

LIONTRUST MULTI-ASSET INVESTMENTS ICVC

Annual Report &
Financial Statements

For the period:

1 January 2022

to

31 December 2022

Managed in accordance with
the Multi-Asset Process

LIONTRUST FUND PARTNERS LLP

LIONTRUST 

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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 Multi-Asset Investments ICVC (the "Company") is:

Liontrust Fund Partners LLP

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

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

Depository

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

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

Independent Auditor

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

Administrator and Registrar

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

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

Management and Administration (continued)

Company Information

The Company is an investment company with variable capital under regulation 12 of the Open-Ended Investment Company Regulations 2001, incorporated in England and Wales under registered number IC 128 and authorised by the Financial Conduct Authority on 13 September 2001. At the year end the Company offered five Sub-funds, the Liontrust MA Active Dynamic Fund, the Liontrust MA Active Growth Fund, the Liontrust MA Active Intermediate Income Fund, the Liontrust MA Active Moderate Income Fund and the Liontrust MA Active Progressive 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. Each share class has the same rights on a winding up of the Company. Investment of the assets of each of the Sub-funds must comply with the FCA's COLL and the investment objective and policy of the relevant Sub-fund.

Remuneration policy

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

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

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

| | Headcount | Total Remuneration (£'000) |
|---|-----------|----------------------------------|
| ACD UK Staff ¹ | 83 | 18,744 |
| of which | | |
| Fixed remuneration | 83 | 8,116 |
| Variable remuneration | 83 | 10,628 |
| UCITS Remuneration Code Staff ^{1, 2} | 10 | 1,820 |
| of which | | |
| Senior Management | 2 | 103 |
| Other control functions: | | |
| Other code staff/risk takers | 8 | 1,717 |

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.

Management and Administration (continued)

Remuneration policy (continued)

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

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

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

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

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

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

Scope of the policy

By entity

The ACD is subject to the requirements of the 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.

Management and Administration (continued)

Approach to the remuneration

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

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

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

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

Securities Financing Transactions Regulation

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

Assessment of Value

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

Changes after the Year End

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

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

Holdings in Other Funds of the Company

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

Statement of the Authorised Corporate Director's Responsibilities

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

Management and Administration (continued)

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

In preparing the financial statements the ACD is responsible for:

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

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

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

Report of the ACD to the Shareholders

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

Management and Administration (continued)

Liontrust Asset Management PLC

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

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

Liontrust Asset Management PLC is the parent company of Liontrust Investment Partners LLP, Liontrust Fund Partners LLP and Liontrust Portfolio Management Limited which are authorised and regulated by the Financial Conduct Authority. Liontrust Asset Management PLC is also the parent company of Liontrust International (Luxembourg) S.A. which is regulated by the Commission de Surveillance du Secteur Financier in Luxembourg. All members of the Liontrust Group sell only Liontrust Group products.

Russia's invasion of Ukraine, the sanctions imposed on Russia as a result and retaliatory action taken by Russia against foreign investors has caused significant volatility in certain financial markets, currency markets and commodities markets worldwide. Economic sanctions and the fallout from the conflict will likely impact companies worldwide operating in a wide variety of sectors, including energy, financial services and defence, amongst others. As a result, the performance of the Sub-funds may also be negatively impacted even if they have no direct exposure to the regions involved in the conflict.

Member's Statement

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



Antony Morrison

Member

27 April 2023

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

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

Auditor's responsibilities

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

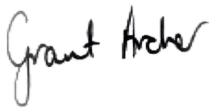
A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Shareholders of Liontrust Multi-Asset Investments 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

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

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

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

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

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

d) Rebates of ACD fees

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

e) Expenses

Expenses are recognised on an accruals basis.

f) Allocation of income and expenses

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

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

for the year ended 31 December 2022

1 Accounting Policies (continued)

g) Taxation

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

h) Exchange rates

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

i) Financial instruments

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

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

Distribution Policies

j) Basis of distribution

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

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

The ACD's charge and expenses are charged against revenue in respect of all the Sub-funds except for Liontrust MA Active Intermediate Income Fund, Liontrust MA Active Moderate Income Fund and Liontrust MA Active Progressive Fund, where the ACD's fees and expenses are charged against capital.

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

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

for the year ended 31 December 2022

1 Accounting Policies (continued)

k) Equalisation

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

l) Special dividends

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

m) Functional currency

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

MA Active Dynamic Fund

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

Investment Objective

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

Investment Policy

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

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

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

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

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

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

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

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

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

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

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

MA Active Dynamic Fund (continued)

Investment review

Sub-fund review

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

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

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

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

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

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

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

Performance

In the twelve months to 31 December 2022, the Liontrust MA Active Dynamic Fund (S Accumulation) returned -11.6%*.

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

Sub-fund performance

To satisfy the Sub-fund's risk profile, it is almost exclusively invested in equities. It has a large exposure to North American, UK and emerging market equities and has significant exposure to Japanese equities.

Equity markets generally fell over the course of 2022 and this contributed to a negative overall performance by the Sub-fund. Our exposure to Japanese equities delivered the best relative contribution, particularly Man GLG Japan CoreAlpha. Exposure to emerging

MA Active Dynamic Fund (continued)

Investment review (continued)

Sub-fund performance (continued)

market equities weighed the most on performance. BlackRock Emerging Markets was our poorest performer here. North America was our second worst equities region, having been the biggest contributor in 2021. AB American Growth was a notable underperformer.

Throughout the year, we adjusted the asset allocation of the funds to emphasise asset classes that we believe offer, in combination, the best risk-adjusted returns for the Sub-fund's risk profile. We added Loomis Sayles US Growth and removed Selection European Equity, BlackRock Asia Special Situations, Selection US Equity Zero, Artemis Income, Brown Advisory US Mid-Cap and BlackRock Advantage US.

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

Loomis Sayles U.S. Equity Leaders Fund
 Liontrust UK Equity Fund +
 Baillie Gifford Japanese Fund
 AB SICAV I - American Growth Portfolio
 Barings Europe Select Trust
 Liontrust European Dynamic Fund +
 BlackRock Emerging Markets Fund
 LF Lindsell Train UK Equity Fund
 Federated Hermes Asia Ex-Japan Equity Fund
 TB Evenlode Continuing Income Fund

Sales

Artemis Income Fund
 BlackRock Advantage US Equity Fund
 Architas Selection US Equity Fund
 iShares MSCI UK Small Cap UCITS ETF
 Brown Advisory US Mid Cap Growth Fund
 iShares S&P Small Cap 600 UCITS ETF
 BlackRock Asia Special Situations Fund
 BlackRock European Dynamic Fund
 JO Hambro UK Dynamic Fund
 Selection European Equity Fund

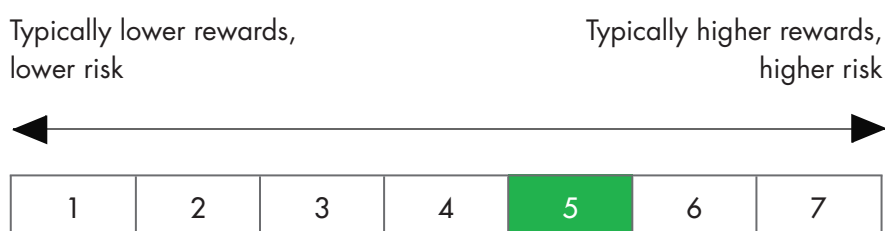
+ Managed by Liontrust Fund Partners LLP.

MA Active Dynamic Fund (continued)

Investment review (continued)

Risk and Reward profile

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



- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The risk profile used by Liontrust to produce the long term asset allocation differs from the Synthetic Risk and Reward indicator shown elsewhere in this document, so the two rankings may not be the same.
- The Sub-fund is categorised 5 primarily for its exposure to a diversified portfolio of funds invested in mainly equities with some fixed income and other asset classes.
- The SRRI may not fully take into account the following risks:
 - that a company may fail thus reducing its value within the Sub-fund;
 - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Sub-fund;
 - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result;
 - the creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- Some of the underlying funds may invest in derivatives, which can, in some circumstances, create wider fluctuations in their prices over time.
- Investments in emerging markets may involve a higher element of risk due to less well-regulated markets and political and economic instability. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- Liquidity Risk: If underlying funds suspend or defer the payment of redemption proceeds, the Sub-fund's ability to meet redemption requests may also be affected.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Index Tracking Risk: The performance of any passive funds used may not exactly track that of their indices.

MA Active Dynamic Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

MA Active Dynamic Fund (continued)

Comparative Tables

for the year ended 31 December 2022

| A Accumulation Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 249.41 | 222.06 | 201.25 |
| Return before operating charges | (24.75) | 30.96 | 23.87 |
| Operating charges | (3.38) | (3.61) | (3.06) |
| Return after operating charges | (28.13) | 27.35 | 20.81 |
| Distributions | (1.23) | (0.84) | (1.06) |
| Retained distributions on accumulation shares | 1.23 | 0.84 | 1.06 |
| Closing net asset value per share | 221.28 | 249.41 | 222.06 |
| After direct transaction costs of* | 0.00 | 0.00 | (0.02) |
| Performance | | | |
| Return after charges | (11.28%) | 12.32% | 10.34% |
| Other information | | | |
| Closing net asset value (£'000) | 9,436 | 11,546 | 8,657 |
| Closing number of shares | 4,264,211 | 4,629,485 | 3,898,359 |
| Operating charges** | 1.50% | 1.51% | 1.57% |
| Direct transaction costs* | 0.00% | 0.00% | 0.01% |
| Prices | | | |
| Highest share price | 250.83 | 254.67 | 222.30 |
| Lowest share price | 209.68 | 221.00 | 155.90 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Dynamic Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| R Accumulation Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 369.88 | 331.79 | 303.00 |
| Return before operating charges | (36.68) | 46.18 | 35.54 |
| Operating charges | (7.48) | (8.09) | (6.75) |
| Return after operating charges | (44.16) | 38.09 | 28.79 |
| Distributions | (0.56) | (0.03) | (0.18) |
| Retained distributions on accumulation shares | 0.56 | 0.03 | 0.18 |
| Closing net asset value per share | 325.72 | 369.88 | 331.79 |
| After direct transaction costs of* | (0.01) | 0.00 | (0.03) |
| Performance | | | |
| Return after charges | (11.94%) | 11.48% | 9.50% |
| Other information | | | |
| Closing net asset value (£'000) | 8,943 | 11,312 | 13,191 |
| Closing number of shares | 2,745,705 | 3,058,336 | 3,975,821 |
| Operating charges** | 2.25% | 2.27% | 2.32% |
| Direct transaction costs* | 0.00% | 0.00% | 0.01% |
| Prices | | | |
| Highest share price | 371.94 | 378.02 | 332.10 |
| Lowest share price | 309.14 | 330.10 | 234.30 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Dynamic Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| S Accumulation Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 202.88 | 180.27 | 163.05 |
| Return before operating charges | (20.14) | 25.16 | 19.38 |
| Operating charges | (2.38) | (2.55) | (2.16) |
| Return after operating charges | (22.52) | 22.61 | 17.22 |
| Distributions | (1.27) | (0.93) | (1.18) |
| Retained distributions on accumulation shares | 1.27 | 0.93 | 1.18 |
| Closing net asset value per share | 180.36 | 202.88 | 180.27 |
| After direct transaction costs of* | 0.00 | 0.00 | (0.02) |
| Performance | | | |
| Return after charges | (11.10%) | 12.54% | 10.56% |
| Other information | | | |
| Closing net asset value (£'000) | 21,399 | 26,511 | 22,455 |
| Closing number of shares | 11,864,280 | 13,066,998 | 12,456,243 |
| Operating charges** | 1.30% | 1.31% | 1.37% |
| Direct transaction costs* | 0.00% | 0.00% | 0.01% |
| Prices | | | |
| Highest share price | 204.04 | 207.11 | 180.40 |
| Lowest share price | 170.83 | 179.40 | 126.40 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Dynamic Fund (continued)

Portfolio Statement

as at 31 December 2022

| Holding/Nominal Value | Stock description | Market value (£'000) | Percentage of total net assets (%) |
|-----------------------|--|----------------------|------------------------------------|
| | COLLECTIVE INVESTMENT SCHEMES (98.14%) | 39,827 | 100.12 |
| | ASIA PACIFIC EXCLUDING JAPAN EQUITIES (5.39%) | 2,548 | 6.41 |
| 213,203 | Federated Hermes Asia Ex-Japan Equity Fund | 655 | 1.65 |
| 678,452 | Fidelity Asia Pacific Opportunities Fund | 1,893 | 4.76 |
| | EMERGING MARKETS EQUITIES (19.40%) | 8,247 | 20.73 |
| 607,268 | BlackRock Emerging Markets Fund | 3,255 | 8.18 |
| 1,496,623 | Federated Hermes Global Emerging Markets Equity Fund | 2,240 | 5.63 |
| 7,937 | FTF Martin Currie Emerging Markets Fund | 9 | 0.02 |
| 39,235 | Vontobel Fund - mtX Sustainable Emerging Markets Leaders | 2,743 | 6.90 |
| | EUROPE EXCLUDING UK EQUITIES (9.32%) | 3,323 | 8.35 |
| 16,102 | Barings Europe Select Trust | 696 | 1.75 |
| 1,132,537 | BlackRock European Dynamic Fund | 2,627 | 6.60 |
| | EUROPE INCLUDING UK EQUITIES (2.06%) | 978 | 2.46 |
| 313,896 | Liontrust European Dynamic Fund+ | 978 | 2.46 |
| | JAPAN EQUITIES (7.24%) | 5,197 | 13.06 |
| 188,961 | Baillie Gifford Japanese Fund | 3,367 | 8.46 |
| 440,180 | M&G Japan Smaller Companies Fund | 483 | 1.21 |
| 622,191 | Man GLG Japan Core Alpha Fund | 1,347 | 3.39 |
| | MONEY MARKET INSTRUMENTS (0.00%) | 768 | 1.93 |
| 383,994 | HSBC Sterling Liquidity Fund | 384 | 0.97 |
| 383,994 | JP Morgan Liquidity Fund | 384 | 0.96 |
| | NORTH AMERICA EQUITIES (24.80%) | 9,813 | 24.67 |
| 27,284 | AB SICAV I - American Growth Portfolio | 4,002 | 10.06 |
| 15,860 | iShares S&P Small Cap 600 UCITS ETF† | 1,014 | 2.55 |
| 17,554 | Loomis Sayles U.S. Equity Leaders Fund | 2,827 | 7.11 |
| 2,373 | Ossiam Shiller Barclays Cape US Sector Value UCITS ETF†, ^ | 1,970 | 4.95 |
| | UK EQUITIES (25.24%) | 8,953 | 22.51 |
| 2,240 | iShares MSCI UK Small Cap UCITS ETF† | 442 | 1.11 |
| 1,128,796 | JO Hambro UK Dynamic Fund | 1,884 | 4.74 |
| 444,667 | LF Lindsell Train UK Equity Fund | 2,199 | 5.53 |

MA Active Dynamic Fund (continued)

Portfolio Statement (continued)

as at 31 December 2022

| Holding/Nominal Value | Stock description | Market value (£'000) | Percentage of total net assets (%) |
|--|------------------------------------|----------------------|------------------------------------|
| COLLECTIVE INVESTMENT SCHEMES (continued) | | | |
| UK EQUITIES (continued) | | | |
| 1,247,424 | Liontrust UK Equity Fund+ | 2,306 | 5.80 |
| 557,204 | TB Evenlode Continuing Income Fund | 2,122 | 5.33 |
| US EQUITIES (4.69%) | | 0 | 0.00 |
| Portfolio of investments | | 39,827 | 100.12 |
| Net other liabilities | | (49) | (0.12) |
| Total net assets | | 39,778 | 100.00 |

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

Comparative figures shown in brackets relate to 31 December 2021.

^ Income units or shares held.

+ Managed by Liontrust Fund Partners LLP.

† Exchange Traded Fund.

