross Accumulation - Group 2	—	0.3400	0.3400	0.3400
Class B Gross Income - Group 1	0.3400	—	0.3400	0.3400
Class B Gross Income - Group 2	—	0.3400	0.3400	0.3400
Class P Gross Accumulation - Group 1	0.3400	—	0.3400	0.3400
Class P Gross Accumulation - Group 2	—	0.3400	0.3400	0.3400
Class P Gross Income - Group 1	0.3400	—	0.3400	0.3400
Class P Gross Income - Group 2	0.0559	0.2841	0.3400	0.3400
Class Z Gross Income - Group 1	0.3400	—	0.3400	0.3400
Class Z Gross Income - Group 2	0.3400	—	0.3400	0.3400

Ninth interim distribution

Group 1 - Shares purchased prior to 1 September 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.10.2022 Pence per share	Distribution paid 31.10.2021 Pence per share
Class B Gross Accumulation - Group 1	0.3400	—	0.3400	0.3400
Class B Gross Accumulation - Group 2	—	0.3400	0.3400	0.3400
Class B Gross Income - Group 1	0.3400	—	0.3400	0.3400
Class B Gross Income - Group 2	—	0.3400	0.3400	0.3400
Class P Gross Accumulation - Group 1	0.3400	—	0.3400	0.3400
Class P Gross Accumulation - Group 2	—	0.3400	0.3400	0.3400
Class P Gross Income - Group 1	0.3400	—	0.3400	0.3400
Class P Gross Income - Group 2	—	0.3400	0.3400	0.3400
Class Z Gross Income - Group 1	0.3400	—	0.3400	0.3400
Class Z Gross Income - Group 2	0.3400	—	0.3400	0.3400

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Distribution Tables (continued)

for the year ended 31 December 2022

Eighth interim distribution

Group 1 - Shares purchased prior to 1 August 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2022 Pence per share	Distribution paid 30.9.2021 Pence per share
Class B Gross Accumulation - Group 1	0.3400	—	0.3400	0.4000
Class B Gross Accumulation - Group 2	—	0.3400	0.3400	0.4000
Class B Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class B Gross Income - Group 2	—	0.3400	0.3400	0.4000
Class P Gross Accumulation - Group 1	0.3400	—	0.3400	0.4000
Class P Gross Accumulation - Group 2	—	0.3400	0.3400	0.4000
Class P Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class P Gross Income - Group 2	—	0.3400	0.3400	0.4000
Class Z Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class Z Gross Income - Group 2	0.3400	—	0.3400	0.4000

Seventh interim distribution

Group 1 - Shares purchased prior to 1 July 2022

Group 2 - Shares purchased 1 July 2022 to 31 July 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
Class B Gross Accumulation - Group 1	0.3400	—	0.3400	0.4000
Class B Gross Accumulation - Group 2	—	0.3400	0.3400	0.4000
Class B Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class B Gross Income - Group 2	0.0691	0.2709	0.3400	0.4000
Class P Gross Accumulation - Group 1	0.3400	—	0.3400	0.4000
Class P Gross Accumulation - Group 2	—	0.3400	0.3400	0.4000
Class P Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class P Gross Income - Group 2	0.0722	0.2678	0.3400	0.4000
Class Z Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class Z Gross Income - Group 2	0.3400	—	0.3400	0.4000

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Distribution Tables (continued)

for the year ended 31 December 2022

Sixth interim distribution

Group 1 - Shares purchased prior to 1 June 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.7.2022 Pence per share	Distribution paid 31.7.2021 Pence per share
Class B Gross Accumulation - Group 1	0.3400	—	0.3400	0.4000
Class B Gross Accumulation - Group 2	—	0.3400	0.3400	0.4000
Class B Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class B Gross Income - Group 2	0.0492	0.2908	0.3400	0.4000
Class P Gross Accumulation - Group 1	0.3400	—	0.3400	0.4000
Class P Gross Accumulation - Group 2	—	0.3400	0.3400	0.4000
Class P Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class P Gross Income - Group 2	0.0199	0.3201	0.3400	0.4000
Class Z Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class Z Gross Income - Group 2	0.3400	—	0.3400	0.4000

Fifth interim distribution

Group 1 - Shares purchased prior to 1 May 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.6.2022 Pence per share	Distribution paid 30.6.2021 Pence per share
Class B Gross Accumulation - Group 1	0.3400	—	0.3400	0.4000
Class B Gross Accumulation - Group 2	—	0.3400	0.3400	0.4000
Class B Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class B Gross Income - Group 2	0.0354	0.3046	0.3400	0.4000
Class P Gross Accumulation - Group 1	0.3400	—	0.3400	0.4000
Class P Gross Accumulation - Group 2	—	0.3400	0.3400	0.4000
Class P Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class P Gross Income - Group 2	0.0681	0.2719	0.3400	0.4000
Class Z Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class Z Gross Income - Group 2	0.3400	—	0.3400	0.4000

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Distribution Tables (continued)

for the year ended 31 December 2022

Fourth interim distribution

Group 1 - Shares purchased prior to 1 April 2022

Group 2 - Shares purchased 1 April 2022 to 30 April 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
Class B Gross Accumulation - Group 1	0.3400	—	0.3400	0.4000
Class B Gross Accumulation - Group 2	—	0.3400	0.3400	0.4000
Class B Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class B Gross Income - Group 2	0.1289	0.2111	0.3400	0.4000
Class P Gross Accumulation - Group 1	0.3400	—	0.3400	0.4000
Class P Gross Accumulation - Group 2	—	0.3400	0.3400	0.4000
Class P Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class P Gross Income - Group 2	0.0917	0.2483	0.3400	0.4000
Class Z Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class Z Gross Income - Group 2	0.3400	—	0.3400	0.4000

Third interim distribution

Group 1 - Shares purchased prior to 1 March 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.4.2022 Pence per share	Distribution paid 30.4.2021 Pence per share
Class B Gross Accumulation - Group 1	0.3400	—	0.3400	0.4000
Class B Gross Accumulation - Group 2	—	0.3400	0.3400	0.4000
Class B Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class B Gross Income - Group 2	0.1430	0.1970	0.3400	0.4000
Class P Gross Accumulation - Group 1	0.3400	—	0.3400	0.4000
Class P Gross Accumulation - Group 2	—	0.3400	0.3400	0.4000
Class P Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class P Gross Income - Group 2	0.1352	0.2048	0.3400	0.4000
Class Z Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class Z Gross Income - Group 2	0.1941	0.1459	0.3400	0.4000