MA Active Dynamic Fund (continued)

Statement of Total Return

for the year ended 31 December 2022

| | Notes | (£'000) | 1.1.2022 to 31.12.2022 (£'000) | (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---|-------|---------|--------------------------------------|---------|--------------------------------------|
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (5,731) | | 5,280 |
| Revenue | 3 | 580 | | 543 | |
| Expenses | 4 | (385) | | (451) | |
| Interest payable and similar charges | 6 | (1) | | (1) | |
| Net revenue before taxation | | 194 | | 91 | |
| Taxation | 5 | – | | – | |
| Net revenue after taxation | | | 194 | | 91 |
| Total return before distributions | | | (5,537) | | 5,371 |
| Distributions | 7 | | (240) | | (152) |
| Change in net assets attributable to shareholders from investment activities | | | (5,777) | | 5,219 |

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 | | 49,369 | | 44,303 |
| Amounts received on issue of shares | 2,812 | | 5,775 | |
| Amounts paid on cancellation of shares | (6,861) | | (6,081) | |
| | | (4,049) | | (306) |
| Change in net assets attributable to shareholders from investment activities | | (5,777) | | 5,219 |
| Retained distributions on accumulation shares | | 235 | | 153 |
| Closing net assets attributable to shareholders | | 39,778 | | 49,369 |

MA Active Dynamic Fund (continued)

Balance Sheet

as at 31 December 2022

| | Notes | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | 39,827 | 48,453 |
| Current assets: | | | |
| Debtors | 8 | 22 | 146 |
| Cash and bank balances | 9 | 3 | 862 |
| Total assets | | 39,852 | 49,461 |
| Liabilities | | | |
| Creditors: | | | |
| Other creditors | 10 | (74) | (92) |
| Total liabilities | | (74) | (92) |
| Net assets attributable to shareholders | | 39,778 | 49,369 |

MA Active Dynamic Fund (continued)

Notes to the financial statements

for the year ended 31 December 2022

1 Accounting policies

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

2 Net capital (losses)/gains

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| The net capital (losses)/gains comprise: | | |
| Non-derivative securities | (5,714) | 5,263 |
| Foreign currency (losses)/gains | (21) | 10 |
| Transaction costs | – | 1 |
| ACD's charge rebates | 4 | 6 |
| Net capital (losses)/gains | (5,731) | 5,280 |

3 Revenue

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Bank interest | 1 | – |
| Equity distributions on CIS holdings | 368 | 285 |
| Management fee rebates on CIS | 76 | 89 |
| Non-taxable overseas dividends | 134 | 169 |
| Taxable overseas dividends | 1 | – |
| Total revenue | 580 | 543 |

MA Active Dynamic Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

4 Expenses

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---|--------------------------------------|--------------------------------------|
| Payable to the ACD or associates of the ACD: | | |
| ACD's charge | 351 | 399 |
| General administration charges*, ** | 34 | 29 |
| | 385 | 428 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary fee | — | 2 |
| Safe custody fee | — | 3 |
| | — | 5 |
| Other expenses: | | |
| Audit fee*** | — | 8 |
| Publication costs | — | (1) |
| Registration fee | — | 11 |
| | — | 18 |
| Total expenses | 385 | 451 |

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

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

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

MA Active Dynamic Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

5 Taxation

a) Analysis of charge in year

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

b) Factors affecting tax charge for the year

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

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| Net revenue before taxation | 194 | 91 |
| Corporation tax at 20% (2021 - 20%) | 39 | 18 |
| Effects of: | | |
| Capitalised income subject to tax | 1 | 1 |
| Movement in unrecognised tax losses | 61 | 72 |
| Prior year adjustment to unrecognised tax losses | (1) | – |
| Revenue not subject to tax | (100) | (91) |
| 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

At the year end there is a potential deferred tax asset of £992,000 (2021: £931,000) due to tax losses of £4,961,000 (2021: £4,657,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---|--------------------------------------|--------------------------------------|
| Overdraft interest | 1 | 1 |
| Total interest payable and similar charges | 1 | 1 |

MA Active Dynamic Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

7 Distributions

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| Interim distribution | 225 | 145 |
| Final distribution | 10 | 8 |
| | 235 | 153 |
| Amounts deducted on cancellation of shares | 12 | 2 |
| Amounts received on issue of shares | (7) | (3) |
| Distributions | 240 | 152 |

The distributable amount has been calculated as follows:

| | | |
|---|------------|------------|
| Net revenue after taxation | 194 | 91 |
| Add: Tax relief on capitalised expenses | 1 | 1 |
| Shortfall of income taken to capital | 45 | 60 |
| Distributions | 240 | 152 |

The distribution per share is set out in the tables on page 39.

8 Debtors

| | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|--|-----------------------|-----------------------|
| Accrued management fee rebates on CIS | 17 | 44 |
| Amounts receivable for issue of shares | 5 | 102 |
| Total debtors | 22 | 146 |

9 Cash and bank balances

| | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|-------------------------------------|-----------------------|-----------------------|
| Cash and bank balances | 3 | 862 |
| Total cash and bank balances | 3 | 862 |

MA Active Dynamic Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

10 Creditors

| | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|--|-----------------------|-----------------------|
| Accrued expenses | 7 | 9 |
| Accrued ACD's charge | 28 | 34 |
| Amounts payable for cancellation of shares | 39 | 49 |
| Total other creditors | 74 | 92 |

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 £30,000 (2021: £37,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £385,000 (2021: £428,000).

13 Risk management policies

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

- units and shares in regulated collective investment schemes, securities and other investments;
- derivative transactions for efficient portfolio management purposes in accordance with the Sub-fund's investment policies.

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

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

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

MA Active Dynamic Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Market price risk

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

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

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

The Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the prospectus. The Sub-fund seeks to minimise all of the above mentioned risks by holding diversified portfolios of investments.

The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when the Sub-fund performance changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year.

A 5% increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £1,991,000 (2021: £2,423,000). A 5% decrease would have an equal and opposite effect.

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

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

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

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

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

MA Active Dynamic Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Currency risk

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

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

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

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

The Sub-fund invests predominantly in sterling denominated Collective Investment Schemes (CIS) that in turn invest in a range of instruments, some of which may be overseas and subject to foreign currency risk. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of currency exchange rates. Therefore, no exchange rate sensitivity analysis has been prepared for these.

Interest rate risk

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

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

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

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

Liquidity risk

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

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

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

MA Active Dynamic Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Liquidity risk (continued)

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

Counterparty credit risk

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

The Sub-fund may enter into transactions in financial instruments (directly, or through purchasing the units of collective investment schemes, including derivatives) which exposes it to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

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

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

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

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

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

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

Maturity profile of financial liabilities

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

Fair value of financial assets and liabilities

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

MA Active Dynamic Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Valuation of financial investments

| | Assets (£'000) | Liabilities (£'000) |
|---------------------------------|-------------------|------------------------|
| 31.12.2022 | | |
| Level 1: Quoted prices | 3,426 | — |
| Level 2: Observable market data | 36,401 | — |
| | 39,827 | — |
| 31.12.2021 | | |
| Level 1: Quoted prices | 6,895 | — |
| Level 2: Observable market data | 41,558 | — |
| | 48,453 | — |

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

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

Level 3: Valuation techniques using unobservable inputs.

14 Share movement

For the year ending 31 December 2022

| | Opening shares | Shares issued | Shares redeemed | Shares converted | Closing shares |
|----------------|-------------------|------------------|--------------------|---------------------|-------------------|
| A Accumulation | 4,629,485 | 229,236 | (609,643) | 15,133 | 4,264,211 |
| R Accumulation | 3,058,336 | 73,585 | (282,118) | (104,098) | 2,745,705 |
| S Accumulation | 13,066,998 | 1,105,920 | (2,478,644) | 170,006 | 11,864,280 |

MA Active Dynamic Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

15 Portfolio transaction costs

for the year ending 31 December 2022

| | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
|---|---------------------------------|------------------------|---|------------------|---|
| Purchases (excluding derivatives) | | | | | |
| Collective investment schemes | 16,191 | – | – | – | – |
| Total purchases | 16,191 | – | | – | |
| Total purchases including transaction costs | 16,191 | | | | |
| | | | | | |
| | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
| Sales (excluding derivatives) | | | | | |
| Collective investment schemes | 20,336 | 1 | – | – | – |
| Total sales | 20,336 | 1 | | – | |
| Total sales net of transaction costs | 20,335 | | | | |
| | | | | | |
| Total transaction costs | | 1 | | – | |
| | | | | | |
| Total transaction costs as a % of average net assets | | - | | – | |

MA Active Dynamic Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

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

| | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
|---|---------------------------------|------------------------|---|------------------|---|
| Purchases (excluding derivatives) | | | | | |
| Collective investment schemes | 3,533 | – | – | – | – |
| Total purchases | 3,533 | – | | – | |
| Total purchases including transaction costs | 3,533 | | | | |
| | | | | | |
| | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
| Sales (excluding derivatives) | | | | | |
| Collective investment schemes | 5,022 | – | – | – | – |
| Total sales | 5,022 | – | | – | |
| Total sales net of transaction costs | 5,022 | | | | |
| | | | | | |
| Total transaction costs | | – | | – | |
| | | | | | |
| Total transaction costs as a % of average net assets | | – | | – | |

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.05% (2021: 0.09%).

MA Active Dynamic Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

16 Post balance sheet events

The Fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the S Accumulation share class has increased by 6.69% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

MA Active Dynamic Fund (continued)

Distribution Tables

for the year ended 31 December 2022

Final distribution

Group 1 - Shares purchased prior to 1 July 2022

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

| | Net Revenue Pence per share | Equalisation* Pence per share | Distribution paid 28.2.2023 Pence per share | Distribution paid 28.2.2022 Pence per share |
|--------------------------|-----------------------------------|-------------------------------------|--|--|
| A Accumulation - Group 1 | — | — | — | — |
| A Accumulation - Group 2 | — | — | — | — |
| R Accumulation - Group 1 | — | — | — | — |
| R Accumulation - Group 2 | — | — | — | — |
| S Accumulation - Group 1 | 0.0864 | — | 0.0864 | 0.0602 |
| S Accumulation - Group 2 | — | 0.0864 | 0.0864 | 0.0602 |

Interim distribution

Group 1 - Shares purchased prior to 1 January 2022

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

| | Net Revenue Pence per share | Equalisation* Pence per share | Distribution paid 31.8.2022 Pence per share | Distribution paid 31.8.2021 Pence per share |
|--------------------------|-----------------------------------|-------------------------------------|--|--|
| A Accumulation - Group 1 | 1.2301 | — | 1.2301 | 0.8394 |
| A Accumulation - Group 2 | 0.6897 | 0.5404 | 1.2301 | 0.8394 |
| R Accumulation - Group 1 | 0.5587 | — | 0.5587 | 0.0258 |
| R Accumulation - Group 2 | 0.1679 | 0.3908 | 0.5587 | 0.0258 |
| S Accumulation - Group 1 | 1.1884 | — | 1.1884 | 0.8727 |
| S Accumulation - Group 2 | 0.6330 | 0.5554 | 1.1884 | 0.8727 |

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

MA Active Growth Fund

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

Investment Objective

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

Investment Policy

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

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

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

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

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

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

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

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

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

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

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

MA Active Growth Fund (continued)

Investment review

Sub-fund review

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

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

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

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

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

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

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

Performance

In the twelve months to 31 December 2022, the Liontrust MA Active Growth Fund (S Accumulation) returned -11.8%*.

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

Sub-fund Performance

To satisfy the Sub-fund's risk profile, the Sub-fund mainly holds equities, with large exposures to the UK and US, a significant exposure to Japanese equities and sizeable allocations to emerging markets, Asia Pacific (excluding Japan) and Europe. It also has small allocations to property.

MA Active Growth Fund (continued)

Investment review (continued)

Sub-fund Performance (continued)

Equity markets generally fell over the course of 2022 and this contributed to a negative overall performance by the Sub-fund. Our holding in North American equities weighed the most, after the region had provided the biggest boost in 2021. The poorest performers in the region were AB American Growth and Brown Advisory US Mid-Cap Growth. BlackRock European Dynamic detracted the most from performance overall. The relatively best-performing equity region was Japanese equities, with Man GLG Japan CoreAlpha and M&G Japan Smaller Companies performing positively. Exposure to UK property and fixed income also weighed on performance.

Throughout the year, we adjusted the asset allocation of the funds to emphasise asset classes that we believe offer, in combination, the best risk-adjusted returns for the Sub-fund's risk profile. We removed Selection European Equity, BlackRock Asia Special Situations, Selection US Equity Zero, Brown Advisory US Mid-Cap Growth, BlackRock Advantage US Equity and Artemis Income. Funds that we added included Loomis Sayles US Growth Equity, M&G Japan Smaller Companies, Federated Hermes Asia ex Japan, Barings Europe Select, Liontrust European Dynamic and Liontrust UK Equity.

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

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

Material portfolio changes by value

Purchases

Liontrust UK Equity Fund +
Loomis Sayles U.S. Equity Leaders Fund
AB SICAV I - American Growth Portfolio
Vontobel Fund - mtx Sustainable Emerging Markets Leaders
TB Evenlode Continuing Income Fund
LF Lindsell Train UK Equity Fund
Barings Europe Select Trust
Liontrust European Dynamic Fund +
BlackRock Emerging Markets Fund
Federated Hermes Asia Ex-Japan Equity Fund

Sales

Artemis Income Fund
BlackRock Advantage US Equity Fund
BlackRock European Dynamic Fund
iShares MSCI UK Small Cap UCITS ETF
Architas Selection US Equity Fund
Baillie Gifford Japanese Fund
Ossiam Shiller Barclays Cape US Sector Value TR Fund
BlackRock Asia Special Situations Fund
Man GLG Japan Core Alpha Fund
Selection European Equity Fund

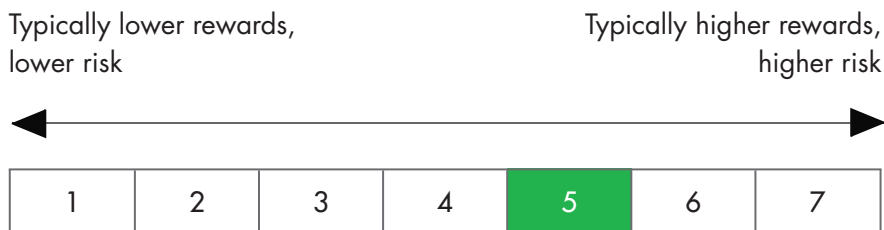
+ Managed by Liontrust Fund Partners LLP.

MA Active Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

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



- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The risk profile used by Liontrust to produce the long term asset allocation differs from the Synthetic Risk and Reward indicator shown elsewhere in this document, so the two rankings may not be the same.
- The Sub-fund is categorised 5 primarily for its exposure to a diversified portfolio of funds invested in equities, fixed income and other asset classes.
- The SRRI may not fully take into account the following risks:
 - that a company may fail thus reducing its value within the Sub-fund;
 - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Sub-fund.
 - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result;
 - the creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- Some of the underlying funds may invest in derivatives, which can, in some circumstances, create wider fluctuations in their prices over time.
- Investments in emerging markets may involve a higher element of risk due to less well-regulated markets and political and economic instability. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- Liquidity Risk: if underlying funds suspend or defer the payment of redemption proceeds, the Sub-fund's ability to meet redemption requests may also be affected.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Index Tracking Risk: the performance of any passive funds used may not exactly track that of their indices.

MA Active Growth Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

MA Active Growth Fund (continued)

Comparative Tables

for the year ended 31 December 2022

| A Accumulation Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 247.64 | 219.56 | 206.93 |
| Return before operating charges | (24.75) | 31.56 | 15.56 |
| Operating charges | (3.32) | (3.48) | (2.93) |
| Return after operating charges | (28.07) | 28.08 | 12.63 |
| Distributions | (1.77) | (1.10) | (1.77) |
| Retained distributions on accumulation shares | 1.77 | 1.10 | 1.77 |
| Closing net asset value per share | 219.57 | 247.64 | 219.56 |
| After direct transaction costs of* | (0.02) | (0.02) | (0.02) |
| Performance | | | |
| Return after charges | (11.34%) | 12.79% | 6.10% |
| Other information | | | |
| Closing net asset value (£'000) | 31,774 | 40,314 | 25,502 |
| Closing number of shares | 14,471,298 | 16,279,285 | 11,615,301 |
| Operating charges** | 1.48% | 1.47% | 1.50% |
| Direct transaction costs* | 0.01% | 0.01% | 0.01% |
| Prices | | | |
| Highest share price | 249.19 | 251.74 | 220.50 |
| Lowest share price | 206.87 | 218.34 | 154.90 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Growth Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| A Income Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 231.23 | 205.94 | 195.84 |
| Return before operating charges | (23.16) | 29.57 | 14.54 |
| Operating charges | (3.09) | (3.26) | (2.76) |
| Return after operating charges | (26.25) | 26.31 | 11.78 |
| Distributions | (1.65) | (1.02) | (1.68) |
| Retained distributions on accumulation shares | — | — | — |
| Closing net asset value per share | 203.33 | 231.23 | 205.94 |
| After direct transaction costs of* | (0.02) | (0.02) | (0.02) |
| Performance | | | |
| Return after charges | (11.35%) | 12.78% | 6.02% |
| Other information | | | |
| Closing net asset value (£'000) | 1,309 | 1,779 | 1,710 |
| Closing number of shares | 643,520 | 769,153 | 830,323 |
| Operating charges** | 1.48% | 1.47% | 1.49% |
| Direct transaction costs* | 0.01% | 0.01% | 0.01% |
| Prices | | | |
| Highest share price | 232.67 | 235.17 | 207.30 |
| Lowest share price | 191.86 | 204.80 | 146.60 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Growth Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| R Accumulation Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 342.90 | 306.31 | 290.88 |
| Return before operating charges | (34.26) | 43.92 | 21.58 |
| Operating charges | (6.89) | (7.33) | (6.15) |
| Return after operating charges | (41.15) | 36.59 | 15.43 |
| Distributions | (0.80) | (0.13) | (0.87) |
| Retained distributions on accumulation shares | 0.80 | 0.13 | 0.87 |
| Closing net asset value per share | 301.75 | 342.90 | 306.31 |
| After direct transaction costs of* | (0.03) | (0.03) | (0.03) |
| Performance | | | |
| Return after charges | (12.00%) | 11.95% | 5.30% |
| Other information | | | |
| Closing net asset value (£'000) | 15,152 | 19,763 | 37,691 |
| Closing number of shares | 5,021,376 | 5,763,665 | 12,304,774 |
| Operating charges** | 2.23% | 2.23% | 2.25% |
| Direct transaction costs* | 0.01% | 0.01% | 0.01% |
| Prices | | | |
| Highest share price | 345.00 | 348.89 | 307.70 |
| Lowest share price | 284.75 | 304.41 | 217.30 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Growth Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| R Income Accounting year ended | 31 December 2022+ per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|---------------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 330.94 | 295.74 | 281.73 |
| Return before operating charges | (28.53) | 42.40 | 20.81 |
| Operating charges | (3.01) | (7.08) | (5.96) |
| Return after operating charges | (31.54) | 35.32 | 14.85 |
| Distributions | — | (0.12) | (0.84) |
| Retained distributions on accumulation shares | — | — | — |
| Closing net asset value per share | 299.40 | 330.94 | 295.74 |
| After direct transaction costs of* | (0.01) | (0.03) | (0.03) |
| Performance | | | |
| Return after charges | (9.53%) | 11.94% | 5.27% |
| Other information | | | |
| Closing net asset value (£'000) | — | 221 | 302 |
| Closing number of shares | — | 66,733 | 102,222 |
| Operating charges** | 2.24% | 2.23% | 2.24% |
| Direct transaction costs* | 0.01% | 0.01% | 0.01% |
| Prices | | | |
| Highest share price | 332.97 | 336.73 | 297.00 |
| Lowest share price | 288.55 | 293.91 | 210.50 |

+ Closed on 10 June 2022.

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Growth Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| S Accumulation Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 200.26 | 177.20 | 166.67 |
| Return before operating charges | (20.03) | 25.49 | 12.58 |
| Operating charges | (2.32) | (2.43) | (2.05) |
| Return after operating charges | (22.35) | 23.06 | 10.53 |
| Distributions | (1.79) | (1.26) | (1.75) |
| Retained distributions on accumulation shares | 1.79 | 1.26 | 1.75 |
| Closing net asset value per share | 177.91 | 200.26 | 177.20 |
| After direct transaction costs of* | (0.02) | (0.02) | (0.02) |
| Performance | | | |
| Return after charges | (11.16%) | 13.01% | 6.32% |
| Other information | | | |
| Closing net asset value (£'000) | 36,169 | 42,651 | 37,340 |
| Closing number of shares | 20,329,935 | 21,297,630 | 21,072,381 |
| Operating charges** | 1.28% | 1.27% | 1.29% |
| Direct transaction costs* | 0.01% | 0.01% | 0.01% |
| Prices | | | |
| Highest share price | 201.51 | 203.53 | 178.00 |
| Lowest share price | 167.55 | 176.24 | 124.80 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Growth Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| S 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 | 185.88 | 165.56 | 157.42 |
| Return before operating charges | (18.63) | 23.78 | 11.71 |
| Operating charges | (2.15) | (2.26) | (1.93) |
| Return after operating charges | (20.78) | 21.52 | 9.78 |
| Distributions | (1.66) | (1.20) | (1.64) |
| Retained distributions on accumulation shares | — | — | — |
| Closing net asset value per share | 163.44 | 185.88 | 165.56 |
| After direct transaction costs of* | (0.02) | (0.02) | (0.02) |
| Performance | | | |
| Return after charges | (11.18%) | 13.00% | 6.21% |
| Other information | | | |
| Closing net asset value (£'000) | 1,918 | 2,933 | 1,106 |
| Closing number of shares | 1,173,406 | 1,577,855 | 667,888 |
| Operating charges** | 1.28% | 1.27% | 1.30% |
| Direct transaction costs* | 0.01% | 0.01% | 0.01% |
| Prices | | | |
| Highest share price | 187.04 | 189.21 | 166.80 |
| Lowest share price | 154.31 | 164.67 | 117.90 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Growth Fund (continued)

Portfolio Statement

as at 31 December 2022

| Holding/Nominal Value | Stock description | Market value (£'000) | Percentage of total net assets (%) |
|-----------------------|--|----------------------|------------------------------------|
| | COLLECTIVE INVESTMENT SCHEMES (98.14%) | 86,529 | 100.24 |
| | ASIA PACIFIC EXCLUDING JAPAN EQUITIES (5.47%) | 5,502 | 6.38 |
| 457,248 | Federated Hermes Asia Ex-Japan Equity Fund | 1,404 | 1.63 |
| 1,468,749 | Fidelity Asia Pacific Opportunities Fund | 4,098 | 4.75 |
| | EMERGING MARKETS EQUITIES (7.66%) | 10,286 | 11.91 |
| 1,026,006 | BlackRock Emerging Markets Fund | 5,499 | 6.37 |
| 7,937 | FTF Martin Currie Emerging Markets Fund | 10 | 0.01 |
| 68,340 | Vontobel Fund - mtX Sustainable Emerging Markets Leaders | 4,777 | 5.53 |
| | EUROPE EXCLUDING UK EQUITIES (10.40%) | 5,468 | 6.33 |
| 26,870 | Barings Europe Select Trust | 1,162 | 1.34 |
| 1,855,884 | BlackRock European Dynamic Fund | 4,306 | 4.99 |
| | EUROPE INCLUDING UK EQUITIES (2.21%) | 1,625 | 1.88 |
| 521,644 | Liontrust European Dynamic Fund+ | 1,625 | 1.88 |
| | GLOBAL BONDS (0.00%) | 968 | 1.12 |
| 769,560 | iShares Overseas Government Bond Index Fund (UK) | 968 | 1.12 |
| | JAPAN EQUITIES (15.15%) | 11,213 | 12.99 |
| 406,265 | Baillie Gifford Japanese Fund | 7,240 | 8.39 |
| 840,187 | M&G Japan Smaller Companies Fund | 921 | 1.07 |
| 1,409,845 | Man GLG Japan Core Alpha Fund | 3,052 | 3.53 |
| | MONEY MARKET INSTRUMENTS (0.00%) | 1,670 | 1.94 |
| 834,956 | HSBC Sterling Liquidity Fund | 835 | 0.97 |
| 834,956 | JP Morgan Liquidity Fund | 835 | 0.97 |
| | NORTH AMERICA EQUITIES (22.82%) | 19,217 | 22.27 |
| 51,479 | AB SICAV I - American Growth Portfolio | 7,550 | 8.75 |
| 32,019 | iShares S&P Small Cap 600 UCITS ETF† | 2,047 | 2.37 |
| 36,858 | Loomis Sayles U.S. Equity Leaders Fund | 5,936 | 6.88 |
| 4,438 | Ossiam Shiller Barclays Cape US Sector Value UCITS ETF† | 3,684 | 4.27 |
| | PROPERTY (1.90%) | 2,418 | 2.80 |
| 1,436,179 | Assura REIT | 783 | 0.91 |

MA Active Growth Fund (continued)

Portfolio Statement (continued)

as at 31 December 2022

| Holding/Nominal Value | Stock description | Market value (£'000) | Percentage of total net assets (%) |
|--|---|----------------------|------------------------------------|
| COLLECTIVE INVESTMENT SCHEMES (continued) | | | |
| PROPERTY (continued) | | | |
| 99,281 | Civitas Social Housing REIT | 62 | 0.07 |
| 703,051 | Primary Health Properties REIT | 779 | 0.90 |
| 573,163 | Tritax Big Box REIT | 794 | 0.92 |
| UK CORPORATE BONDS (0.00%) | | 831 | 0.96 |
| 120,256 | iShares Corporate Bond Index Fund (UK) | 173 | 0.20 |
| 740,385 | Liontrust Sustainable Future Corporate Bond Fund+ | 658 | 0.76 |
| UK EQUITIES (29.72%) | | 27,232 | 31.54 |
| 6,591 | iShares MSCI UK Small Cap UCITS ETF† | 1,301 | 1.51 |
| 3,244,786 | JO Hambro UK Dynamic Fund | 5,416 | 6.27 |
| 1,246,431 | LF Lindsell Train UK Equity Fund | 6,164 | 7.14 |
| 4,079,770 | Liontrust UK Equity Fund+ | 7,544 | 8.74 |
| 1,787,284 | TB Evenlode Continuing Income Fund | 6,807 | 7.88 |
| UK PROPERTY (0.11%) | | 99 | 0.12 |
| 97,781 | Supermarket Income REIT | 99 | 0.12 |
| US EQUITIES (2.70%) | | 0 | 0.00 |
| Portfolio of investments | | 86,529 | 100.24 |
| Net other liabilities | | (207) | (0.24) |
| Total net assets | | 86,322 | 100.00 |

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

Comparative figures shown in brackets relate to 31 December 2021.

Stocks shown as REITs represent Real Estate Investment Trust.

+ Managed by Liontrust Fund Partners LLP.

† Exchange Traded Fund.

MA Active Growth Fund (continued)

Statement of Total Return

for the year ended 31 December 2022

| | Notes | (£'000) | 1.1.2022 to 31.12.2022 (£'000) | (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---|-------|---------|--------------------------------------|---------|--------------------------------------|
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (12,754) | | 12,176 |
| Revenue | 3 | 1,521 | | 1,378 | |
| Expenses | 4 | (820) | | (1,020) | |
| Interest payable and similar charges | 6 | (1) | | (1) | |
| Net revenue before taxation | | 700 | | 357 | |
| Taxation | 5 | – | | – | |
| Net revenue after taxation | | | 700 | | 357 |
| Total return before distributions | | | (12,054) | | 12,533 |
| Distributions | 7 | | (740) | | (434) |
| Change in net assets attributable to shareholders from investment activities | | | (12,794) | | 12,099 |

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 | | 107,661 | | 103,651 |
| Amounts received on issue of shares | 4,494 | | 8,115 | |
| Amounts paid on cancellation of shares | (13,722) | | (16,619) | |
| | | (9,228) | | (8,504) |
| Change in net assets attributable to shareholders from investment activities | | (12,794) | | 12,099 |
| Retained distributions on accumulation shares | | 683 | | 415 |
| Closing net assets attributable to shareholders | | 86,322 | | 107,661 |

MA Active Growth Fund (continued)

Balance Sheet

as at 31 December 2022

| | Notes | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | 86,529 | 105,663 |
| Current assets: | | | |
| Debtors | 8 | 57 | 234 |
| Cash and bank balances | 9 | 13 | 2,011 |
| Total assets | | 86,599 | 107,908 |
| Liabilities | | | |
| Creditors: | | | |
| Distribution payable | | (7) | (5) |
| Other creditors | 10 | (270) | (242) |
| Total liabilities | | (277) | (247) |
| Net assets attributable to shareholders | | 86,322 | 107,661 |

MA Active Growth Fund (continued)

Notes to the financial statements

for the year ended 31 December 2022

1 Accounting policies

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

2 Net capital (losses)/gains

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| The net capital (losses)/gains comprise: | | |
| Non-derivative securities | (12,748) | 12,183 |
| Foreign currency losses | (15) | (21) |
| ACD's charge rebates | 9 | 14 |
| Net capital (losses)/gains | (12,754) | 12,176 |

3 Revenue

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| Bank interest | 3 | – |
| Equity distributions on CIS holdings | 1,039 | 908 |
| Interest distributions on CIS holdings | 26 | – |
| Management fee rebates on CIS | 144 | 203 |
| Non-taxable overseas dividends | 194 | 201 |
| Taxable overseas dividends | 3 | – |
| UK dividends | 36 | 13 |
| UK REIT dividends | 76 | 53 |
| Total revenue | 1,521 | 1,378 |

MA Active Growth Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

4 Expenses

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---|--------------------------------------|--------------------------------------|
| Payable to the ACD or associates of the ACD: | | |
| ACD's charge | 747 | 928 |
| General administration charges*, ** | 72 | 52 |
| | 819 | 980 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary fee | 1 | 4 |
| Safe custody fee | — | 5 |
| | 1 | 9 |
| Other expenses: | | |
| Audit fee*** | — | 8 |
| Publication costs | — | (3) |
| Registration fee | — | 26 |
| | — | 31 |
| Total expenses | 820 | 1,020 |

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

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

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

MA Active Growth Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

5 Taxation

a) Analysis of charge in year

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

b) Factors affecting tax charge for the year

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

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| Net revenue before taxation | 700 | 357 |
| Corporation tax at 20% (2021 - 20%) | 140 | 71 |
| Effects of: | | |
| Capitalised income subject to tax | 2 | 3 |
| Movement in unrecognised tax losses | 88 | 150 |
| Prior year adjustment to unrecognised tax losses | 24 | – |
| Revenue not subject to tax | (254) | (224) |
| 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

At the year end there is a potential deferred tax asset of £6,625,000 (2021: £6,537,000) due to tax losses of £33,126,000 (2021: £32,687,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---|--------------------------------------|--------------------------------------|
| Overdraft interest | 1 | 1 |
| Total interest payable and similar charges | 1 | 1 |

MA Active Growth Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

7 Distributions

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| Interim distribution | 571 | 347 |
| Final distribution | 148 | 90 |
| | 719 | 437 |
| Amounts deducted on cancellation of shares | 33 | 6 |
| Amounts received on issue of shares | (12) | (9) |
| Distributions | 740 | 434 |

The distributable amount has been calculated as follows:

| | | |
|---|------------|------------|
| Net revenue after taxation | 700 | 357 |
| Add: Equalisation on conversions | 2 | – |
| Add: Tax relief on capitalised expenses | 2 | 3 |
| Shortfall of income taken to capital | 36 | 74 |
| Distributions | 740 | 434 |

The distribution per share is set out in the tables on page 67.

8 Debtors

| | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|--|-----------------------|-----------------------|
| Accrued management fee rebates on CIS | 28 | 100 |
| Accrued revenue | 12 | 6 |
| Amounts receivable for issue of shares | 4 | 117 |
| Income tax recoverable | 13 | 11 |
| Total debtors | 57 | 234 |

9 Cash and bank balances

| | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|-------------------------------------|-----------------------|-----------------------|
| Cash and bank balances | 13 | 2,011 |
| Total cash and bank balances | 13 | 2,011 |

MA Active Growth Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

10 Creditors

| | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|--|-----------------------|-----------------------|
| Accrued expenses | 10 | 13 |
| Accrued ACD's charge | 59 | 74 |
| Amounts payable for cancellation of shares | 201 | 155 |
| Total other creditors | 270 | 242 |

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 £64,000 (2021: £81,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £819,000 (2021: £980,000).

13 Risk management policies

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

- units and shares in regulated collective investment schemes, securities and other investments;
- derivative transactions for efficient portfolio management purposes in accordance with the Sub-fund's investment policies.

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

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

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

MA Active Growth Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Market price risk

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

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

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

The Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the prospectus. The Sub-fund seeks to minimise all of the above mentioned risks by holding diversified portfolios of investments.

The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when the Sub-fund performance changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year.

A 5% increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £4,326,000 (2021: £5,283,000). A 5% decrease would have an equal and opposite effect.

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

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

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

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

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

MA Active Growth Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Currency risk

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

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

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

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

The Sub-fund invests predominantly in sterling denominated Collective Investment Schemes (CIS) that in turn invest in a range of instruments, some of which may be overseas and subject to foreign currency risk. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of currency exchange rates. Therefore, no exchange rate sensitivity analysis has been prepared for these.

Interest rate risk

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

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

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

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

Liquidity risk

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

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

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

MA Active Growth Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Liquidity risk (continued)

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

Counterparty credit risk

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

The Sub-fund may enter into transactions in financial instruments (directly, or through purchasing the units of collective investment schemes, including derivatives) which exposes it to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

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

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

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

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

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

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

Maturity profile of financial liabilities

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

Fair value of financial assets and liabilities

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

MA Active Growth Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Valuation of financial investments

| | Assets (£'000) | Liabilities (£'000) |
|---------------------------------|-------------------|------------------------|
| 31.12.2022 | | |
| Level 1: Quoted prices | 9,549 | — |
| Level 2: Observable market data | 76,980 | — |
| | 86,529 | — |
| 31.12.2021 | | |
| Level 1: Quoted prices | 17,502 | — |
| Level 2: Observable market data | 88,161 | — |
| | 105,663 | — |

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

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

Level 3: Valuation techniques using unobservable inputs.

14 Share movement

For the year ending 31 December 2022

| | Opening shares | Shares issued | Shares redeemed | Shares converted | Closing shares |
|-----------------------|-------------------|------------------|--------------------|---------------------|-------------------|
| A Accumulation | 16,279,285 | 151,996 | (1,932,173) | (27,810) | 14,471,298 |
| A Income | 769,153 | 8,838 | (133,174) | (1,297) | 643,520 |
| R Accumulation | 5,763,665 | 179,389 | (670,677) | (251,001) | 5,021,376 |
| R Income ⁺ | 66,733 | — | (66,733) | — | — |
| S Accumulation | 21,297,630 | 1,819,889 | (3,203,368) | 415,784 | 20,329,935 |
| S Income | 1,577,855 | 161,684 | (615,828) | 49,695 | 1,173,406 |

⁺ Closed on 10 June 2022.