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Distribution Tables (continued)

for the year ended 31 December 2022

Second interim distribution

Group 1 - Shares purchased prior to 1 February 2022

Group 2 - Shares purchased 1 February 2022 to 28 February 2022

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2022 Pence per share	Distribution paid 31.3.2021 Pence per share
Class B Gross Accumulation - Group 1	0.3400	—	0.3400	0.4000
Class B Gross Accumulation - Group 2	—	0.3400	0.3400	0.4000
Class B Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class B Gross Income - Group 2	0.1359	0.2041	0.3400	0.4000
Class P Gross Accumulation - Group 1	0.3400	—	0.3400	0.4000
Class P Gross Accumulation - Group 2	—	0.3400	0.3400	0.4000
Class P Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class P Gross Income - Group 2	0.1496	0.1904	0.3400	0.4000
Class Z Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class Z Gross Income - Group 2	0.3400	—	0.3400	0.4000

First interim distribution

Group 1 - Shares purchased prior to 1 January 2022

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

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2022 Pence per share	Distribution paid 28.2.2021 Pence per share
Class B Gross Accumulation - Group 1	0.3400	—	0.3400	0.4000
Class B Gross Accumulation - Group 2	0.0372	0.3028	0.3400	0.4000
Class B Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class B Gross Income - Group 2	0.1926	0.1474	0.3400	0.4000
Class P Gross Accumulation - Group 1	0.3400	—	0.3400	0.4000
Class P Gross Accumulation - Group 2	—	0.3400	0.3400	0.4000
Class P Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class P Gross Income - Group 2	0.1556	0.1844	0.3400	0.4000
Class Z Gross Income - Group 1	0.3400	—	0.3400	0.4000
Class Z Gross Income - Group 2	0.3400	—	0.3400	0.4000

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

Liontrust Strategic Bond Fund

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

Investment Objective

The Sub-fund aims to maximise total return over the long term (5 years or more) through a combination of income and capital growth.

Investment Policy

The Sub-fund will invest in government bond and credit securities globally.

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

The Sub-fund may invest up to 40% of its net assets in emerging markets. Emerging market countries can be defined as all the countries in the world other than those classified as "advanced" by the International Monetary Fund ("IMF").

Investments will be made in debt securities of differing creditworthiness (including sovereign debt, investment grade instruments, high yield or speculative grade instruments, or unrated instruments) issued by governments, corporate issuers and borrowers in developed and emerging market countries and those of, or guaranteed by, supranational, national and local governments and government related entities in such countries.

The environmental, social and governance ("ESG") characteristics of securities will be considered when selecting investments for the Sub-fund.

The Sub-fund's investments will generally be broadly diversified, however at times (i.e. where market factors dictate) the fund manager may choose to hold a portfolio with concentrated exposure to certain instrument types, issuer types, creditworthiness, duration or geography.

In normal market conditions, the majority of the Sub-fund's investments will be in government bond and credit securities, although it is possible that at certain times, (i.e. where market factors dictate or at times of significant subscription and redemptions in the Sub-fund), a substantial portion, or the entire Sub-fund could be invested in cash or cash equivalents (such as money market instruments, treasury bills, certificates of deposit, commercial paper).

Investment will be made in government bond and credit securities denominated in hard currencies (including the US Dollar, Euro and the currencies of the developed countries) and may invest up to 25% of the Sub-fund in soft currencies (for example, emerging markets). The majority of currency exposure will be hedged back to the base currency of the Sub-fund using currency forwards, with a 10% aggregate unhedged limit.

The Sub-fund is permitted to use derivatives and forwards for the purposes of efficient portfolio management and for investment purposes. Investment in bonds will primarily be direct but may also be indirect via derivatives (specifically total return swaps and embedded derivatives). The Sub-fund will also use derivatives (specifically currency forwards, credit default swaps, interest rate swaps, bond futures and embedded derivatives), to manage the Sub-Fund's credit, currency and duration exposures. Please refer to the Prospectus for further details.

Liontrust Strategic Bond Fund (continued)

Investment review

Sub-fund review

The Liontrust Strategic Bond Fund returned -11.3% (institutional class) in the 12 months to 31 December 2022. The average return from the IA Sterling Strategic Bond sector, the Fund's comparator benchmark, was -11.0%*.

Central bankers started 2022 way behind the curve with inflation clearly not having been "transitory". The late starting to the rate-hiking cycle has meant that terminal rates will have to be higher and recessions deeper in order to conquer inflation. I found it interesting contrasting the statements from December 2021 with those of December 2022.

The US Federal Reserve (Fed) ended 2021 with fed funds rates in the 0% - 0.25% range, stating "...the Committee expects it will be appropriate to maintain this target range until labor market conditions have reached levels consistent with the Committee's assessments of maximum employment". By the end of 2022, fed funds rates were at 4.25% - 4.50% with further policy tightening a foregone conclusion. The statement is now decidedly hawkish, saying "...no participants anticipated that it would be appropriate to begin reducing the federal funds rate target in 2023. In view of the persistent and unacceptably high level of inflation, several participants commented that historical experience cautioned against prematurely loosening monetary policy".

The European Central Bank (ECB) was even more dovish a year ago: "...in support of its symmetric 2% inflation target and in line with its monetary policy strategy, the Governing Council expects the key ECB interest rates to remain at their present or lower levels until it sees inflation reaching 2% well ahead of the end of its projection horizon ... this may also imply a transitory period in which inflation is moderately above target."

Move the calendar on a year and the tone has completely shifted. Accompanying the ECB's policy decision in December 2022, inflation forecasts were revised upwards: it is expected to be 8.4% in 2022, 6.3% in 2023, 3.4% in 2024 and 2.3% in 2025. Excluding energy and food, the numbers are much lower than headline inflation in the first two years (3.9% in 2022, 4.2% in 2023), slightly lower in 2024 (2.8%), and a smidge higher in 2025 (2.4%). With those inflation forecasts it is no surprise that the ECB's Governing Council "...judges that interest rates will still have to rise significantly at a steady pace to reach levels that are sufficiently restrictive to ensure a timely return of inflation to the 2% medium-term target. Keeping interest rates at restrictive levels will over time reduce inflation by dampening demand and will also guard against the risk of a persistent upward shift in inflation expectations". At the press conference Lagarde was asked for further colour on the "steady pace" and her reply was that it implies 50 basis points (bps) hikes "for some time", taken to mean at least one more meeting and possibly two. She then went on to say that market expectations for the terminal rate (which had been about 3% for the deposit rate) were too low. It was by far the most hawkish press conference Lagarde has ever hosted. The ECB states that the monetary policy path is data dependent, but it sounds like there will need to be a significant change in the economic data to alter the current hawkish mindset. However, as the eurozone slips into recession this year, the ECB's view is likely to be challenged.

I believe that one of the overriding themes for bond markets in 2023 will be this tension between hawkish central banking rhetoric and financial markets attempting to price in rate cuts toward the end of the year. In my opinion, the key determinant of when central banks will be able to cut rates is the labour market.