MA Active Growth Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

15 Portfolio transaction costs

for the year ending 31 December 2022

| | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
|---|---------------------------------|------------------------|------|------------------|------|
| Purchases (excluding derivatives) | | | | | |
| Equity instruments (direct) | 1,367 | 1 | 0.07 | 7 | 0.51 |
| Collective investment schemes | 36,000 | – | – | – | – |
| Total purchases | 37,367 | 1 | | 7 | |
| Total purchases including transaction costs | 37,375 | | | | |
| | | | | | |
| | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
| Sales (excluding derivatives) | | | | | |
| Collective investment schemes | 46,624 | 2 | – | – | – |
| Total sales | 46,624 | 2 | | – | |
| Total sales net of transaction costs | 46,622 | | | | |
| | | | | | |
| Total transaction costs | | 3 | | 7 | |
| Total transaction costs as a % of average net assets | | - | | 0.01% | |

MA Active Growth Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

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

| Purchases (excluding derivatives) | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
|---|----------------------------------|----------------------------|----------|----------------------|----------|
| Equity instruments (direct) | 1,723 | 1 | 0.06 | 8 | 0.46 |
| Collective investment schemes | 3,521 | – | – | – | – |
| Total purchases | 5,244 | 1 | | 8 | |
| Total purchases including transaction costs | 5,253 | | | | |
| Sales (excluding derivatives) | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
| Equity instruments (direct) | 835 | – | – | – | – |
| Collective investment schemes | 15,376 | – | – | – | – |
| Total sales | 16,211 | – | | – | |
| Total sales net of transaction costs | 16,211 | | | | |
| Total transaction costs | | 1 | | 8 | |
| 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.

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.05% (2021: 0.09%).

MA Active Growth Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

16 Post balance sheet events

The Fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the S Accumulation share class has increased by 6.37% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

MA Active Growth Fund (continued)

Distribution Tables

for the year ended 31 December 2022

Final distribution

Group 1 - Shares purchased prior to 1 July 2022

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

| | Net Revenue Pence per share | Equalisation* Pence per share | Distribution paid 28.2.2023 Pence per share | Distribution paid 28.2.2022 Pence per share |
|--------------------------|-----------------------------------|-------------------------------------|--|--|
| A Accumulation - Group 1 | 0.3376 | — | 0.3376 | 0.1294 |
| A Accumulation - Group 2 | — | 0.3376 | 0.3376 | 0.1294 |
| A Income - Group 1 | 0.3128 | — | 0.3128 | 0.1155 |
| A Income - Group 2 | — | 0.3128 | 0.3128 | 0.1155 |
| R Accumulation - Group 1 | — | — | — | — |
| R Accumulation - Group 2 | — | — | — | — |
| R Income - Group 1+ | — | — | — | — |
| R Income - Group 2+ | — | — | — | — |
| S Accumulation - Group 1 | 0.4528 | — | 0.4528 | 0.2977 |
| S Accumulation - Group 2 | — | 0.4528 | 0.4528 | 0.2977 |
| S Income - Group 1 | 0.4163 | — | 0.4163 | 0.2954 |
| S Income - Group 2 | 0.0334 | 0.3829 | 0.4163 | 0.2954 |

+ Closed on 10 June 2022.

MA Active Growth Fund (continued)

Distribution Tables (continued)

for the year ended 31 December 2022

Interim distribution

Group 1 - Shares purchased prior to 1 January 2022

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

| | Net Revenue Pence per share | Equalisation* Pence per share | Distribution paid 31.8.2022 Pence per share | Distribution paid 31.8.2021 Pence per share |
|--------------------------|-----------------------------------|-------------------------------------|--|--|
| A Accumulation - Group 1 | 1.4312 | — | 1.4312 | 0.9678 |
| A Accumulation - Group 2 | 0.7827 | 0.6485 | 1.4312 | 0.9678 |
| A Income - Group 1 | 1.3365 | — | 1.3365 | 0.9076 |
| A Income - Group 2 | 0.4111 | 0.9254 | 1.3365 | 0.9076 |
| R Accumulation - Group 1 | 0.8001 | — | 0.8001 | 0.1251 |
| R Accumulation - Group 2 | 0.3970 | 0.4031 | 0.8001 | 0.1251 |
| R Income - Group 1+ | — | — | — | 0.1233 |
| R Income - Group 2+ | — | — | — | 0.1233 |
| S Accumulation - Group 1 | 1.3419 | — | 1.3419 | 0.9655 |
| S Accumulation - Group 2 | 0.7071 | 0.6348 | 1.3419 | 0.9655 |
| S Income - Group 1 | 1.2456 | — | 1.2456 | 0.9045 |
| S Income - Group 2 | 0.7548 | 0.4908 | 1.2456 | 0.9045 |

+ Closed on 10 June 2022.

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

MA Active Intermediate Income Fund

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

Investment Objective

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

Investment Policy

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

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

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

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

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

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

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

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

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

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

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

MA Active Intermediate Income Fund (continued)

Investment review

Sub-fund review

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

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

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

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

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

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

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

Performance

In the twelve months to 31 December 2022, the Liontrust MA Active Intermediate Income Fund (S Accumulation) returned -14.2%*.

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

Sub-fund performance

To satisfy the Sub-fund's risk profile, it has a significant allocation to developed market equities but it is also significantly invested in developed market fixed income and has a smaller allocation to property.

The Sub-fund's performance was impacted by equity, bond and property markets delivering negative returns over the year. The most significant detractors were UK government and corporate bonds, with Liontrust Sustainable Future Corporate Bond and Vanguard UK

MA Active Intermediate Income Fund (continued)

Investment review (continued)

Sub-fund performance (continued)

Government Bond weighing the most. North America was the poorest-performing equity region, having provided the biggest boost in 2021. BlackRock Advantage US and AB American Growth were the most significant detractors here. Man GLG Japan CoreAlpha and M&G Japan Smaller Companies were positive highlights among our equity holdings, however. Tritax Big Box delivered the most negative returns for us in property, having supported performance the year before.

Throughout the year, we adjusted the asset allocation of the funds to emphasise asset classes that we believe offer, in combination, the best risk-adjusted returns for the Sub-fund's risk profile. We added Loomis Sayles US Growth, M&G Japan Smaller Companies, Federated Hermes Asia ex Japan, Barings Europe Select, Liontrust European Dynamic and Liontrust UK Equity. We removed Robeco Global Credits, Selection European Equity, BlackRock Asia Special Situations, Selection US Equity Zero, BlackRock Advantage US, Artemis Income, Brown Advisory US Mid-Cap, SPDR® Bloomberg 1-5 Year Gilt, Barings EM Sovereign Debt and Barings Global High Yield Bond.

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

Liontrust Sustainable Future Corporate Bond Fund ⁺
iShares Overseas Government Bond Index Fund (UK)
Liontrust UK Equity Fund ⁺
Loomis Sayles U.S. Equity Leaders Fund
iShares Corporate Bond Index Fund (UK)
AB SICAV I - American Growth Portfolio
BlackRock Emerging Markets Fund
Vontobel Fund - mtx Sustainable Emerging Markets Leaders
iShares UK Gilts All Stocks Index Fund (UK)
Fidelity Asia Pacific Opportunities Fund

Sales

Artemis Income Fund
iShares UK Gilts All Stocks Index Fund (UK)
BlackRock Advantage US Equity Fund
Vanguard UK Government Bond Index Fund
JO Hambro UK Dynamic Fund
Baillie Gifford Japanese Fund
Brown Advisory US Mid Cap Growth Fund
iShares MSCI UK Small Cap UCITS ETF
Barings Global High Yield Bond Fund
BlackRock European Dynamic Fund

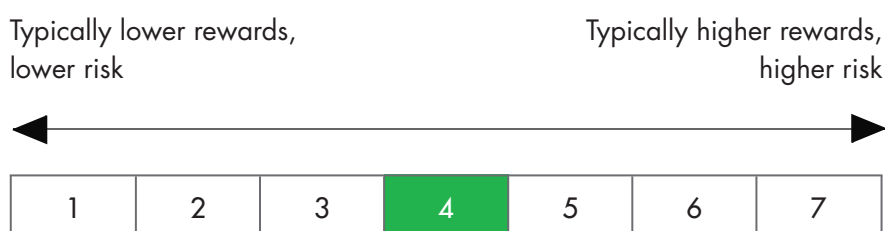
⁺ Managed by Liontrust Fund Partners LLP.

MA Active Intermediate Income Fund (continued)

Investment review (continued)

Risk and Reward profile

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



- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The risk profile used by Liontrust to produce the long term asset allocation differs from the Synthetic Risk and Reward indicator shown elsewhere in this document, so the two rankings may not be the same.
- The Sub-fund is categorised 4 primarily for its exposure to a diversified portfolio of funds invested in equities, fixed income and other asset classes.
- The SRRI may not fully take into account the following risks:
 - that a company may fail thus reducing its value within the Sub-fund;
 - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Sub-fund;
 - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result;
 - the creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- Some of the underlying funds may invest in derivatives, which can, in some circumstances, create wider fluctuations in their prices over time.
- Investments in emerging markets may involve a higher element of risk due to less well-regulated markets and political and economic instability. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- Liquidity Risk: If underlying funds suspend or defer the payment of redemption proceeds, the Sub-fund's ability to meet redemption requests may also be affected.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Index Tracking Risk: The performance of any passive funds used may not exactly track that of their indices.

MA Active Intermediate Income Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

MA Active Intermediate Income Fund (continued)

Comparative Tables

for the year ended 31 December 2022

| A Accumulation Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 190.38 | 178.01 | 166.93 |
| Return before operating charges | (24.24) | 14.73 | 13.20 |
| Operating charges | (2.21) | (2.36) | (2.12) |
| Return after operating charges | (26.45) | 12.37 | 11.08 |
| Distributions | (3.27) | (3.01) | (3.00) |
| Retained distributions on accumulation shares | 3.27 | 3.01 | 3.00 |
| Closing net asset value per share | 163.93 | 190.38 | 178.01 |
| After direct transaction costs of* | 0.00 | (0.03) | (0.01) |
| Performance | | | |
| Return after charges | (13.89%) | 6.95% | 6.64% |
| Other information | | | |
| Closing net asset value (£'000) | 24,124 | 31,613 | 30,185 |
| Closing number of shares | 14,715,928 | 16,604,607 | 16,956,754 |
| Operating charges** | 1.29% | 1.28% | 1.29% |
| Direct transaction costs* | 0.00% | 0.02% | 0.01% |
| Prices | | | |
| Highest share price | 190.78 | 193.02 | 178.50 |
| Lowest share price | 154.61 | 175.16 | 139.10 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Intermediate Income Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| A Income Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 149.66 | 142.23 | 135.86 |
| Return before operating charges | (19.00) | 11.70 | 10.51 |
| Operating charges | (1.73) | (1.88) | (1.71) |
| Return after operating charges | (20.73) | 9.82 | 8.80 |
| Distributions | (2.56) | (2.39) | (2.43) |
| Retained distributions on accumulation shares | — | — | — |
| Closing net asset value per share | 126.37 | 149.66 | 142.23 |
| After direct transaction costs of* | 0.00 | (0.02) | (0.01) |
| Performance | | | |
| Return after charges | (13.85%) | 6.90% | 6.48% |
| Other information | | | |
| Closing net asset value (£'000) | 8,545 | 11,575 | 11,928 |
| Closing number of shares | 6,762,054 | 7,734,519 | 8,386,084 |
| Operating charges** | 1.29% | 1.28% | 1.29% |
| Direct transaction costs* | 0.00% | 0.02% | 0.01% |
| Prices | | | |
| Highest share price | 149.96 | 152.31 | 143.30 |
| Lowest share price | 119.61 | 141.80 | 113.20 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Intermediate Income Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| R Accumulation Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 194.17 | 182.64 | 172.29 |
| Return before operating charges | (24.13) | 15.36 | 13.80 |
| Operating charges | (3.56) | (3.83) | (3.45) |
| Return after operating charges | (27.69) | 11.53 | 10.35 |
| Distributions | (3.42) | (3.05) | (3.09) |
| Retained distributions on accumulation shares | 3.42 | 3.05 | 3.09 |
| Closing net asset value per share | 166.48 | 194.17 | 182.64 |
| After direct transaction costs of* | 0.00 | (0.03) | (0.01) |
| Performance | | | |
| Return after charges | (14.26%) | 6.31% | 6.01% |
| Other information | | | |
| Closing net asset value (£'000) | 31,574 | 42,971 | 41,683 |
| Closing number of shares | 18,965,926 | 22,130,186 | 22,822,595 |
| Operating charges** | 2.04% | 2.03% | 2.04% |
| Direct transaction costs* | 0.00% | 0.02% | 0.01% |
| Prices | | | |
| Highest share price | 194.56 | 196.97 | 183.20 |
| Lowest share price | 157.21 | 179.43 | 143.30 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Intermediate Income Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| R Income Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 149.64 | 143.01 | 137.40 |
| Return before operating charges | (18.53) | 12.00 | 10.79 |
| Operating charges | (2.72) | (2.98) | (2.73) |
| Return after operating charges | (21.25) | 9.02 | 8.06 |
| Distributions | (2.58) | (2.39) | (2.45) |
| Retained distributions on accumulation shares | — | — | — |
| Closing net asset value per share | 125.81 | 149.64 | 143.01 |
| After direct transaction costs of* | 0.00 | (0.02) | (0.01) |
| Performance | | | |
| Return after charges | (14.20%) | 6.31% | 5.86% |
| Other information | | | |
| Closing net asset value (£'000) | 331 | 625 | 871 |
| Closing number of shares | 263,087 | 417,812 | 609,022 |
| Operating charges** | 2.04% | 2.03% | 2.04% |
| Direct transaction costs* | 0.00% | 0.02% | 0.01% |
| Prices | | | |
| Highest share price | 149.61 | 152.26 | 144.10 |
| Lowest share price | 119.24 | 142.60 | 114.30 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Intermediate Income Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| S Accumulation Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 165.62 | 154.62 | 144.76 |
| Return before operating charges | (21.15) | 12.73 | 11.41 |
| Operating charges | (1.63) | (1.73) | (1.55) |
| Return after operating charges | (22.78) | 11.00 | 9.86 |
| Distributions | (2.79) | (2.55) | (2.56) |
| Retained distributions on accumulation shares | 2.79 | 2.55 | 2.56 |
| Closing net asset value per share | 142.84 | 165.62 | 154.62 |
| After direct transaction costs of* | 0.00 | (0.03) | (0.01) |
| Performance | | | |
| Return after charges | (13.75%) | 7.11% | 6.81% |
| Other information | | | |
| Closing net asset value (£'000) | 133,817 | 171,169 | 168,265 |
| Closing number of shares | 93,684,022 | 103,350,562 | 108,827,991 |
| Operating charges** | 1.09% | 1.08% | 1.09% |
| Direct transaction costs* | 0.00% | 0.02% | 0.01% |
| Prices | | | |
| Highest share price | 165.97 | 167.89 | 155.10 |
| Lowest share price | 134.67 | 152.19 | 120.70 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Intermediate Income Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| S Income | 31 December 2022 | 31 December 2021 | 31 December 2020 |
|---|-------------------------|-------------------------|-------------------------|
| Accounting year ended | per share (p) | per share (p) | per share (p) |
| Change in net assets per share | | | |
| Opening net asset value per share | 136.05 | 129.05 | 123.03 |
| Return before operating charges | (17.32) | 10.56 | 9.49 |
| Operating charges | (1.33) | (1.44) | (1.31) |
| Return after operating charges | (18.65) | 9.12 | 8.18 |
| Distributions | (2.28) | (2.12) | (2.16) |
| Retained distributions on accumulation shares | — | — | — |
| Closing net asset value per share | 115.12 | 136.05 | 129.05 |
| After direct transaction costs of* | 0.00 | (0.02) | (0.01) |
| Performance | | | |
| Return after charges | (13.71%) | 7.07% | 6.65% |
| Other information | | | |
| Closing net asset value (£'000) | 23,658 | 30,913 | 28,208 |
| Closing number of shares | 20,550,699 | 22,721,728 | 21,858,327 |
| Operating charges** | 1.09% | 1.08% | 1.09% |
| Direct transaction costs* | 0.00% | 0.02% | 0.01% |
| Prices | | | |
| Highest share price | 136.34 | 138.45 | 130.00 |
| Lowest share price | 108.90 | 127.03 | 102.60 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Intermediate Income Fund (continued)

Portfolio Statement

as at 31 December 2022

| Holding/Nominal Value | Stock description | Market value (£'000) | Percentage of total net assets (%) |
|-----------------------|--|----------------------|------------------------------------|
| | COLLECTIVE INVESTMENT SCHEMES (98.37%) | 222,462 | 100.19 |
| | ASIA PACIFIC EXCLUDING JAPAN EQUITIES (3.44%) | 7,700 | 3.46 |
| 652,673 | Federated Hermes Asia Ex-Japan Equity Fund | 2,004 | 0.90 |
| 2,041,420 | Fidelity Asia Pacific Opportunities Fund | 5,696 | 2.56 |
| | EMERGING MARKETS EQUITIES (2.21%) | 13,573 | 6.12 |
| 1,370,588 | BlackRock Emerging Markets Fund | 7,346 | 3.31 |
| 7,937 | FTF Martin Currie Emerging Markets Fund | 10 | 0.01 |
| 88,934 | Vontobel Fund - mtX Sustainable Emerging Markets Leaders | 6,217 | 2.80 |
| | EUROPE EXCLUDING UK EQUITIES (5.02%) | 7,605 | 3.42 |
| 35,007 | Barings Europe Select Trust | 1,513 | 0.68 |
| 2,625,887 | BlackRock European Dynamic Fund | 6,092 | 2.74 |
| | EUROPE INCLUDING UK EQUITIES (1.05%) | 2,083 | 0.94 |
| 668,834 | Liontrust European Dynamic Fund+ | 2,083 | 0.94 |
| | GLOBAL BONDS (5.33%) | 27,110 | 12.21 |
| 21,546,776 | iShares Overseas Government Bond Index Fund (UK) | 27,110 | 12.21 |
| | GLOBAL EMERGING DEBT (1.53%) | 0 | 0.00 |
| | HIGH YIELD BONDS (1.78%) | 0 | 0.00 |
| | JAPAN EQUITIES (8.92%) | 17,367 | 7.82 |
| 614,546 | Baillie Gifford Japanese Fund | 10,951 | 4.93 |
| 1,551,326 | M&G Japan Smaller Companies Fund | 1,701 | 0.77 |
| 2,177,754 | Man GLG Japan Core Alpha Fund | 4,715 | 2.12 |
| | MONEY MARKET INSTRUMENTS (0.00%) | 3,561 | 1.60 |
| 1,780,613 | HSBC Sterling Liquidity Fund | 1,781 | 0.80 |
| 1,780,613 | JP Morgan Liquidity Fund | 1,780 | 0.80 |
| | NORTH AMERICA EQUITIES (14.13%) | 29,246 | 13.17 |
| 75,612 | AB SICAV I - American Growth Portfolio | 11,090 | 4.99 |
| 44,637 | iShares S&P Small Cap 600 UCITS ETF† | 2,854 | 1.29 |
| 59,325 | Loomis Sayles U.S. Equity Leaders Fund | 9,555 | 4.30 |
| 6,924 | Ossiam Shiller Barclays Cape US Sector Value UCITS ETF†, ^ | 5,747 | 2.59 |

MA Active Intermediate Income Fund (continued)

Portfolio Statement (continued)

as at 31 December 2022

| Holding/Nominal Value | Stock description | Market value (£'000) | Percentage of total net assets (%) |
|--|---|----------------------|------------------------------------|
| COLLECTIVE INVESTMENT SCHEMES (continued) | | | |
| | PROPERTY (3.84%) | 6,748 | 3.04 |
| 3,859,058 | Assura REIT | 2,103 | 0.95 |
| 1,050,096 | Civitas Social Housing REIT | 663 | 0.30 |
| 1,888,232 | Primary Health Properties REIT | 2,092 | 0.94 |
| 1,363,821 | Tritax Big Box REIT | 1,890 | 0.85 |
| | UK CORPORATE BONDS (9.13%) | 37,470 | 16.88 |
| 5,154,457 | iShares Corporate Bond Index Fund (UK) | 7,407 | 3.34 |
| 33,816,629 | Liontrust Sustainable Future Corporate Bond Fund+ | 30,063 | 13.54 |
| | UK EQUITIES (24.64%) | 43,878 | 19.76 |
| 11,158 | iShares MSCI UK Small Cap UCITS ETF† | 2,203 | 0.99 |
| 5,155,741 | JO Hambro UK Dynamic Fund | 8,605 | 3.88 |
| 2,139,576 | LF Lindsell Train UK Equity Fund | 10,580 | 4.76 |
| 6,384,728 | Liontrust UK Equity Fund+ | 11,806 | 5.32 |
| 2,805,247 | TB Evenlode Continuing Income Fund | 10,684 | 4.81 |
| | UK GILTS (16.91%) | 25,076 | 11.30 |
| 8,956,218 | iShares UK Gilts All Stocks Index Fund (UK) | 12,539 | 5.65 |
| 125,114 | Vanguard UK Government Bond Index Fund | 12,364 | 5.57 |
| 1,588 | Vanguard UK Long Duration Gilt Index Fund^ | 173 | 0.08 |
| | UK PROPERTY (0.44%) | 1,045 | 0.47 |
| 1,034,210 | Supermarket Income REIT | 1,045 | 0.47 |
| | Portfolio of investments | 222,462 | 100.19 |
| | Net other liabilities | (413) | (0.19) |
| | Total net assets | 222,049 | 100.00 |

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

Comparative figures shown in brackets relate to 31 December 2021.

MA Active Intermediate Income Fund (continued)

Portfolio Statement (continued)

as at 31 December 2022

Stocks shown as REITs represent Real Estate Investment Trust.

^ Income units or shares held.

+ Managed by Liontrust Fund Partners LLP.

† Exchange Traded Fund.

MA Active Intermediate Income Fund (continued)

Statement of Total Return

for the year ended 31 December 2022

| | Notes | (£'000) | 1.1.2022 to 31.12.2022 (£'000) | (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---|-------|---------|--------------------------------------|---------|--------------------------------------|
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (41,885) | | 16,981 |
| Revenue | 3 | 4,924 | | 4,726 | |
| Expenses | 4 | (1,994) | | (2,320) | |
| Interest payable and similar charges | 6 | (1) | | (20) | |
| Net revenue before taxation | | 2,929 | | 2,386 | |
| Taxation | 5 | (117) | | 22 | |
| Net revenue after taxation | | | 2,812 | | 2,408 |
| Total return before distributions | | | (39,073) | | 19,389 |
| Distributions | 7 | | (4,732) | | (4,622) |
| Change in net assets attributable to shareholders from investment activities | | | (43,805) | | 14,767 |

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 | | 288,866 | | 281,140 |
| Amounts received on issue of shares | 10,196 | | 22,783 | |
| Amounts paid on cancellation of shares | (37,178) | | (33,726) | |
| | | (26,982) | | (10,943) |
| Change in net assets attributable to shareholders from investment activities | | (43,805) | | 14,767 |
| Retained distributions on accumulation shares | | 3,970 | | 3,902 |
| Closing net assets attributable to shareholders | | 222,049 | | 288,866 |

MA Active Intermediate Income Fund (continued)

Balance Sheet

as at 31 December 2022

| | Notes | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | 222,462 | 284,168 |
| Current assets: | | | |
| Debtors | 8 | 212 | 4,234 |
| Cash and bank balances | 9 | 368 | 5,297 |
| Total assets | | 223,042 | 293,699 |
| Liabilities | | | |
| Creditors: | | | |
| Distribution payable | | (113) | (163) |
| Other creditors | 10 | (880) | (4,670) |
| Total liabilities | | (993) | (4,833) |
| Net assets attributable to shareholders | | 222,049 | 288,866 |

MA Active Intermediate Income Fund (continued)

Notes to the financial statements

for the year ended 31 December 2022

1 Accounting policies

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

2 Net capital (losses)/gains

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| The net capital (losses)/gains comprise: | | |
| Non-derivative securities | (41,853) | 16,991 |
| Foreign currency losses | (48) | (39) |
| Transaction costs | 1 | – |
| ACD's charge rebates | 15 | 29 |
| Net capital (losses)/gains | (41,885) | 16,981 |

3 Revenue

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| Bank interest | 7 | – |
| Equity distributions on CIS holdings | 1,667 | 1,996 |
| Interest distributions on CIS holdings | 1,507 | 956 |
| Management fee rebates on CIS | 270 | 461 |
| Non-taxable overseas dividends | 358 | 246 |
| Taxable overseas dividends | 659 | 614 |
| UK dividends | 130 | 98 |
| UK REIT dividends | 326 | 355 |
| Total revenue | 4,924 | 4,726 |

MA Active Intermediate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

4 Expenses

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---|--------------------------------------|--------------------------------------|
| Payable to the ACD or associates of the ACD: | | |
| ACD's charge | 1,796 | 2,083 |
| General administration charges*, ** | 195 | 138 |
| | 1,991 | 2,221 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary fee | 3 | 11 |
| Safe custody fee | — | 10 |
| | 3 | 21 |
| Other expenses: | | |
| Audit fee*** | — | 8 |
| Professional service fees | — | 1 |
| Publication costs | — | (1) |
| Registration fee | — | 70 |
| | — | 78 |
| Total expenses | 1,994 | 2,320 |

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

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

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

MA Active Intermediate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

5 Taxation

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| a) Analysis of charge in year | | |
| Corporation tax | 95 | – |
| Deferred tax charge/(credit) [see note(c)] | 22 | (22) |
| Total tax charge/(credit) [see note(b)] | 117 | (22) |

b) Factors affecting tax charge for the year

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

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| Net revenue before taxation | 2,929 | 2,386 |
| Corporation tax at 20% (2021 - 20%) | 586 | 477 |
| Effects of: | | |
| Capitalised income subject to tax | 3 | 6 |
| Movement in unrecognised tax losses | 22 | (44) |
| Prior year adjustment to unrecognised tax losses | (63) | 7 |
| Revenue not subject to tax | (431) | (468) |
| Total tax charge/(credit) [see note(a)] | 117 | (22) |

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

c) Deferred tax

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---|--------------------------------------|--------------------------------------|
| Opening deferred tax asset | (22) | – |
| Deferred tax charge/(credit) for the year (see note 5a) | 22 | (22) |
| Closing deferred tax asset | – | (22) |

MA Active Intermediate Income 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 | 1 | 20 |
| Total interest payable and similar charges | 1 | 20 |

7 Distributions

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| First Interim | 1,496 | 1,027 |
| Second Interim | 1,354 | 1,514 |
| Third Interim | 1,044 | 1,032 |
| Final | 770 | 1,020 |
| | 4,664 | 4,593 |
| Amounts deducted on cancellation of shares | 97 | 78 |
| Amounts received on issue of shares | (29) | (49) |
| Distributions | 4,732 | 4,622 |

The distributable amount has been calculated as follows:

| | | |
|---|--------------|--------------|
| Net revenue after taxation | 2,812 | 2,408 |
| Less: Tax relief on capitalised expenses | (96) | (84) |
| Add/(Less): Deferred tax | 22 | (22) |
| Add: ACD's charge reimbursed by capital | 1,796 | 2,083 |
| Add: Other expenses reimbursed by capital | 198 | 237 |
| Distributions | 4,732 | 4,622 |

The distribution per share is set out in the tables on pages 98 to 100.

MA Active Intermediate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

8 Debtors

| | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|--|-----------------------|-----------------------|
| Accrued management fee rebates on CIS | 60 | 295 |
| Accrued revenue | 30 | 28 |
| Amounts receivable for issue of shares | 38 | 37 |
| Currency sales awaiting settlement | – | 3,785 |
| Deferred tax | – | 22 |
| Income tax recoverable | 84 | 67 |
| Total debtors | 212 | 4,234 |

9 Cash and bank balances

| | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|-------------------------------------|-----------------------|-----------------------|
| Cash and bank balances | 368 | 5,297 |
| Total cash and bank balances | 368 | 5,297 |

10 Creditors

| | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|--|-----------------------|-----------------------|
| Accrued expenses | 17 | 26 |
| Accrued ACD's charge | 138 | 178 |
| Amounts payable for cancellation of shares | 631 | 675 |
| Corporation tax | 94 | 1 |
| Currency purchases awaiting settlement | – | 3,790 |
| Total other creditors | 880 | 4,670 |

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.

MA Active Intermediate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

12 Related party transactions (continued)

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £149,000 (2021: £198,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £1,990,000 (2021: £2,221,000).

13 Risk management policies

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

- units and shares in regulated collective investment schemes, securities and other investments;
- derivative transactions for efficient portfolio management purposes in accordance with the Sub-fund's investment policies.

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

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

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

Market price risk

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

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

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

The Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the prospectus. The Sub-fund seeks to minimise all of the above mentioned risks by holding diversified portfolios of investments.

MA Active Intermediate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Market price risk (continued)

The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when the Sub-fund performance changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year.

A 5% increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £11,123,000 (2021: £14,208,000). A 5% decrease would have an equal and opposite effect.

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

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

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

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

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

Currency risk

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

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

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

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

The Sub-fund invests predominantly in sterling denominated Collective Investment Schemes (CIS) that in turn invest in a range of instruments, some of which may be overseas and subject to foreign currency risk. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of currency exchange rates. Therefore, no exchange rate sensitivity analysis has been prepared for these.

MA Active Intermediate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 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.

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

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

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

Liquidity risk

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

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

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

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

Counterparty credit risk

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

The Sub-fund may enter into transactions in financial instruments (directly, or through purchasing the units of collective investment schemes, including derivatives) which exposes it to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

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

MA Active Intermediate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Counterparty credit risk (continued)

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

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

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

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

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

Maturity profile of financial liabilities

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

Fair value of financial assets and liabilities

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

Valuation of financial investments

| | Assets (£'000) | Liabilities (£'000) |
|---------------------------------|-------------------|------------------------|
| 31.12.2022 | | |
| Level 1: Quoted prices | 18,597 | — |
| Level 2: Observable market data | 203,865 | — |
| | 222,462 | — |
| 31.12.2021 | | |
| Level 1: Quoted prices | 37,337 | — |
| Level 2: Observable market data | 246,831 | — |
| | 284,168 | — |

MA Active Intermediate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Valuation of financial investments (continued)

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

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

Level 3: Valuation techniques using unobservable inputs.

14 Share movement

For the year ending 31 December 2022

| | Opening shares | Shares issued | Shares redeemed | Shares converted | Closing shares |
|----------------|-------------------|------------------|--------------------|---------------------|-------------------|
| A Accumulation | 16,604,607 | 997,875 | (2,829,466) | (57,088) | 14,715,928 |
| A Income | 7,734,519 | 420,324 | (1,322,448) | (70,341) | 6,762,054 |
| R Accumulation | 22,130,186 | 677,920 | (3,829,419) | (12,761) | 18,965,926 |
| R Income | 417,812 | 999 | (96,959) | (58,765) | 263,087 |
| S Accumulation | 103,350,562 | 3,576,089 | (13,323,075) | 80,446 | 93,684,022 |
| S Income | 22,721,728 | 1,009,884 | (3,322,528) | 141,615 | 20,550,699 |

MA Active Intermediate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

15 Portfolio transaction costs

for the year ending 31 December 2022

| | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
|---|---------------------------------|------------------------|------|------------------|---|
| Purchases (excluding derivatives) | | | | | |
| Collective investment schemes | 106,437 | – | – | – | – |
| Total purchases | 106,437 | – | | – | |
| Total purchases including transaction costs | 106,437 | | | | |
| | | | | | |
| | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
| Sales (excluding derivatives) | | | | | |
| Equity instruments (direct) | 1,102 | 1 | 0.09 | – | – |
| Collective investment schemes | 131,641 | 4 | – | – | – |
| Total sales | 132,743 | 5 | | – | |
| Total sales net of transaction costs | 132,738 | | | | |
| | | | | | |
| Total transaction costs | | 5 | | – | |
| | | | | | |
| Total transaction costs as a % of average net assets | | - | | – | |

MA Active Intermediate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

| Purchases (excluding derivatives) | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
|---|---------------------------|---------------------|------|---------------|------|
| Equity instruments (direct) | 8,089 | 3 | 0.04 | 38 | 0.47 |
| Collective investment schemes | 36,150 | 1 | - | - | - |
| Total purchases | 44,239 | 4 | | 38 | |
| Total purchases including transaction costs | 44,281 | | | | |
| Sales (excluding derivatives) | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
| Equity instruments (direct) | 1,021 | 1 | 0.10 | - | - |
| Collective investment schemes | 60,029 | 1 | - | - | - |
| Total sales | 61,050 | 2 | | - | |
| Total sales net of transaction costs | 61,048 | | | | |
| Total transaction costs | | 6 | | 38 | |
| 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.

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.03% (2021: 0.07%).