Using the US as an example, whilst the level of inflation is obviously too high, the direction is very encouraging. Core goods prices have been falling over the last few months, with the biggest driver being used car prices. Shelter inflation, one of the stickiest components in the consumer price inflation baskets, will start falling rapidly in late Q2/early Q3 as a natural lagged impact from a weakening housing market feeds through. The lag is mainly due to the measurement methodology that the BLS uses to calculate rents and owners' equivalent rents (OERs). This just leaves core services inflation, which (excluding shelter) was rising at 6.6% according to the inflation data released for November. Core services inflation exhibits a high degree of correlation to nominal wage inflation, itself a function of a very strong labour market. There remains a big imbalance between demand and supply of labour; until this imbalance has corrected the Fed will continue to be hawkish.

It is our opinion that by the end of 2023 the US economy will have weakened enough to significantly reduce the pressure on wage inflation; after all, unemployment has historically been a late cycle indicator. So, the Fed will be able to cut rates. Whether it chooses to cut is another matter. Just as delays to raising rates have contributed to a higher terminal rate for this cycle, delays to cuts when the time comes would only lead to more loosening being eventually required.

Liontrust Strategic Bond Fund (continued)

Investment review (continued)

Sub-fund review (continued)

*Source: Financial Express, bid to bid basis, total return, net of fees, income reinvested, 31.12.2022. Please note that total return has been calculated at midday whereas the financial statements are at close of business.

The Sub-fund is constructed as a portfolio of interacting risk positions with alpha anticipated to arise from sources in: Rates, Allocation and Selection:

Rates

The Sub-fund began the year with a low beta duration of approximately 3.25 years, below our neutral level of 4.5 years and way below the index duration of approximately 7.25 years.

This was gradually increased as the US yield curve shifted out, with 10 year yields moving from below 2% to nearly 3.5% in June, by which point Sub-fund duration had hit our neutral level of 4.5 years.

As US 10 year yields rose to move briefly above 4.25% in October, we took the Sub-fund to a long duration stance of 5.5 years. We effectively had zero UK duration exposure until August, but gilts had hugely underperformed other bond markets, so we added some exposure. We then increased the position during the gilt market turmoil caused by September's mini-budget.

As bond markets rallied during November (taking US 10 year yields back towards 3.5%), we took some profits on the prior months' additions, taking duration back to 5.25 years, notwithstanding taking some advantage of December volatility it finished the year at this level.

The duration exposure comprises 2.35 years in the US, 1.5 years in the Eurozone, 1.0 years in the UK and 0.4 years in New Zealand.

Regarding yield curve exposure, we have been favouring the 5-10-year maturity bucket this year. We took >15-year duration exposure to zero when the 5s30s curve inverted earlier in the year April. As the differential then moved above 30bps, we switched 0.5 years of 5-year into 30-year maturity duration exposure

On a cross market basis, we closed out the successful short of Canadian bond futures relative to the US and of Swiss bonds relative to German bunds. The Sub-fund retains its strategic position of long New Zealand relative to US, based on New Zealand being far further through the monetary cycle than other developed market economies. We took some (relative) profits on this position ahead of the Reserve Bank of New Zealand raising rates in May. We would increase the position size on any meaningful selloff.

Allocation

In the first half of the year, investment grade exposure was increased from 40% to over 50%, our neutral weighting, after valuations improved significantly as markets reacted to Russia's invasion of Ukraine and began to price in mild recession. However, we allocated most of the Fund's risk budget to high-quality high yield. The Sub-fund's high yield weighting was upped to just below 30%, overweight compared to our 20% neutral position.

As the year progressed, fears increased that central bank tightening would prompt a recession. This led to significant further widening of credit spreads, to levels which we thought were offering fantastic long-term value. Although the economic outlook was bleak, spreads peak before the recession starts. We therefore added more credit to the Fund in the second half of the year, taking the investment grade weighting close to 60%.

A strong credit market rally started in October, and during its continuation in November we reduced the size of the Sub-fund's credit overweight. Strategically, we believe credit offers long-term value both examining spreads and, particularly, the all-in yield. However, the upcoming recession in 2023 and reduction of central bank liquidity mean that we need to see more of a premium to justify a large overweight position.

Liontrust Strategic Bond Fund (continued)

Investment review (continued)

Allocation (continued)

Investment grade exposure finished the year a little above our 50% neutral level at 55% and the high yield weighting is 27% compared to a neutral level of 20%. As a reminder we have a quality bias within credit, limited exposure to the most cyclical parts of the credit market, and the Fund owns no CCC rated bonds.

Selection

For the avoidance of any doubt, the Sub-fund has zero exposure to any Russian or Ukrainian sovereign or corporate debt.

During the earlier months of 2022 much of our stock level activity was about rotating out of relative outperformers and increasing weightings in any laggards. Holdings in Citigroup and Semptra were sold completely and various others were trimmed, including call-constrained higher-quality bonds such as AMS, Drax and CACC as well as bonds issued by New York Life and Rabobank.

Other stock level activity included a purchase of a new issue from AXA in euros and a sale of one of the few sterling denominated bonds in the Fund, Welltower. We switched from BBB-rated Danaher Euro-denominated debt into the same tenor from single A-rated Medtronic for a drop in spread of only 4bps. SFR 2027 debt was switched into a 2029 maturity bond for a decent yield increase and a cash price over 10 points lower. We switched our holding in Ardagh Packaging into the metal-can subsidiary from the part of the group more exposed to glass packaging, due to the latter being a higher energy intensity.

Credit spreads came under greater pressure during the summer months with the epitome of this being European real estate bonds. Earlier in 2022, short-selling fund Viceroy, had written an aggressive note about the German property company Adler; in June it increased its attack on the Swedish company SBB too. The Sub-fund owned no exposure to either of these names, the G part of the ESG having too many red flags. However, contagion from fears around these names led to a dramatic drop in prices of bonds the Fund does own issued by Castellum, Heimstaden Bostad and CPI Property. These companies are diversified by type between office and residential, and by geography between Scandinavia and CEE/Germany. During July, a new buyer arose for some of these bonds, and some of the companies have started buying back their debt. The best example was Heimstaden Bostad, a Swedish residential real estate operator; it launched a tender for almost €700m nominal of their hybrid bonds, entirely funded by an equity contribution from existing shareholders. We often talk about the importance of the alignment of interests of all stakeholders in a company (the M in our PRISM research framework stands for Motivations, or what some would call Governance) – you do not get much more bondholder friendly than an equity funded debt tender. This led to a jump in some other real estate companies' bonds too, such as Castellum.

The best credit selection during the year was some very long dated bonds issued by NatWest which were tendered for by the company as the capital was deemed to be obsolete for their needs. We reinvested some of the proceeds into NatWest sterling 5-year senior debt at a yield of 5.25%, which we believe represents a very attractive risk-return trade-off. Similarly, as we marginally increased the Sub-fund's UK duration in the second half of the year, we bought a couple of short-dated sterling-denominated bonds where yields have reached compelling levels. Specifically, senior debt with a 2027 maturity in HSBC and senior 2026 notes in Santander UK. The latter was a switch out of Santander's dollar-denominated US entity bonds.