MA Active Intermediate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

16 Post balance sheet events

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

Since the year-end, the NAV per share of the S Accumulation share class has increased by 4.51% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

MA Active Intermediate Income Fund (continued)

Distribution Tables

for the year ended 31 December 2022

Final distribution

Group 1 - Shares purchased prior to 1 October 2022

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

| | Net Revenue Pence per share | Equalisation* Pence per share | Distribution paid 28.2.2023 Pence per share | Distribution paid 28.2.2022 Pence per share |
|--------------------------|-----------------------------------|-------------------------------------|--|--|
| A Accumulation - Group 1 | 0.5776 | — | 0.5776 | 0.7346 |
| A Accumulation - Group 2 | 0.3505 | 0.2271 | 0.5776 | 0.7346 |
| A Income - Group 1 | 0.4468 | — | 0.4468 | 0.5705 |
| A Income - Group 2 | 0.1860 | 0.2608 | 0.4468 | 0.5705 |
| R Accumulation - Group 1 | 0.6065 | — | 0.6065 | 0.3703 |
| R Accumulation - Group 2 | 0.1342 | 0.4723 | 0.6065 | 0.3703 |
| R Income - Group 1 | 0.4607 | — | 0.4607 | 0.2011 |
| R Income - Group 2 | 0.0138 | 0.4469 | 0.4607 | 0.2011 |
| S Accumulation - Group 1 | 0.4889 | — | 0.4889 | 0.6311 |
| S Accumulation - Group 2 | 0.3159 | 0.1730 | 0.4889 | 0.6311 |
| S Income - Group 1 | 0.3954 | — | 0.3954 | 0.5204 |
| S Income - Group 2 | 0.1950 | 0.2004 | 0.3954 | 0.5204 |

Third interim distribution

Group 1 - Shares purchased prior to 1 July 2022

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

| | Net Revenue Pence per share | Equalisation* Pence per share | Distribution paid 30.11.2022 Pence per share | Distribution paid 30.11.2021 Pence per share |
|--------------------------|-----------------------------------|-------------------------------------|---|---|
| A Accumulation - Group 1 | 0.7762 | — | 0.7762 | 0.6520 |
| A Accumulation - Group 2 | 0.4235 | 0.3527 | 0.7762 | 0.6520 |
| A Income - Group 1 | 0.6052 | — | 0.6052 | 0.5179 |
| A Income - Group 2 | 0.0899 | 0.5153 | 0.6052 | 0.5179 |
| R Accumulation - Group 1 | 0.6078 | — | 0.6078 | 0.9562 |
| R Accumulation - Group 2 | 0.2761 | 0.3317 | 0.6078 | 0.9562 |
| R Income - Group 1 | 0.4033 | — | 0.4033 | 0.8423 |
| R Income - Group 2 | — | 0.4033 | 0.4033 | 0.8423 |
| S Accumulation - Group 1 | 0.6609 | — | 0.6609 | 0.5244 |
| S Accumulation - Group 2 | 0.1739 | 0.4870 | 0.6609 | 0.5244 |
| S Income - Group 1 | 0.5379 | — | 0.5379 | 0.4338 |
| S Income - Group 2 | 0.1869 | 0.3510 | 0.5379 | 0.4338 |

MA Active Intermediate Income Fund (continued)

Distribution Tables (continued)

for the year ended 31 December 2022

Second interim distribution

Group 1 - Shares purchased prior to 1 April 2022

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

| | Net Revenue Pence per share | Equalisation* Pence per share | Distribution paid 31.8.2022 Pence per share | Distribution paid 31.8.2021 Pence per share |
|--------------------------|-----------------------------------|-------------------------------------|--|--|
| A Accumulation - Group 1 | 0.9303 | — | 0.9303 | 0.9694 |
| A Accumulation - Group 2 | 0.5407 | 0.3896 | 0.9303 | 0.9694 |
| A Income - Group 1 | 0.7267 | — | 0.7267 | 0.7715 |
| A Income - Group 2 | 0.4671 | 0.2596 | 0.7267 | 0.7715 |
| R Accumulation - Group 1 | 1.0378 | — | 1.0378 | 0.9661 |
| R Accumulation - Group 2 | 0.7939 | 0.2439 | 1.0378 | 0.9661 |
| R Income - Group 1 | 0.8003 | — | 0.8003 | 0.7362 |
| R Income - Group 2 | 0.4927 | 0.3076 | 0.8003 | 0.7362 |
| S Accumulation - Group 1 | 0.7943 | — | 0.7943 | 0.8448 |
| S Accumulation - Group 2 | 0.5320 | 0.2623 | 0.7943 | 0.8448 |
| S Income - Group 1 | 0.6490 | — | 0.6490 | 0.7023 |
| S Income - Group 2 | 0.4079 | 0.2411 | 0.6490 | 0.7023 |

MA Active Intermediate Income Fund (continued)

Distribution Tables (continued)

for the year ended 31 December 2022

First interim distribution

Group 1 - Shares purchased prior to 1 January 2022

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

| | Net Revenue Pence per share | Equalisation* Pence per share | Distribution paid 31.5.2022 Pence per share | Distribution paid 31.5.2021 Pence per share |
|--------------------------|-----------------------------------|-------------------------------------|--|--|
| A Accumulation - Group 1 | 0.9907 | — | 0.9907 | 0.6563 |
| A Accumulation - Group 2 | 0.2326 | 0.7581 | 0.9907 | 0.6563 |
| A Income - Group 1 | 0.7839 | — | 0.7839 | 0.5255 |
| A Income - Group 2 | 0.3988 | 0.3851 | 0.7839 | 0.5255 |
| R Accumulation - Group 1 | 1.1691 | — | 1.1691 | 0.7527 |
| R Accumulation - Group 2 | 0.5084 | 0.6607 | 1.1691 | 0.7527 |
| R Income - Group 1 | 0.9111 | — | 0.9111 | 0.6150 |
| R Income - Group 2 | 0.1546 | 0.7565 | 0.9111 | 0.6150 |
| S Accumulation - Group 1 | 0.8442 | — | 0.8442 | 0.5521 |
| S Accumulation - Group 2 | 0.3031 | 0.5411 | 0.8442 | 0.5521 |
| S Income - Group 1 | 0.6936 | — | 0.6936 | 0.4656 |
| S Income - Group 2 | 0.1891 | 0.5045 | 0.6936 | 0.4656 |

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

MA Active Moderate Income Fund

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

Investment Objective

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

Investment Policy

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

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

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

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

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

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

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

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

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

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

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

MA Active Moderate Income Fund (continued)

Investment review

Sub-fund review

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

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

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

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

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

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

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

Performance

In the twelve months to 31 December 2022, the Liontrust MA Active Moderate Income Fund (S Income) returned -18.1%*.

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

Sub-fund performance

Fixed income comprises most of the Sub-fund's assets, while there are smaller allocations to equities, property and cash.

To satisfy the Sub-fund's risk profile, we maintained a relatively high allocation to fixed income, which hindered performance overall because the asset class had a particularly poor year by historic standards. But negative performances by equity and property markets over the year also impacted performance.

MA Active Moderate Income Fund (continued)

Investment review (continued)

Sub-fund performance (continued)

Exposure to UK government bonds detracted the most from overall performance, with Vanguard UK Government Bond Index Fund and iShares UK Gilts All Stocks Index Fund being notably poor performers. But global government and UK corporate bonds also weighed heavily. Equities also had a poor year, with North America the region that dragged the most on performance. Japanese and emerging market equities were the best relative performers, with Man GLG Japan Core Alpha Fund and M&G Japan Smaller Companies Fund delivering positive performances. In UK property, Tritax Big Box REIT led the detractors.

Throughout the year we adjusted the asset allocation of the funds to emphasise asset classes that we believe offer, in combination, the best risk-adjusted returns for the Sub-fund's risk profile. Funds that we added included Ossiam Shiller Barclay Cape US Sector Value UCITS ETF, Loomis Sayles U.S. Equity Leaders Fund, Man GLG Japan Core Alpha Fund, M&G Japan Smaller Companies Fund, Federated Hermes Asia ex Japan Equity, Barings Europe Select, Liontrust European Dynamic Fund and Liontrust UK Equity Fund. Funds that we removed included Barings Emerging Market Sovereign Debt Fund, NN I Global Convertible Opportunities, Robeco Global Credits, BlackRock Advantage US Equity, Brown Advisory US Mid-Cap, SPDR Bloomberg Barclays 1-5 Year Gilt UCITS ETF, BlackRock Asia Special Situations, Artemis Income and Vanguard UK Long Duration Gilt.

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

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

Material portfolio changes by value

Purchases

Liontrust Sustainable Future Corporate Bond Fund +
Liontrust UK Equity Fund +
iShares UK Gilts All Stocks Index Fund (UK)
iShares Corporate Bond Index Fund (UK)
AB SICAV I - American Growth Portfolio
Loomis Sayles U.S. Equity Leaders Fund
BlackRock Emerging Markets Fund
Ossiam Shiller Barclays Cape US Sector Value UCITS ETF
BlackRock Advantage US Equity Fund
LF Lindsell Train UK Equity Fund

Sales

Liontrust Sustainable Future Corporate Bond Fund +
iShares UK Gilts All Stocks Index Fund (UK)
Barings Emerging Markets Sovereign Debt Fund
Barings Global High Yield Bond Fund
NN I Global Convertible Opportunities
BlackRock Advantage US Equity Fund
Baillie Gifford Japanese Fund
SPDR Bloomberg Barclays 1-5 Year Gilt UCITS ETF
iShares Overseas Government Bond Index Fund (UK)
Vanguard UK Government Bond Index Fund

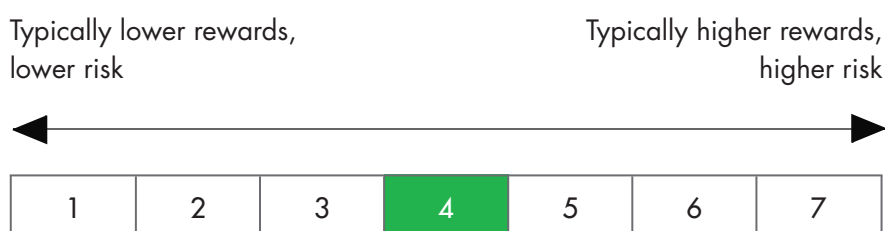
+ Managed by Liontrust Fund Partners LLP.

MA Active Moderate Income Fund (continued)

Investment review (continued)

Risk and Reward profile

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



- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The risk profile used by Liontrust to produce the long term asset allocation differs from the Synthetic Risk and Reward indicator shown elsewhere in this document, so the two rankings may not be the same.
- The Sub-fund is categorised 4 primarily because of its exposure to a diversified portfolio of funds invested in mainly fixed income with some equities and other asset classes.
- The SRRI may not fully take into account the following risks:
 - that a company may fail thus reducing its value within the Sub-fund;
 - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Sub-fund;
 - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result;
 - the creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- Some of the underlying funds may invest in derivatives, which can, in some circumstances, create wider fluctuations in their prices over time.
- Investments in emerging markets may involve a higher element of risk due to less well-regulated markets and political and economic instability. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- Liquidity Risk: If underlying funds suspend or defer the payment of redemption proceeds, the Sub-fund's ability to meet redemption requests may also be affected.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Index Tracking Risk: The performance of any passive funds used may not exactly track that of their indices.

MA Active Moderate Income Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

MA Active Moderate Income Fund (continued)

Comparative Tables

for the year ended 31 December 2022

| A Accumulation Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 155.68 | 153.58 | 144.24 |
| Return before operating charges | (26.32) | 3.95 | 11.14 |
| Operating charges | (1.59) | (1.85) | (1.80) |
| Return after operating charges | (27.91) | 2.10 | 9.34 |
| Distributions | (3.42) | (2.45) | (2.89) |
| Retained distributions on accumulation shares | 3.42 | 2.45 | 2.89 |
| Closing net asset value per share | 127.77 | 155.68 | 153.58 |
| After direct transaction costs of* | (0.01) | (0.03) | (0.01) |
| Performance | | | |
| Return after charges | (17.93%) | 1.37% | 6.48% |
| Other information | | | |
| Closing net asset value (£'000) | 4,578 | 7,329 | 8,137 |
| Closing number of shares | 3,582,772 | 4,707,571 | 5,298,317 |
| Operating charges** | 1.16% | 1.20% | 1.24% |
| Direct transaction costs* | 0.01% | 0.01% | 0.01% |
| Prices | | | |
| Highest share price | 155.79 | 158.61 | 153.80 |
| Lowest share price | 120.06 | 148.78 | 126.70 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Moderate Income Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| A Income Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 125.00 | 125.30 | 120.06 |
| Return before operating charges | (21.04) | 3.19 | 9.12 |
| Operating charges | (1.26) | (1.50) | (1.49) |
| Return after operating charges | (22.30) | 1.69 | 7.63 |
| Distributions | (2.73) | (1.99) | (2.39) |
| Retained distributions on accumulation shares | — | — | — |
| Closing net asset value per share | 99.97 | 125.00 | 125.30 |
| After direct transaction costs of* | (0.01) | (0.02) | (0.01) |
| Performance | | | |
| Return after charges | (17.84%) | 1.35% | 6.35% |
| Other information | | | |
| Closing net asset value (£'000) | 1,768 | 2,295 | 1,882 |
| Closing number of shares | 1,768,750 | 1,836,282 | 1,502,094 |
| Operating charges** | 1.16% | 1.20% | 1.24% |
| Direct transaction costs* | 0.01% | 0.01% | 0.01% |
| Prices | | | |
| Highest share price | 125.08 | 128.13 | 125.90 |
| Lowest share price | 94.24 | 121.39 | 105.50 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Moderate Income Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| R Accumulation Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 182.83 | 181.71 | 171.97 |
| Return before operating charges | (30.83) | 4.66 | 13.15 |
| Operating charges | (3.07) | (3.54) | (3.41) |
| Return after operating charges | (33.90) | 1.12 | 9.74 |
| Distributions | (4.01) | (2.90) | (3.42) |
| Retained distributions on accumulation shares | 4.01 | 2.90 | 3.42 |
| Closing net asset value per share | 148.93 | 182.83 | 181.71 |
| After direct transaction costs of* | (0.01) | (0.03) | (0.01) |
| Performance | | | |
| Return after charges | (18.54%) | 0.62% | 5.66% |
| Other information | | | |
| Closing net asset value (£'000) | 5,253 | 8,449 | 8,849 |
| Closing number of shares | 3,527,261 | 4,621,382 | 4,869,559 |
| Operating charges** | 1.91% | 1.95% | 1.99% |
| Direct transaction costs* | 0.01% | 0.01% | 0.01% |
| Prices | | | |
| Highest share price | 182.94 | 186.35 | 181.90 |
| Lowest share price | 140.17 | 175.80 | 150.80 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Moderate Income Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| R Income Accounting year ended | 31 December 2022+ per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|---------------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 108.32 | 109.43 | 105.64 |
| Return before operating charges | (12.31) | 2.75 | 7.96 |
| Operating charges | (0.64) | (2.13) | (2.08) |
| Return after operating charges | (12.95) | 0.62 | 5.88 |
| Distributions | (0.34) | (1.73) | (2.09) |
| Retained distributions on accumulation shares | — | — | — |
| Closing net asset value per share | 95.03 | 108.32 | 109.43 |
| After direct transaction costs of* | 0.00 | (0.02) | (0.01) |
| Performance | | | |
| Return after charges | (11.96%) | 0.57% | 5.57% |
| Other information | | | |
| Closing net asset value (£'000) | — | 45 | 684 |
| Closing number of shares | — | 41,463 | 625,121 |
| Operating charges** | 1.94% | 1.96% | 1.99% |
| Direct transaction costs* | 0.01% | 0.01% | 0.01% |
| Prices | | | |
| Highest share price | 108.38 | 111.30 | 110.00 |
| Lowest share price | 95.03 | 105.86 | 92.66 |

+ Closed on 10 June 2022.

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Moderate Income Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| S Accumulation Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 143.42 | 141.20 | 132.36 |
| Return before operating charges | (24.26) | 3.64 | 10.22 |
| Operating charges | (1.21) | (1.42) | (1.38) |
| Return after operating charges | (25.47) | 2.22 | 8.84 |
| Distributions | (3.16) | (2.27) | (2.65) |
| Retained distributions on accumulation shares | 3.16 | 2.27 | 2.65 |
| Closing net asset value per share | 117.95 | 143.42 | 141.20 |
| After direct transaction costs of* | (0.01) | (0.03) | (0.01) |
| Performance | | | |
| Return after charges | (17.76%) | 1.57% | 6.68% |
| Other information | | | |
| Closing net asset value (£'000) | 23,329 | 65,459 | 79,337 |
| Closing number of shares | 19,779,737 | 45,639,780 | 56,186,737 |
| Operating charges** | 0.96% | 1.00% | 1.04% |
| Direct transaction costs* | 0.01% | 0.01% | 0.01% |
| Prices | | | |
| Highest share price | 143.53 | 146.11 | 141.40 |
| Lowest share price | 110.78 | 136.85 | 116.30 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Moderate Income Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| S Income | 31 December 2022 | 31 December 2021 | 31 December 2020 |
|---|-------------------------|-------------------------|-------------------------|
| Accounting year ended | per share (p) | per share (p) | per share (p) |
| Change in net assets per share | | | |
| Opening net asset value per share | 119.72 | 119.77 | 114.53 |
| Return before operating charges | (20.16) | 3.05 | 8.71 |
| Operating charges | (1.00) | (1.20) | (1.19) |
| Return after operating charges | (21.16) | 1.85 | 7.52 |
| Distributions | (2.62) | (1.90) | (2.28) |
| Retained distributions on accumulation shares | — | — | — |
| Closing net asset value per share | 95.94 | 119.72 | 119.77 |
| After direct transaction costs of* | (0.01) | (0.02) | (0.01) |
| Performance | | | |
| Return after charges | (17.67%) | 1.55% | 6.57% |
| Other information | | | |
| Closing net asset value (£'000) | 3,028 | 5,217 | 5,903 |
| Closing number of shares | 3,155,607 | 4,358,011 | 4,928,775 |
| Operating charges** | 0.96% | 1.00% | 1.04% |
| Direct transaction costs* | 0.01% | 0.01% | 0.01% |
| Prices | | | |
| Highest share price | 119.80 | 122.63 | 120.40 |
| Lowest share price | 90.40 | 116.07 | 100.70 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Moderate Income Fund (continued)

Portfolio Statement

as at 31 December 2022

| Holding/Nominal Value | Stock description | Market value (£'000) | Percentage of total net assets (%) |
|-----------------------|--|----------------------|------------------------------------|
| | COLLECTIVE INVESTMENT SCHEMES (98.02%) | 38,018 | 100.16 |
| | ASIA PACIFIC EXCLUDING JAPAN EQUITIES (2.19%) | 1,024 | 2.70 |
| 76,801 | Federated Hermes Asia Ex-Japan Equity Fund | 236 | 0.62 |
| 282,642 | Fidelity Asia Pacific Opportunities Fund | 788 | 2.08 |
| | EMERGING MARKETS EQUITIES (1.71%) | 1,617 | 4.26 |
| 154,971 | BlackRock Emerging Markets Fund | 831 | 2.19 |
| 7,937 | FTF Martin Currie Emerging Markets Fund | 9 | 0.02 |
| 11,120 | Vontobel Fund - mtX Sustainable Emerging Markets Leaders | 777 | 2.05 |
| | EUROPE EXCLUDING UK EQUITIES (3.13%) | 659 | 1.74 |
| 3,738 | Barings Europe Select Trust | 162 | 0.43 |
| 214,338 | BlackRock European Dynamic Fund | 497 | 1.31 |
| | EUROPE INCLUDING UK EQUITIES (0.00%) | 232 | 0.61 |
| 74,401 | Liontrust European Dynamic Fund+ | 232 | 0.61 |
| | GLOBAL BONDS (13.92%) | 5,122 | 13.49 |
| 4,070,680 | iShares Overseas Government Bond Index Fund (UK) | 5,122 | 13.49 |
| | GLOBAL EMERGING DEBT (6.20%) | 0 | 0.00 |
| | HIGH YIELD BONDS (6.60%) | 1,006 | 2.65 |
| 9,654 | Barings Global High Yield Bond Fund | 1,006 | 2.65 |
| | JAPAN EQUITIES (5.04%) | 1,335 | 3.51 |
| 47,742 | Baillie Gifford Japanese Fund | 851 | 2.24 |
| 150,820 | M&G Japan Smaller Companies Fund | 165 | 0.43 |
| 147,530 | Man GLG Japan Core Alpha Fund | 319 | 0.84 |
| | MONEY MARKET INSTRUMENTS (0.00%) | 512 | 1.35 |
| 255,512 | HSBC Sterling Liquidity Fund | 256 | 0.67 |
| 255,512 | JP Morgan Liquidity Fund | 256 | 0.68 |
| | NORTH AMERICA EQUITIES (6.34%) | 2,810 | 7.40 |
| 7,417 | AB SICAV I - American Growth Portfolio | 1,088 | 2.87 |
| 5,194 | iShares S&P Small Cap 600 UCITS ETF† | 332 | 0.87 |

MA Active Moderate Income Fund (continued)

Portfolio Statement (continued)

as at 31 December 2022

| Holding/Nominal Value | Stock description | Market value (£'000) | Percentage of total net assets (%) |
|--|---|----------------------|------------------------------------|
| COLLECTIVE INVESTMENT SCHEMES (continued) | | | |
| NORTH AMERICA EQUITIES (continued) | | | |
| 5,190 | Loomis Sayles U.S. Equity Leaders Fund | 836 | 2.20 |
| 668 | Ossiam Shiller Barclays Cape US Sector Value UCITS ETF†,^ | 554 | 1.46 |
| PROPERTY (2.82%) | | 1,286 | 3.39 |
| 602,083 | Assura REIT | 328 | 0.87 |
| 242,609 | Civitas Social Housing REIT | 153 | 0.40 |
| 363,423 | Primary Health Properties REIT | 403 | 1.06 |
| 290,369 | Tritax Big Box REIT | 402 | 1.06 |
| UK CORPORATE BONDS (7.18%) | | 4,397 | 11.59 |
| 461,493 | iShares Corporate Bond Index Fund (UK) | 663 | 1.75 |
| 4,199,774 | Liontrust Sustainable Future Corporate Bond Fund+ | 3,734 | 9.84 |
| UK EQUITIES (11.89%) | | 4,944 | 13.03 |
| 1,265 | iShares MSCI UK Small Cap UCITS ETF† | 250 | 0.66 |
| 573,748 | JO Hambro UK Dynamic Fund | 957 | 2.52 |
| 254,036 | LF Lindsell Train UK Equity Fund | 1,256 | 3.31 |
| 691,182 | Liontrust UK Equity Fund | 1,278 | 3.37 |
| 316,010 | TB Evenlode Continuing Income Fund | 1,203 | 3.17 |
| UK GILTS (30.80%) | | 12,922 | 34.04 |
| 4,591,316 | iShares UK Gilts All Stocks Index Fund (UK) | 6,428 | 16.93 |
| 65,712 | Vanguard UK Government Bond Index Fund | 6,494 | 17.11 |
| UK PROPERTY (0.20%) | | 152 | 0.40 |
| 150,152 | Supermarket Income REIT | 152 | 0.40 |
| Portfolio of investments | | 38,018 | 100.16 |
| Net other liabilities | | (62) | (0.16) |
| Total net assets | | 37,956 | 100.00 |

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

Comparative figures shown in brackets relate to 31 December 2021.

MA Active Moderate Income Fund (continued)

Portfolio Statement (continued)

as at 31 December 2022

Stocks shown as REITs represent Real Estate Investment Trust.

^ Income units or shares held.

+ Managed by Liontrust Fund Partners LLP.

† Exchange Traded Fund.

MA Active Moderate Income Fund (continued)

Statement of Total Return

for the year ended 31 December 2022

| | Notes | (£'000) | 1.1.2022 to 31.12.2022 (£'000) | (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---|-------|---------|--------------------------------------|---------|--------------------------------------|
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (13,513) | | 742 |
| Revenue | 3 | 1,443 | | 1,817 | |
| Expenses | 4 | (436) | | (786) | |
| Interest payable and similar charges | 6 | – | | (12) | |
| Net revenue before taxation | | 1,007 | | 1,019 | |
| Taxation | 5 | (14) | | (23) | |
| Net revenue after taxation | | | 993 | | 996 |
| Total return before distributions | | | (12,520) | | 1,738 |
| Distributions | 7 | | (1,383) | | (1,683) |
| Change in net assets attributable to shareholders from investment activities | | | (13,903) | | 55 |

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 | | 88,794 | | 104,792 |
| Amounts received on issue of shares | 1,635 | | 13,105 | |
| Amounts paid on cancellation of shares | (39,734) | | (30,694) | |
| | | (38,099) | | (17,589) |
| Change in net assets attributable to shareholders from investment activities | | (13,903) | | 55 |
| Retained distributions on accumulation shares | | 1,164 | | 1,536 |
| Closing net assets attributable to shareholders | | 37,956 | | 88,794 |

MA Active Moderate Income Fund (continued)

Balance Sheet

as at 31 December 2022

| | Notes | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | 38,018 | 87,034 |
| Current assets: | | | |
| Debtors | 8 | 24 | 1,712 |
| Cash and bank balances | 9 | 41 | 1,444 |
| Total assets | | 38,083 | 90,190 |
| Liabilities | | | |
| Creditors: | | | |
| Distribution payable | | (15) | (19) |
| Other creditors | 10 | (112) | (1,377) |
| Total liabilities | | (127) | (1,396) |
| Net assets attributable to shareholders | | 37,956 | 88,794 |

MA Active Moderate Income Fund (continued)

Notes to the financial statements

for the year ended 31 December 2022

1 Accounting policies

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

2 Net capital (losses)/gains

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| The net capital (losses)/gains comprise: | | |
| Non-derivative securities | (13,490) | 746 |
| Foreign currency losses | (26) | (9) |
| Transaction costs | 1 | – |
| ACD's charge rebates | 2 | 5 |
| Net capital (losses)/gains | (13,513) | 742 |

3 Revenue

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| Bank interest | 1 | 1 |
| Equity distributions on CIS holdings | 239 | 316 |
| Interest distributions on CIS holdings | 263 | 381 |
| Management fee rebates on CIS | 52 | 129 |
| Non-taxable overseas dividends | 49 | 56 |
| Taxable overseas dividends | 745 | 785 |
| UK dividends | 24 | 34 |
| UK REIT dividends | 70 | 115 |
| Total revenue | 1,443 | 1,817 |

MA Active Moderate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

4 Expenses

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---|--------------------------------------|--------------------------------------|
| Payable to the ACD or associates of the ACD: | | |
| ACD's charge | 390 | 687 |
| General administration charges*, ** | 45 | 53 |
| | 435 | 740 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary fee | 1 | 4 |
| Safe custody fee | — | 5 |
| | 1 | 9 |
| Other expenses: | | |
| Audit fee*** | — | 8 |
| Publication costs | — | (1) |
| Registration fee | — | 27 |
| Other expenses | — | 3 |
| | — | 37 |
| Total expenses | 436 | 786 |

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

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

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

MA Active Moderate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

5 Taxation

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---------------------------------------|--------------------------------------|--------------------------------------|
| a) Analysis of charge in year | | |
| Corporation tax | 14 | 23 |
| Total tax charge [see note(b)] | 14 | 23 |

b) Factors affecting tax charge for the year

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

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Net revenue before taxation | 1,007 | 1,019 |
| Corporation tax at 20% (2021 - 20%) | 201 | 204 |
| Effects of: | | |
| Capitalised income subject to tax | 1 | – |
| Revenue not subject to tax | (62) | (81) |
| Tax deductible interest distributions | (126) | (100) |
| Total tax charge [see note(a)] | 14 | 23 |

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

6 Interest payable and similar charges

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---|--------------------------------------|--------------------------------------|
| Overdraft interest | – | 12 |
| Total interest payable and similar charges | – | 12 |

MA Active Moderate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

7 Distributions

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| First Interim | 226 | 327 |
| Second Interim | 817 | 424 |
| Third Interim | 152 | 684 |
| Final | 121 | 221 |
| | 1,316 | 1,656 |
| Amounts deducted on cancellation of shares | 69 | 51 |
| Amounts received on issue of shares | (2) | (24) |
| Distributions | 1,383 | 1,683 |

The distributable amount has been calculated as follows:

| | | |
|---|--------------|--------------|
| Net revenue after taxation | 993 | 996 |
| Add: ACD's charge reimbursed by capital | 390 | 687 |
| Distributions | 1,383 | 1,683 |

The distribution per share is set out in the tables on pages 129 to 131.

8 Debtors

| | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|--|-----------------------|-----------------------|
| Accrued management fee rebates on CIS | 10 | 86 |
| Accrued revenue | 5 | 12 |
| Amounts receivable for issue of shares | 5 | 30 |
| Income tax recoverable | 4 | 22 |
| Sales awaiting settlement | – | 1,562 |
| Total debtors | 24 | 1,712 |

9 Cash and bank balances

| | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|-------------------------------------|-----------------------|-----------------------|
| Cash and bank balances | 41 | 1,444 |
| Total cash and bank balances | 41 | 1,444 |

MA Active Moderate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

10 Creditors

| | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|--|-----------------------|-----------------------|
| Accrued expenses | 7 | 12 |
| Accrued ACD's charge | 24 | 52 |
| Amounts payable for cancellation of shares | 67 | 1,290 |
| Corporation tax | 14 | 23 |
| Total other creditors | 112 | 1,377 |

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 £26,000 (2021: £58,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £435,000 (2021: £740,000).

13 Risk management policies

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

- units and shares in regulated collective investment schemes, securities and other investments;
- derivative transactions for efficient portfolio management purposes in accordance with the Sub-fund's investment policies.

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

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

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

MA Active Moderate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Market price risk

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

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

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

The Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the prospectus. The Sub-fund seeks to minimise all of the above mentioned risks by holding diversified portfolios of investments.

The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when the Sub-fund performance changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year.

A 5% increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £1,901,000 (2021: £4,352,000). A 5% decrease would have an equal and opposite effect.

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

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

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

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

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

MA Active Moderate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Currency risk

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

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

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

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

The Sub-fund invests predominantly in sterling denominated Collective Investment Schemes (CIS) that in turn invest in a range of instruments, some of which may be overseas and subject to foreign currency risk. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of currency exchange rates. Therefore, no exchange rate sensitivity analysis has been prepared for these.

Interest rate risk

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

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

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

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

Liquidity risk

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

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

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

MA Active Moderate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Liquidity risk (continued)

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

Counterparty credit risk

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

The Sub-fund may enter into transactions in financial instruments (directly, or through purchasing the units of collective investment schemes, including derivatives) which exposes it to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

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

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

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

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

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

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

Maturity profile of financial liabilities

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

Fair value of financial assets and liabilities

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

MA Active Moderate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Valuation of financial investments

| | Assets (£'000) | Liabilities (£'000) |
|---------------------------------|-------------------|------------------------|
| 31.12.2022 | | |
| Level 1: Quoted prices | 2,574 | — |
| Level 2: Observable market data | 35,444 | — |
| | 38,018 | — |
| 31.12.2021 | | |
| Level 1: Quoted prices | 7,172 | — |
| Level 2: Observable market data | 79,862 | — |
| | 87,034 | — |

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

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

Level 3: Valuation techniques using unobservable inputs.

14 Share movement

For the year ending 31 December 2022

| | Opening shares | Shares issued | Shares redeemed | Shares converted | Closing shares |
|----------------|-------------------|------------------|--------------------|---------------------|-------------------|
| A Accumulation | 4,707,571 | 132,012 | (1,256,811) | — | 3,582,772 |
| A Income | 1,836,282 | 99,213 | (112,790) | (53,955) | 1,768,750 |
| R Accumulation | 4,621,382 | 156,404 | (1,225,460) | (25,065) | 3,527,261 |
| R Income | 41,463 | — | (41,463) | — | — |
| S Accumulation | 45,639,780 | 476,379 | (26,368,091) | 31,669 | 19,779,737 |
| S Income | 4,358,011 | 386,549 | (1,645,200) | 56,247 | 3,155,607 |

MA Active Moderate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

15 Portfolio transaction costs

for the year ending 31 December 2022

| | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
|---|---------------------------------|------------------------|---|------------------|------|
| Purchases (excluding derivatives) | | | | | |
| Equity instruments (direct) | 340 | – | – | 2 | 0.59 |
| Collective investment schemes | 19,852 | – | – | – | – |
| Total purchases | 20,192 | – | | 2 | |
| Total purchases including transaction costs | 20,194 | | | | |
| | | | | | |
| | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
| Sales (excluding derivatives) | | | | | |
| Equity instruments (direct) | 876 | – | – | – | – |
| Collective investment schemes | 56,483 | 1 | – | – | – |
| Total sales | 57,359 | 1 | | – | |
| Total sales net of transaction costs | 57,358 | | | | |
| | | | | | |
| Total transaction costs | | 1 | | 2 | |
| Total transaction costs as a % of average net assets | | - | | 0.01% | |

MA Active Moderate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

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

| Purchases (excluding derivatives) | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
|---|----------------------------------|----------------------------|----------|----------------------|----------|
| Equity instruments (direct) | 3,074 | 1 | 0.03 | 15 | 0.49 |
| Collective investment schemes | 18,654 | 2 | 0.01 | – | – |
| Total purchases | 21,728 | 3 | | 15 | |
| Total purchases including transaction costs | 21,746 | | | | |
| Sales (excluding derivatives) | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
| Equity instruments (direct) | 2,216 | 1 | 0.05 | – | – |
| Collective investment schemes | 39,051 | 1 | – | – | – |
| Total sales | 41,267 | 2 | | – | |
| Total sales net of transaction costs | 41,265 | | | | |
| Total transaction costs | | 5 | | 15 | |
| 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.

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.02% (2021: 0.05%).

MA Active Moderate Income Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

16 Post balance sheet events

The Fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the S Accumulation share class has increased by 2.69% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

MA Active Moderate Income Fund (continued)

Distribution Tables

for the year ended 31 December 2022

Final distribution

Group 1 - Shares purchased prior to 1 October 2022

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

| | Net Revenue Pence per share | Equalisation* Pence per share | Distribution paid 28.2.2023 Pence per share | Distribution paid 28.2.2022 Pence per share |
|--------------------------|-----------------------------------|-------------------------------------|--|--|
| A Accumulation - Group 1 | 0.4077 | — | 0.4077 | 0.3879 |
| A Accumulation - Group 2 | 0.2409 | 0.1668 | 0.4077 | 0.3879 |
| A Income - Group 1 | 0.3200 | — | 0.3200 | 0.3124 |
| A Income - Group 2 | 0.2238 | 0.0962 | 0.3200 | 0.3124 |
| R Accumulation - Group 1 | 0.4756 | — | 0.4756 | 0.4560 |
| R Accumulation - Group 2 | 0.1240 | 0.3516 | 0.4756 | 0.4560 |
| R Income - Group 1 | — | — | — | 0.2708 |
| R Income - Group 2 | — | — | — | 0.2708 |
| S Accumulation - Group 1 | 0.3763 | — | 0.3763 | 0.3572 |
| S Accumulation - Group 2 | 0.2679 | 0.1084 | 0.3763 | 0.3572 |
| S Income - Group 1 | 0.3070 | — | 0.3070 | 0.2991 |
| S Income - Group 2 | 0.2103 | 0.0967 | 0.3070 | 0.2991 |

Third interim distribution

Group 1 - Shares purchased prior to 1 July 2022

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

| | Net Revenue Pence per share | Equalisation* Pence per share | Distribution paid 30.11.2022 Pence per share | Distribution paid 30.11.2021 Pence per share |
|--------------------------|-----------------------------------|-------------------------------------|---|---|
| A Accumulation - Group 1 | 0.4652 | — | 0.4652 | 1.0317 |
| A Accumulation - Group 2 | 0.0598 | 0.4054 | 0.4652 | 1.0317 |
| A Income - Group 1 | 0.3665 | — | 0.3665 | 0.8361 |
| A Income - Group 2 | 0.0533 | 0.3132 | 0.3665 | 0.8361 |
| R Accumulation - Group 1 | 0.5440 | — | 0.5440 | 1.2146 |
| R Accumulation - Group 2 | 0.2900 | 0.2540 | 0.5440 | 1.2146 |
| R Income - Group 1 | — | — | — | 0.7230 |
| R Income - Group 2 | — | — | — | 0.7230 |
| S Accumulation - Group 1 | 0.4292 | — | 0.4292 | 0.9498 |
| S Accumulation - Group 2 | 0.1628 | 0.2664 | 0.4292 | 0.9498 |
| S Income - Group 1 | 0.3515 | — | 0.3515 | 0.8002 |
| S Income - Group 2 | 0.1081 | 0.2434 | 0.3515 | 0.8002 |