Other credit additions included a new 7-year deal in euros from Chorus, New Zealand's telecommunications fixed line infrastructure provider. A credit spread of 240bps for a regulated monopoly with defensive characteristics appeals for the long-term. At a similar spread of just over 250bps in US dollars, we bought some Ashtead bonds in the secondary market. Although the equipment rental industry is cyclical, the market underestimates the ability these companies have to manage their cashflows by flexing their fleet sizes through the cycle.

Within the high yield selection, Eircom bonds were sold. The bonds have held up relatively well due to the expectations of a tender with asset sale proceeds. Slightly weak results and a €300m dividend payment to shareholders led us to look for better value elsewhere. An example includes a new position taken in Sensata's bonds, which offer a yield of over 6% for a BB-rated company with a market leading position in sensors across a diverse set of end industries.

January 2023

Liontrust Strategic Bond Fund (continued)

Investment review (continued)

Selection (continued)

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

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

Material portfolio changes by value

Purchases

United States Treasury Note/Bond 4.125% 15/11/2032
 United States Treasury Note/Bond 0.5% 30/4/2027
 AXA 1.875% 10/7/2042
 Volkswagen Leasing 0.5% 12/1/2029
 Medtronic Global 1.5% 2/7/2039
 Santander UK 2.92% 8/5/2026
 NatWest 2.057% 9/11/2028
 Stichting AK Rabobank Certificaten 6.5% Perpetual
 Telefonica Europe 2.376% Perpetual
 HSBC 1.75% 24/7/2027

Sales

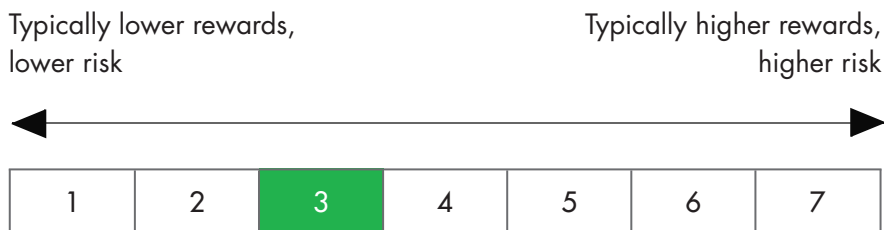
Switzerland Government Bond 1.25% 28/5/2026
 United States Treasury Note/Bond 0.5% 30/4/2027
 United States Treasury Note/Bond 0.375% 30/11/2025
 New Zealand Government Bond 2% 15/5/2032
 New Zealand Government Bond 1.5% 15/5/2031
 Santander USA 4.5% 17/7/2025
 Welltower 4.8% 20/11/2028
 New York Life Global Funding 0.25% 23/1/2027
 Citigroup 4.7% Perpetual
 Electricite de France 3.375% Perpetual

Liontrust Strategic Bond Fund (continued)

Investment review (continued)

Risk and Reward profile

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



- 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 higher of the actual historical annualised volatility and the translated annualised volatility of the Sub-fund based upon the internal Value at Risk limit.
- The Sub-fund is categorised 3 primarily for its exposure to a diversified portfolio of debt instruments along with a number of derivative positions.
- The SRRI may not fully take into account the following risks:
 - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result.
 - The creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- The Sub-fund can invest in derivatives. Derivatives are used to protect against currency, credit and interest rate movements or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions.
- The Sub-fund uses derivative instruments that may result in higher cash levels. Cash may be deposited with several credit counterparties (e.g. international banks) or in short-dated bonds. A credit risk arises should one or more of these counterparties be unable to return the deposited cash.
- The Sub-fund invests in emerging markets which carries a higher risk than investment in more developed countries. This may result in higher volatility and larger drops in the value of the fund over the short term.
- The Sub-fund may have both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign exchange contracts to protect returns in the base currency of the Sub-fund.
- The Sub-fund may encounter liquidity constraints from time to time. Participation rates on advertised volumes could fall reflecting the less liquid nature of the current market conditions.

Liontrust Strategic Bond Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Environmental Social Governance (ESG) Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG.

For full details of the 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.

Liontrust Strategic Bond Fund (continued)

Comparative Tables

for the year ended 31 December 2022

Class B Accumulation Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
Change in net assets per share			
Opening net asset value per share	113.64	114.15	107.89
Return before operating charges	(12.45)	0.22	6.99
Operating charges	(0.66)	(0.73)	(0.73)
Return after operating charges	(13.11)	(0.51)	6.26
Distributions	(2.61)	(1.56)	(2.15)
Retained distributions on accumulation shares	2.61	1.56	2.15
Closing net asset value per share	100.53	113.64	114.15
After direct transaction costs of*	(0.02)	(0.02)	(0.02)
Performance			
Return after charges	(11.54%)	(0.44%)	5.80%
Other information			
Closing net asset value (£'000)	31,041	23,874	24,833
Closing number of shares	30,876,116	21,007,750	21,754,519
Operating charges**	0.63%	0.64%	0.67%
Direct transaction costs*	0.02%	0.02%	0.02%
Prices			
Highest share price	113.94	115.23	114.64
Lowest share price	94.83	112.33	95.02

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

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

Liontrust Strategic Bond Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

Class B Income Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
Change in net assets per share			
Opening net asset value per share	105.64	107.58	103.73
Return before operating charges	(11.59)	0.20	6.60
Operating charges	(0.60)	(0.68)	(0.69)
Return after operating charges	(12.19)	(0.48)	5.91
Distributions	(2.40)	(1.46)	(2.06)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	91.05	105.64	107.58
After direct transaction costs of*	(0.02)	(0.02)	(0.02)
Performance			
Return after charges	(11.54%)	(0.44%)	5.70%
Other information			
Closing net asset value (£'000)	16,287	30,290	34,852
Closing number of shares	17,889,033	28,674,075	32,397,156
Operating charges**	0.63%	0.64%	0.66%
Direct transaction costs*	0.02%	0.02%	0.02%
Prices			
Highest share price	105.97	108.22	108.49
Lowest share price	86.58	105.34	91.36

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

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

Liontrust Strategic Bond Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

Class M Income Accounting year ended	31 December 2022 per share (p)	31 December 2021 per share (p)	31 December 2020 per share (p)
Change in net assets per share			
Opening net asset value per share	105.65	107.59	103.75
Return before operating charges	(11.60)	0.21	6.60
Operating charges	(0.41)	(0.47)	(0.49)
Return after operating charges	(12.01)	(0.26)	6.11
Distributions	(2.59)	(1.68)	(2.27)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	91.05	105.65	107.59
After direct transaction costs of*	(0.02)	(0.02)	(0.02)
Performance			
Return after charges	(11.37%)	(0.24%)	5.89%
Other information			
Closing net asset value (£'000)	109,546	297,413	278,331
Closing number of shares	120,308,283	281,508,989	258,692,196
Operating charges**	0.43%	0.44%	0.47%
Direct transaction costs*	0.02%	0.02%	0.02%
Prices			
Highest share price	105.99	108.26	108.56
Lowest share price	86.60	105.38	91.42

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

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

Liontrust Strategic Bond Fund (continued)

Portfolio Statement

as at 31 December 2022

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UK STERLING DENOMINATED DEBT SECURITIES (5.82%)	10,622	6.78
£2,250,000	Grainger 3.375% 24/4/2028	1,851	1.18
£2,500,000	HSBC 1.75% 24/7/2027	2,148	1.37
£2,500,000	NatWest 2.057% 9/11/2028	2,082	1.33
£2,250,000	Santander UK 2.92% 8/5/2026	2,077	1.32
£1,600,000	Virgin Media Vendor Financing Notes III DAC 4.875% 15/7/2028	1,294	0.83
£1,500,000	Vmed O2 UK Financing I 4% 31/1/2029	1,170	0.75
	UK STERLING DENOMINATED FORWARD EXCHANGE CONTRACTS (0.18%)	998	0.63
95,130,785	UK sterling 95,130,785 Vs US dollar 110,500,000 - 3/2/2023	3,350	2.14
73,932,939	UK sterling 73,932,939 Vs Euro 85,500,000 - 3/2/2023	(2,025)	(1.30)
6,820,377	UK sterling 6,820,377 Vs New Zealand dollar 13,600,000 - 3/2/2023	(327)	(0.21)
	UK STERLING DENOMINATED OPEN FUTURES CONTRACTS (0.00%)	(652)	(0.41)
117	Long Gilt Future March 2023	(652)	(0.41)
	AUSTRALIAN DOLLAR DENOMINATED OPEN FUTURES CONTRACTS (0.02%)	0	0.00
	CANADIAN DOLLAR DENOMINATED FORWARD EXCHANGE CONTRACTS ((0.04%))	0	0.00
	CANADIAN DOLLAR DENOMINATED OPEN FUTURES CONTRACTS ((0.03%))	0	0.00
	EURO DENOMINATED DEBT SECURITIES (33.82%)	56,586	36.06
€3,200,000	AIA 0.88% 9/9/2033	2,199	1.40
€2,800,000	Altice Financing 4.25% 15/8/2029	1,993	1.27
€1,500,000	Altice France 2.125% 15/2/2025	1,178	0.75
€2,440,000	Andina de Fomento 0.25% 4/2/2026	1,919	1.22
€2,500,000	Ardagh Metal Packaging Finance USA 3% 1/9/2029	1,609	1.03
€1,700,000	AT&T 2.875% Perpetual	1,348	0.86
€1,700,000	AusNet Services Pty 0.625% 25/8/2030	1,148	0.73
€3,200,000	AXA 1.875% 10/7/2042	2,111	1.35
€3,300,000	Bayer 1.375% 6/7/2032	2,281	1.45
€4,100,000	Becton Dickinson Euro Finance Sarl 1.336% 13/8/2041	2,221	1.42
€2,300,000	Castellum 3.125% Perpetual	1,273	0.81
€1,735,000	Catalent Pharma Solutions 2.375% 1/3/2028	1,246	0.79
€1,000,000	Chorus 3.625% 7/9/2029	855	0.55
€2,250,000	CPI Property 3.75% Perpetual	987	0.63

Liontrust Strategic Bond Fund (continued)

Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
EURO DENOMINATED DEBT SECURITIES (continued)			
€1,350,000	CPI Property 4.875% Perpetual	610	0.39
€3,900,000	Eli Lilly 1.7% 1/11/2049	2,309	1.47
€5,350,000	Global Switch Finance 1.375% 7/10/2030	3,973	2.53
€2,900,000	Grifols 2.25% 15/11/2027	2,234	1.42
€3,050,000	Heimstaden Bostad 3.625% Perpetual	1,420	0.91
€3,000,000	IQVIA 2.875% 15/6/2028	2,368	1.51
€3,400,000	LSEG Netherlands 0.75% 6/4/2033	2,264	1.44
€2,800,000	Medtronic Global 1.5% 2/7/2039	1,692	1.08
€3,000,000	Muenchener Rueckversicherungs-Gesellschaft in Muenchen 1.25% 26/5/2041	1,980	1.26
€600,000	Netflix 3.625% 15/6/2030	483	0.31
€1,500,000	Netflix 3.625% 15/5/2027	1,273	0.81
€3,000,000	Optus Finance Pty 1% 20/6/2029	2,150	1.37
€1,500,000	SoftBank 4% 19/9/2029	1,008	0.64
€3,100,000	Southern 1.875% 15/9/2081	2,140	1.36
€2,150,000	Stichting AK Rabobank Certificaten 6.5% Perpetual	1,829	1.17
€2,000,000	Telefonica Europe 2.376% Perpetual	1,325	0.84
€3,200,000	Volkswagen Leasing 0.5% 12/1/2029	2,200	1.40
€2,700,000	Vonovia 0.625% 14/12/2029	1,749	1.12
€1,900,000	Ziggo Bond 3.375% 28/2/2030	1,211	0.77
EURO DENOMINATED FORWARD EXCHANGE CONTRACTS (0.00%)		351	0.23
19,450,000	Euro 19,450,000 Vs UK sterling 16,929,045 - 3/2/2023	351	0.23
EURO DENOMINATED OPEN FUTURES CONTRACTS (0.26%)		1,253	0.80
(54)	Euro-Bund Future March 2023	408	0.26
(35)	Euro-Buxl Future March 2023	845	0.54
EURO DENOMINATED CREDIT DEFAULT SWAPS ((0.02%))		(41)	(0.03)
4,000,000	Buying protection on Markit iTRAXX Europe Crossover S38 5 Year Index EUR 0.00000% 20/12/2027 Credit Default Swap (Counterparty: UBS)	(41)	(0.03)
NEW ZEALAND GOVERNMENT BONDS (5.66%)		7,182	4.58
NZD9,000,000	New Zealand Government Bond 1.5% 15/5/2031	3,765	2.40
NZD8,000,000	New Zealand Government Bond 2% 15/5/2032	3,417	2.18
SWITZERLAND GOVERNMENT BONDS (6.18%)		0	0.00

Liontrust Strategic Bond Fund (continued)

Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
UNITED STATES OF AMERICA GOVERNMENT BONDS (8.08%)		15,367	9.80
\$12,250,000	United States Treasury Note/Bond 0.5% 30/4/2027	8,768	5.59
\$7,750,000	United States Treasury Note/Bond 4.125% 15/11/2032	6,599	4.21
US DOLLAR DENOMINATED DEBT SECURITIES (31.12%)		61,964	39.50
\$3,250,000	AbbVie 4.5% 14/5/2035	2,510	1.60
\$2,200,000	AdaptHealth 5.125% 1/3/2030	1,557	0.99
\$3,100,000	Albion Financing 1 SARL / Aggreko 6.125% 15/10/2026	2,298	1.47
\$1,500,000	Alice France 5.125% 15/1/2029	938	0.60
\$2,500,000	Amgen 4.663% 15/6/2051	1,783	1.14
\$1,600,000	Ashtead Capital 5.5% 11/8/2032	1,276	0.81
\$2,500,000	Bank of New York Mellon 3.75% Perpetual	1,674	1.07
\$2,000,000	Barclays 5.2% 12/5/2026	1,618	1.03
\$1,150,000	Barclays 8% Perpetual	894	0.57
\$3,277,000	CCO 4.5% 15/8/2030	2,251	1.44
\$2,000,000	Credit Agricole 4.375% 17/3/2025	1,604	1.02
\$3,200,000	Credit Suisse 3.869% 12/1/2029	2,136	1.36
\$2,100,000	DaVita 4.625% 1/6/2030	1,401	0.89
\$1,950,000	Dell International 8.1% 15/7/2036	1,823	1.16
\$1,650,000	Drax Finco 6.625% 1/11/2025	1,308	0.83
\$1,150,000	FMG Resources August 2006 Pty 6.125% 15/4/2032	892	0.57
\$5,800,000	Fresenius Medical Care US Finance III 2.375% 16/2/2031	3,544	2.26
\$1,000,000	Goodyear Tire & Rubber 5.25% 15/7/2031	680	0.43
\$1,300,000	Goodyear Tire & Rubber 5% 15/7/2029	901	0.57
\$2,100,000	HCA 3.5% 15/7/2051	1,128	0.72
\$1,864,000	IHO Verwaltungs 4.75% 15/9/2026	1,341	0.85
\$600,000	Iliad SASU 7% 15/10/2028	451	0.29
\$1,600,000	Iliad SASU 6.5% 15/10/2026	1,234	0.79
\$2,700,000	Lloyds Banking 4.65% 24/3/2026	2,149	1.37
\$1,350,000	MetLife 5.875% Perpetual	1,067	0.68
\$1,350,000	Millicom International Cellular 5.125% 15/1/2028	1,044	0.67
\$750,000	Millicom International Cellular 4.5% 27/4/2031	523	0.33
\$2,500,000	Morgan Stanley 3.95% 23/4/2027	1,966	1.25
\$2,700,000	NBN 2.625% 5/5/2031	1,789	1.14
\$2,600,000	Oracle 2.875% 25/3/2031	1,798	1.15
\$4,500,000	Pershing Square 3.25% 15/11/2030	2,902	1.85
\$2,300,000	Phoenix 5.375% 6/7/2027	1,800	1.15
\$1,300,000	Sensata Technologies 5.875% 1/9/2030	1,024	0.65
\$4,000,000	Standard Chartered 3.265% 18/2/2036	2,464	1.57
\$2,500,000	State Street 5.625% Perpetual	1,929	1.23

Liontrust Strategic Bond Fund (continued)

Portfolio Statement (continued)

as at 31 December 2022

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
US DOLLAR DENOMINATED DEBT SECURITIES (continued)			
\$2,700,000	Verizon Communications 4.272% 15/1/2036	2,021	1.29
\$3,100,000	Vodafone 5.125% 4/6/2081	1,877	1.20
\$3,738,000	Zurich Finance Ireland Designated Activity 3% 19/4/2051	2,369	1.51
US DOLLAR DENOMINATED FORWARD EXCHANGE CONTRACTS (0.00%)		49	0.03
13,300,000	US dollar 13,300,000 Vs UK sterling 10,997,433 - 3/2/2023	49	0.03
US DOLLAR DENOMINATED OPEN FUTURES CONTRACTS ((0.07%))		145	0.09
(235)	US 10 Year Ultra Future March 2023	129	0.08
280	US 5 Year Note (CBT) Future March 2023	22	0.01
4	US Ultra Bond (CBT) Future March 2023	(6)	0.00
Portfolio of investments		153,824	98.06
Net other assets		3,050	1.94
Total net assets		156,874	100.00

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

Comparative figures show percentages for each category of holding at 31 December 2021.

Liontrust Strategic Bond 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		(41,076)		(6,459)
Revenue	3	7,632		7,421	
Expenses	4	(1,124)		(1,708)	
Interest payable and similar charges	6	(220)		(88)	
Net revenue before taxation		6,288		5,625	
Taxation	5	(128)		(129)	
Net revenue after taxation			6,160		5,496
Total return before distributions			(34,916)		(963)
Distributions	7		(6,160)		(5,496)
Change in net assets attributable to shareholders from investment activities			(41,076)		(6,459)

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)
Opening net assets attributable to shareholders		351,577		338,016
Amounts received on issue of shares	45,096		121,962	
Amounts paid on cancellation of shares	(199,589)		(102,293)	
		(154,493)		19,669
Dilution adjustment		312		–
Change in net assets attributable to shareholders from investment activities		(41,076)		(6,459)
Retained distributions on accumulation shares		554		351
Closing net assets attributable to shareholders		156,874		351,577

Liontrust Strategic Bond Fund (continued)

Balance Sheet

as at 31 December 2022

	Notes	31.12.2022 (£'000)	31.12.2021 (£'000)
Assets			
Fixed assets			
Investments		156,875	322,629
Current assets:			
Debtors	8	1,696	2,749
Cash and bank balances	9	3,252	34,526
Total assets		161,823	359,904
Liabilities			
Investment liabilities		(3,051)	(2,777)
Creditors:			
Amounts due to futures clearing houses and brokers		–	(3,628)
Distribution payable		(1,072)	(1,375)
Other creditors	10	(826)	(547)
Total liabilities		(4,949)	(8,327)
Net assets attributable to shareholders		156,874	351,577

Liontrust Strategic Bond 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	(34,054)	(18,317)
Derivative contracts	12,674	3,112
Forward currency contracts	(25,358)	7,113
Foreign currency gains	5,662	1,633
Net capital losses	(41,076)	(6,459)

3 Revenue

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Bank interest	56	1
Interest from overseas fixed income securities	6,236	6,010
Interest from UK fixed income securities	1,221	1,388
Stock lending income	17	22
Taxable overseas dividends	102	–
Total revenue	7,632	7,421

4 Expenses

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	933	1,371
General administration charges*	191	337
	1,124	1,708
Total expenses	1,124	1,708

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £9,200 (2021: £9,975). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Liontrust Strategic Bond 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)
a) Analysis of charge in year		
Corporation tax	17	–
Overseas tax	85	129
Corporation tax prior year adjustment	26	–
Total tax charge [see note(b)]	128	129

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	6,288	5,625
Corporation tax at 20% (2021 - 20%)	1,258	1,125
Effects of:		
Movement in unrecognised tax losses	–	15
Overseas tax	85	129
Corporation tax prior year adjustment	26	–
Prior year adjustment to unrecognised tax losses	–	11
Relief on overseas tax expensed	–	(26)
Tax deductible interest distributions	(1,241)	(1,125)
Total tax charge [see note(a)]	128	129

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

No deferred tax asset has been recognised in the accounts. The Sub-fund has no tax losses (2021: £nil).

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

6 Interest payable and similar charges

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
Overdraft interest	73	67
Interest paid on margin deposits	147	–
Interest on collateral	–	21
Total interest payable and similar charges	220	88

7 Distributions

	1.1.2022 to 31.12.2022 (£'000)	1.1.2021 to 31.12.2021 (£'000)
First Interim	1,485	1,339
Second Interim	1,619	1,326
Third Interim	1,314	1,372
Final	1,322	1,464
	5,740	5,501

Amounts deducted on cancellation of shares	519	203
Amounts received on issue of shares	(99)	(208)
Distributions	6,160	5,496

The distributable amount has been calculated as follows:

Net revenue after taxation	6,160	5,496
Distributions	6,160	5,496

The distribution per share is set out in the tables on pages 83 to 84.

8 Debtors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued revenue	1,658	2,576
Amounts receivable for issue of shares	38	173
Total debtors	1,696	2,749

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

9 Cash and bank balances

	31.12.2022 (£'000)	31.12.2021 (£'000)
Amount held at futures clearing houses and brokers	1,367	5,005
Cash and bank balances	1,885	29,521
Total cash and bank balances	3,252	34,526

10 Creditors

	31.12.2022 (£'000)	31.12.2021 (£'000)
Accrued expenses	10	25
Accrued ACD's charge	60	117
Amounts payable for cancellation of shares	739	405
Corporation tax	17	–
Total other creditors	826	547

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 £71,000 (2021: £142,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £1,124,000 (2021: £1,708,000).

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Securities lending

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

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

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

Return and cost

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

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

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 December 2021.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	22	—	9	31
% of total	70%	0%	30%	100%
Cost	—	—	—	—

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Securities lending (continued)

Securities on loan and collateral received

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

Counterparty	Counterparty's country of establishment	31 December 2022		31 December 2021	
		Securities on loan (£'000)	Collateral received (£'000)	Securities on loan (£'000)	Collateral received (£'000)
BNP Paribas	France	—	—	1,536	1,591
Credit Suisse International	Switzerland	155	164	—	—
J.P. Morgan Securities Plc	UK	925	965	304	317
Merrill Lynch International	UK	416	437	2,223	2,268
Morgan Stanley International	UK	1,160	1,208	—	—
The Bank of Nova Scotia	Canada	1,073	1,181	—	—
UBS AG	Switzerland	—	—	416	424
Total		3,729	3,955	4,479	4,600

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

Management of counterparty credit risk related to securities lending

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

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

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

14 Risk management policies

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

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

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

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

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

Market price risk

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

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

Risk management process

The Sub-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR). The Sub-fund uses the VaR approach. VaR is a method of estimating potential loss due to market risk, rather than a statement of leverage, using a given confidence level, or probability, over a specific time period and assuming normal market conditions. The VaR is calculated using a Monte Carlo Simulation model carried out in accordance with regulatory guidelines.

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

14 Risk management policies (continued)

Risk management process (continued)

The table below provides an analysis of the VaR measures and leverage levels* for the Liontrust Strategic Bond Fund. The maximum VaR the Sub-fund is allowed to use under the UCITS Regulations is 20%.

* The leverage has been calculated using the sum of the notional of the derivatives used.

The Sub-fund's lowest, highest and average utilisation of the VaR limit during the year was:

Lowest VaR	2022 Highest VaR	Average VaR	Lowest VaR	2021 Highest VaR	Average VaR
1.14%	7.16%	4.12%	0.95%	1.65%	1.21%

The Sub-fund's lowest, highest and average level of leverage employed during the year was:

Lowest Leverage	2022 Highest Leverage	Average Leverage	Lowest Leverage	2021 Highest Leverage	Average Leverage
138.85%	292.92%	181.02%	140.36%	201.76%	163.14%

Currency risk

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

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

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

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

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

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

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

14 Risk management policies (continued)

Interest rate risk

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

The Sub-fund's revenue is generated by the holding of bonds, which contractually oblige the borrower to repay the Sub-fund interest under specific terms. Changes to interest rates may affect the cash inflows and outflows calculated with reference to financial assets and liabilities. By a careful assessment of economic and other relevant factors, the Portfolio ACD will seek to invest in those companies most likely to benefit, or be shielded, from anticipated changes in interest rates.

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

Liquidity risk

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

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

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

Counterparty credit risk

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

The table below summarises the credit quality of the Sub-fund debt portfolio as at 31 December 2022 and 31 December 2021.

	31.12.2022 (£'000)	31.12.2021 (£'000)
Summary of Credit ratings		
Investment grade	105,386	229,744
Below Investment grade	44,506	89,043
Not Rated	1,829	-
Total	151,721	318,787

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

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

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

14 Risk management policies (continued)

Counterparty credit risk (continued)

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

Counterparty exposures

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

Counterparty details Financial Derivative Transactions	Credit Default Swaps (£'000)	Forward Foreign Exchange Contracts (£'000)	Total Exposure (£'000)
Bank of New York Mellon International	–	265	265
State Street Global Advisors Limited	–	1,133	1,133
UBS AG	(41)	–	(41)
Total	(41)	1,398	1,357

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

Counterparty details Financial Derivative Transactions	Credit Default Swaps (£'000)	Forward Foreign Exchange Contracts (£'000)	Total Exposure (£'000)
Bank of New York Mellon International	–	487	487
UBS AG	(62)	–	(62)
Total	(62)	487	425

At the year-end collateral of £Nil (prior year: £Nil) was received; collateral pledged was £Nil (prior year: £Nil) and none (prior year: none) of the Sub-fund's financial assets were past due or impaired.

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

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

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

14 Risk management policies (continued)

Counterparty exposures (continued)

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

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

Maturity profile of financial liabilities

All financial liabilities of the Sub-fund at the current and prior year-end are due to settle in one year or less, or on demand with the exception of one Credit Default Swap holding, accounting for less than 10% (2021: less than 10%) of the gross exposure of the Sub-Fund, that is due to settle in 1-5 years (2021: one Credit Default Swap that is due to settle in 1-5 years).

Fair value of financial assets and liabilities

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

Valuation of financial investments

31.12.2022	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	1,404	(658)
Level 2: Observable market data	155,471	(2,393)
	156,875	(3,051)
31.12.2021	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	1,248	(608)
Level 2: Observable market data	321,381	(2,169)
	322,629	(2,777)

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

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

Level 3: Valuation techniques using unobservable inputs.

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

15 Share movement

For the year ending 31 December 2022

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class B Accumulation	21,007,750	25,782,705	(15,909,383)	(4,956)	30,876,116
Class B Income	28,674,075	1,580,728	(12,694,905)	329,135	17,889,033
Class M Income	281,508,989	18,857,792	(179,734,904)	(323,594)	120,308,283

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

16 Portfolio transaction costs

for the year ending 31 December 2022

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	90,371	–	–	–	–
Total purchases	90,371	–		–	
Total purchases including transaction costs	90,371				
Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	223,733	–	–	–	–
Total sales	223,733	–		–	
Total sales net of transaction costs	223,733				
Derivative transaction costs		40		–	
Total transaction costs		40		–	
Total transaction costs as a % of average net assets		0.02%		–	

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

16 Portfolio transaction costs (continued)

for the year ending 31 December 2021

	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Purchases (excluding derivatives)					
Debt instruments (direct)	345,008	–	–	–	–
Total purchases	345,008	–		–	
Total purchases including transaction costs	345,008				
	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Sales (excluding derivatives)					
Debt instruments (direct)	305,077	–	–	–	–
Total sales	305,077	–		–	
Total sales net of transaction costs	305,077				
Derivative transaction costs		64		–	
Total transaction costs		64		–	
Total transaction costs as a % of average net assets		0.02%		–	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.78% (2021: 0.44%).

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

17 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 Class B Accumulation share has increased by 2.59% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

Liontrust Strategic Bond 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
Class B Accumulation - Group 1	0.8085	—	0.8085	0.4225
Class B Accumulation - Group 2	0.8029	0.0056	0.8085	0.4225
Class B Income - Group 1	0.7359	—	0.7359	0.3943
Class B Income - Group 2	0.3933	0.3426	0.7359	0.3943
Class M Income - Group 1	0.7816	—	0.7816	0.4483
Class M Income - Group 2	0.5431	0.2385	0.7816	0.4483

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
Class B Accumulation - Group 1	0.7235	—	0.7235	0.3803
Class B Accumulation - Group 2	0.5330	0.1905	0.7235	0.3803
Class B Income - Group 1	0.6654	—	0.6654	0.3556
Class B Income - Group 2	0.2704	0.3950	0.6654	0.3556
Class M Income - Group 1	0.7128	—	0.7128	0.4099
Class M Income - Group 2	0.4041	0.3087	0.7128	0.4099

Liontrust Strategic Bond 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
Class B Accumulation - Group 1	0.5844	—	0.5844	0.3696
Class B Accumulation - Group 2	0.4106	0.1738	0.5844	0.3696
Class B Income - Group 1	0.5411	—	0.5411	0.3471
Class B Income - Group 2	0.2384	0.3027	0.5411	0.3471
Class M Income - Group 1	0.5898	—	0.5898	0.4004
Class M Income - Group 2	0.2799	0.3099	0.5898	0.4004

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
Class B Accumulation - Group 1	0.4928	—	0.4928	0.3898
Class B Accumulation - Group 2	0.1432	0.3496	0.4928	0.3898
Class B Income - Group 1	0.4577	—	0.4577	0.3673
Class B Income - Group 2	0.1935	0.2642	0.4577	0.3673
Class M Income - Group 1	0.5091	—	0.5091	0.4206
Class M Income - Group 2	0.2465	0.2626	0.5091	0.4206

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

Securities Financing Transactions (unaudited)

as at 31 December 2022

Securities Lending

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

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

The following table details the value of securities on loan as a proportion of the Sub-funds' total lendable assets and Net Asset Value (NAV) as at 31 December 2022. The income earned from securities lending are also shown for the period ended 31 December 2022. Total lendable assets represents the aggregate value of assets forming part of the Sub-funds' securities lending programme. This excludes any assets held by the Sub-funds that are not considered lendable due to any market, regulatory, investment or other restriction.

Securities on loan

Fund	% of lendable assets	% of NAV	Income earned (£'000)
Liontrust Sustainable Future Monthly Income Bond Fund	-	-	24
Liontrust Strategic Bond Fund	2.44	2.38	17

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 31 December 2022.

Counterparty	Counterparty's country of establishment	Securities Lending Amount on loan (£'000)	Collateral received (£'000)
Liontrust Strategic Bond Fund			
Credit Suisse International	Switzerland	155	164
J.P. Morgan Securities Plc	UK	925	965
Merrill Lynch International	UK	416	437
Morgan Stanley International	UK	1,160	1,208
The Bank of Nova Scotia	Canada	1,073	1,181
Total		3,729	3,955

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

Collateral

The Sub-funds engage in activities which may require collateral to be provided to a counterparty ("collateral posted") or may hold collateral received ("collateral received") from a counterparty.

Securities Financing Transactions (unaudited)(continued)

as at 31 December 2022

Collateral (continued)

The following table provides an analysis by currency of the underlying cash and non-cash collateral received / posted by way of title transfer collateral arrangement by the Sub-funds, in respect of securities lending transactions, as at 31 December 2022.

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Liontrust Strategic Bond Fund				
Securities lending transactions				
AUD	-	-	2	-
CHF	-	-	13	-
EUR	-	-	2,388	-
GBP	-	-	955	-
USD	-	-	597	-
Total	-	-	3,955	-

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

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received / posted by the Sub-funds by way of title transfer collateral arrangement in respect of securities lending transactions, as at 31 December 2022.

Collateral type and quality	Maturity Tenor					Open transactions (£'000)	Total (£'000)
	1 - 7 days (£'000)	8 - 30 days (£'000)	31 - 90 days (£'000)	91 - 365 days (£'000)	More than 365 days (£'000)		
Liontrust Strategic Bond Fund							
Collateral received - securities lending							
Fixed income							
Investment grade	—	—	84	269	2,421	—	2,774
Equities							
Recognised equity index	—	—	—	—	—	1,181	1,181
Total	—	—	84	269	2,421	1,181	3,955

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

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

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

As at 31 December 2022, all non-cash collateral received by the Sub-funds in respect of securities lending transactions is held by the Sub-funds' Depositary (or through its delegates).

Securities Financing Transactions (unaudited)(continued)

as at 31 December 2022

Collateral (continued)

The following table lists the top ten issuers (or all the issuers if less than ten) by value of non-cash collateral received by the Sub-fund by way of the title transfer collateral arrangement across securities lending transactions as at 31 December 2022.

Issuer	Value (£'000)	% of the Sub-fund's NAV
Liontrust Strategic Bond Fund		
Morgan Stanley & Co. International PLC	1,208	0.77
The Bank of Nova Scotia	1,181	0.75
JP Morgan Securities Plc.	965	0.62
Merrill Lynch International	437	0.28
Credit Suisse International	164	0.10
Total	3,955	2.52

Additional Information (unaudited)

Important information

Past performance is not a guide to future performance. The value of an investment and the income generated from it can fall as well as rise and is not guaranteed. You may get back less than you originally invested. The issue of shares may be subject to an initial charge and this is likely to have an impact on the realisable value of your investment, particularly in the short term. You should always regard investment in Funds as long term. The annual management fee of the Liontrust Sustainable Future Monthly Income Bond Fund is deducted from capital. Whilst this results in the dividend paid to investors being higher than would be the case were the annual management fee charged to income, the potential for capital growth may be reduced.



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