MA Active Moderate Income Fund (continued)

Distribution Tables (continued)

for the year ended 31 December 2022

Second interim distribution

Group 1 - Shares purchased prior to 1 April 2022

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

| | Net Revenue Pence per share | Equalisation* Pence per share | Distribution paid 31.8.2022 Pence per share | Distribution paid 31.8.2021 Pence per share |
|--------------------------|-----------------------------------|-------------------------------------|--|--|
| A Accumulation - Group 1 | 2.0654 | — | 2.0654 | 0.5901 |
| A Accumulation - Group 2 | 1.8385 | 0.2269 | 2.0654 | 0.5901 |
| A Income - Group 1 | 1.6528 | — | 1.6528 | 0.4802 |
| A Income - Group 2 | 1.5895 | 0.0633 | 1.6528 | 0.4802 |
| R Accumulation - Group 1 | 2.4170 | — | 2.4170 | 0.6960 |
| R Accumulation - Group 2 | 2.3072 | 0.1098 | 2.4170 | 0.6960 |
| R Income - Group 1 | — | — | — | 0.4179 |
| R Income - Group 2 | — | — | — | 0.4179 |
| S Accumulation - Group 1 | 1.9044 | — | 1.9044 | 0.5430 |
| S Accumulation - Group 2 | 1.7523 | 0.1521 | 1.9044 | 0.5430 |
| S Income - Group 1 | 1.5844 | — | 1.5844 | 0.4589 |
| S Income - Group 2 | 1.5397 | 0.0447 | 1.5844 | 0.4589 |

MA Active Moderate Income Fund (continued)

Distribution Tables (continued)

for the year ended 31 December 2022

First interim distribution

Group 1 - Shares purchased prior to 1 January 2022

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

| | Net Revenue Pence per share | Equalisation* Pence per share | Distribution paid 31.5.2022 Pence per share | Distribution paid 31.5.2021 Pence per share |
|--------------------------|-----------------------------------|-------------------------------------|--|--|
| A Accumulation - Group 1 | 0.4864 | — | 0.4864 | 0.4445 |
| A Accumulation - Group 2 | 0.1346 | 0.3518 | 0.4864 | 0.4445 |
| A Income - Group 1 | 0.3906 | — | 0.3906 | 0.3603 |
| A Income - Group 2 | 0.0710 | 0.3196 | 0.3906 | 0.3603 |
| R Accumulation - Group 1 | 0.5708 | — | 0.5708 | 0.5354 |
| R Accumulation - Group 2 | 0.3767 | 0.1941 | 0.5708 | 0.5354 |
| R Income - Group 1 | 0.3383 | — | 0.3383 | 0.3172 |
| R Income - Group 2 | 0.3383 | — | 0.3383 | 0.3172 |
| S Accumulation - Group 1 | 0.4481 | — | 0.4481 | 0.4159 |
| S Accumulation - Group 2 | 0.1983 | 0.2498 | 0.4481 | 0.4159 |
| S Income - Group 1 | 0.3741 | — | 0.3741 | 0.3449 |
| S Income - Group 2 | 0.1270 | 0.2471 | 0.3741 | 0.3449 |

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

MA Active Progressive Fund

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

Investment Objective

The Sub-fund seeks to achieve capital growth and income with an above median level of volatility (risk), having a risk profile of 5, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest.

Investment Policy

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

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

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

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

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

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

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

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

The Sub-fund aims to take an above median level of risk in achieving its investment objective. The Sub-fund's investments are combined together in different proportions as determined by the ACD based on asset risk profiles set by an external risk modelling company. The riskiness of different combinations and proportions of types of investment are measured by predicting how they might behave over a 15 year period. The risk modelling company assigns each combination of assets to one of seven risk profiles, ranging from 1, which reflects the risk of holding cash in bank accounts, to 7, which is the riskiest profile. The Sub-fund has a risk profile of 5, which means it will typically have greater exposure to higher risk assets than other funds in the Company which have a lower risk profile. Typically shares, certain types of bonds, or exposure to property/commodities will be classified as higher risk assets, whilst certain other bonds, cash and near cash (money market instruments, deposits and money market funds) will be classified as lower risk assets.

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

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

MA Active Progressive Fund (continued)

Investment review

Sub-fund review

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

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

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

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

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

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

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

Performance

In the twelve months to 31 December 2022, the Liontrust MA Active Progressive Fund (S Accumulation) returned -13.8%*.

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

Sub-fund performance

To satisfy the Sub-fund's risk profile, it mainly holds equities, with large exposures to the UK and US, a significant exposure to Japanese equities and smaller allocations to emerging markets, Asia Pacific (excluding Japan) and Europe. It also has allocations to bonds and smaller allocations to property.

MA Active Progressive Fund (continued)

Investment review (continued)

Sub-fund performance (continued)

Financial markets generally were down in 2022 and this impacted the overall performance of the Sub-fund. The equity region that weighed the most was North America, with AB American Growth and Selection US Equity Zero being notable underperformers. The region had provided the biggest boost to performance in 2021. Japanese equities provided the best performance in relative terms, with Man GLG Japan CoreAlpha and M&G Japan Smaller Companies performing positively.

Fixed income sectors all delivered negative performance, too, however, with UK corporate bonds, including Liontrust Sustainable Future Corporate Bond, the sector that detracted the most. We maintain our holdings in bonds due to their diversification benefits.

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

Throughout the year we adjusted the asset allocation of the funds to emphasise asset classes that we believe offer, in combination, the best risk-adjusted returns for the Sub-fund's risk profile. Funds that we added included Loomis Sayles US Growth Equity, iShares Corporate Bond, M&G Japan Smaller Companies, Federated Hermes Asia ex Japan Equity, Barings Europe Select, Liontrust European Dynamic and Liontrust UK Equity. Funds that we sold included Robeco Global Credits, Selection European Equity, BlackRock Asia Special Situations, Selection US Equity Zero, Artemis Income, Brown Advisory US Mid-Cap, Barings Global High Yield Bond, SPDR® Bloomberg 1-5 Year Gilt and BlackRock Advantage US Equity.

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

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

Material portfolio changes by value

Purchases

Liontrust UK Equity Fund
Loomis Sayles U.S. Equity Leaders Fund
Liontrust Sustainable Future Corporate Bond Fund +
iShares Corporate Bond Index Fund (UK)
AB SICAV I - American Growth Portfolio
Vontobel Fund - mtx Sustainable Emerging Markets Leaders
BlackRock Emerging Markets Fund
Federated Hermes Asia Ex-Japan Equity Fund
Barings Europe Select Trust
Fidelity Asia Pacific Opportunities Fund

Sales

Artemis Income Fund
BlackRock Advantage US Equity Fund
iShares MSCI UK Small Cap UCITS ETF
Architas Selection US Equity Fund
BlackRock European Dynamic Fund
Selection European Equity Fund
Baillie Gifford Japanese Fund
Ossiam Shiller Barclays Cape US Sector Value TR Fund
BlackRock Asia Special Situations Fund
Brown Advisory US Mid Cap Growth Fund

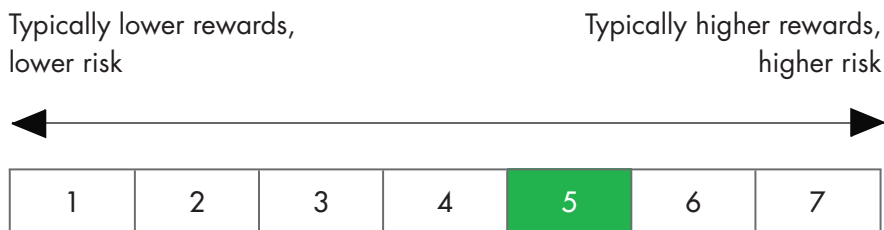
+ Managed by Liontrust Fund Partners LLP.

MA Active Progressive Fund (continued)

Investment review (continued)

Risk and Reward profile

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



- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The risk profile used by Liontrust to produce the long term asset allocation differs from the Synthetic Risk and Reward indicator shown elsewhere in this document, so the two rankings may not be the same.
- The Sub-fund is categorised 5 primarily for its exposure to a diversified portfolio of funds invested in equities, fixed income and other asset classes.
- The SRRI may not fully take into account the following risks:
 - that a company may fail thus reducing its value within the Sub-fund;
 - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Sub-fund;
 - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result;
 - the creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- Some of the underlying funds may invest in derivatives, which can, in some circumstances, create wider fluctuations in their prices over time.
- Investments in emerging markets may involve a higher element of risk due to less well-regulated markets and political and economic instability. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- Liquidity Risk: If underlying funds suspend or defer the payment of redemption proceeds, the Sub-fund's ability to meet redemption requests may also be affected.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Index Tracking Risk: The performance of any passive funds used may not exactly track that of their indices.

MA Active Progressive Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

MA Active Progressive Fund (continued)

Comparative Tables

for the year ended 31 December 2022

| A Accumulation Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 215.92 | 195.83 | 185.54 |
| Return before operating charges | (26.30) | 22.93 | 12.73 |
| Operating charges | (2.69) | (2.84) | (2.44) |
| Return after operating charges | (28.99) | 20.09 | 10.29 |
| Distributions | (3.71) | (3.03) | (3.23) |
| Retained distributions on accumulation shares | 3.71 | 3.03 | 3.23 |
| Closing net asset value per share | 186.93 | 215.92 | 195.83 |
| After direct transaction costs of* | 0.00 | (0.04) | (0.02) |
| Performance | | | |
| Return after charges | (13.43%) | 10.26% | 5.55% |
| Other information | | | |
| Closing net asset value (£'000) | 24,496 | 32,100 | 28,081 |
| Closing number of shares | 13,103,873 | 14,866,392 | 14,339,558 |
| Operating charges** | 1.39% | 1.37% | 1.37% |
| Direct transaction costs* | 0.00% | 0.02% | 0.01% |
| Prices | | | |
| Highest share price | 216.79 | 218.39 | 196.50 |
| Lowest share price | 174.75 | 194.22 | 146.30 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Progressive Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| A Income Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 180.69 | 166.25 | 160.31 |
| Return before operating charges | (22.02) | 19.40 | 10.82 |
| Operating charges | (2.24) | (2.40) | (2.10) |
| Return after operating charges | (24.26) | 17.00 | 8.72 |
| Distributions | (3.09) | (2.56) | (2.78) |
| Retained distributions on accumulation shares | — | — | — |
| Closing net asset value per share | 153.34 | 180.69 | 166.25 |
| After direct transaction costs of* | 0.00 | (0.03) | (0.01) |
| Performance | | | |
| Return after charges | (13.43%) | 10.23% | 5.44% |
| Other information | | | |
| Closing net asset value (£'000) | 4,521 | 5,800 | 3,751 |
| Closing number of shares | 2,948,605 | 3,209,833 | 2,255,955 |
| Operating charges** | 1.39% | 1.37% | 1.37% |
| Direct transaction costs* | 0.00% | 0.02% | 0.01% |
| Prices | | | |
| Highest share price | 181.41 | 183.62 | 168.00 |
| Lowest share price | 144.47 | 165.07 | 126.40 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Progressive Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| R Accumulation Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 307.94 | 281.40 | 268.62 |
| Return before operating charges | (37.44) | 32.83 | 18.23 |
| Operating charges | (5.89) | (6.29) | (5.45) |
| Return after operating charges | (43.33) | 26.54 | 12.78 |
| Distributions | (5.27) | (4.36) | (4.66) |
| Retained distributions on accumulation shares | 5.27 | 4.36 | 4.66 |
| Closing net asset value per share | 264.61 | 307.94 | 281.40 |
| After direct transaction costs of* | (0.01) | (0.05) | (0.02) |
| Performance | | | |
| Return after charges | (14.07%) | 9.43% | 4.76% |
| Other information | | | |
| Closing net asset value (£'000) | 49,562 | 62,544 | 60,262 |
| Closing number of shares | 18,730,390 | 20,310,234 | 21,415,331 |
| Operating charges** | 2.14% | 2.12% | 2.12% |
| Direct transaction costs* | 0.00% | 0.02% | 0.01% |
| Prices | | | |
| Highest share price | 309.15 | 311.60 | 282.30 |
| Lowest share price | 247.77 | 278.89 | 211.40 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Progressive Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| R Income+ | 31 December 2022 | 31 December 2021 | 31 December 2020 |
|---|------------------|------------------|------------------|
| Accounting year ended | per share (p)+ | per share (p) | per share (p) |
| Change in net assets per share | | | |
| Opening net asset value per share | 194.82 | 180.62 | 175.48 |
| Return before operating charges | (18.11) | 20.99 | 11.71 |
| Operating charges | (1.35) | (4.02) | (3.54) |
| Return after operating charges | (19.46) | 16.97 | 8.17 |
| Distributions | — | (2.77) | (3.03) |
| Retained distributions on accumulation shares | — | — | — |
| Closing net asset value per share | 175.36 | 194.82 | 180.62 |
| After direct transaction costs of* | 0.00 | (0.03) | (0.02) |
| Performance | | | |
| Return after charges | (9.99%) | 9.40% | 4.65% |
| Other information | | | |
| Closing net asset value (£'000) | — | 496 | 2,395 |
| Closing number of shares | — | 254,702 | 1,325,928 |
| Operating charges** | 2.17% | 2.12% | 2.12% |
| Direct transaction costs* | 0.00% | 0.02% | 0.01% |
| Prices | | | |
| Highest share price | 195.58 | 198.29 | 182.50 |
| Lowest share price | 171.99 | 179.22 | 138.10 |

+ Closed on 10 June 2022.

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Progressive Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| S Accumulation Accounting year ended | 31 December 2022 per share (p) | 31 December 2021 per share (p) | 31 December 2020 per share (p) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 183.49 | 166.08 | 157.04 |
| Return before operating charges | (22.36) | 19.47 | 10.81 |
| Operating charges | (1.96) | (2.06) | (1.77) |
| Return after operating charges | (24.32) | 17.41 | 9.04 |
| Distributions | (3.15) | (2.57) | (2.73) |
| Retained distributions on accumulation shares | 3.15 | 2.57 | 2.73 |
| Closing net asset value per share | 159.17 | 183.49 | 166.08 |
| After direct transaction costs of* | 0.00 | (0.03) | (0.01) |
| Performance | | | |
| Return after charges | (13.25%) | 10.48% | 5.76% |
| Other information | | | |
| Closing net asset value (£'000) | 82,216 | 98,710 | 94,425 |
| Closing number of shares | 51,652,954 | 53,797,117 | 56,854,649 |
| Operating charges** | 1.19% | 1.17% | 1.17% |
| Direct transaction costs* | 0.00% | 0.02% | 0.01% |
| Prices | | | |
| Highest share price | 184.23 | 185.56 | 166.60 |
| Lowest share price | 148.74 | 164.74 | 123.80 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Progressive Fund (continued)

Comparative Tables (continued)

for the year ended 31 December 2022

| S Income | 31 December 2022 | 31 December 2021 | 31 December 2020 |
|---|-------------------------|-------------------------|-------------------------|
| Accounting year ended | per share (p) | per share (p) | per share (p) |
| Change in net assets per share | | | |
| Opening net asset value per share | 157.72 | 144.82 | 139.37 |
| Return before operating charges | (19.22) | 16.94 | 9.42 |
| Operating charges | (1.68) | (1.79) | (1.56) |
| Return after operating charges | (20.90) | 15.15 | 7.86 |
| Distributions | (2.70) | (2.25) | (2.41) |
| Retained distributions on accumulation shares | — | — | — |
| Closing net asset value per share | 134.12 | 157.72 | 144.82 |
| After direct transaction costs of* | 0.00 | (0.03) | (0.01) |
| Performance | | | |
| Return after charges | (13.25%) | 10.46% | 5.64% |
| Other information | | | |
| Closing net asset value (£'000) | 4,655 | 5,897 | 3,649 |
| Closing number of shares | 3,470,503 | 3,738,661 | 2,519,745 |
| Operating charges** | 1.19% | 1.17% | 1.17% |
| Direct transaction costs* | 0.00% | 0.02% | 0.01% |
| Prices | | | |
| Highest share price | 158.35 | 160.43 | 146.30 |
| Lowest share price | 126.30 | 143.82 | 109.90 |

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

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure includes an element of underlying fund charges in relation to the Sub-fund holding investments in other collective investment schemes but excludes holdings in closed ended investment vehicles. The Operating Charges figure is expressed as an annual percentage rate.

MA Active Progressive Fund (continued)

Portfolio Statement

as at 31 December 2022

| Holding/Nominal Value | Stock description | Market value (£'000) | Percentage of total net assets (%) |
|-----------------------|--|----------------------|------------------------------------|
| | COLLECTIVE INVESTMENT SCHEMES (97.80%) | 165,635 | 100.11 |
| | ASIA PACIFIC EXCLUDING JAPAN EQUITIES (4.41%) | 8,716 | 5.27 |
| 759,382 | Federated Hermes Asia Ex-Japan Equity Fund | 2,332 | 1.41 |
| 2,288,016 | Fidelity Asia Pacific Opportunities Fund | 6,384 | 3.86 |
| | EMERGING MARKETS EQUITIES (3.73%) | 13,147 | 7.94 |
| 1,296,634 | BlackRock Emerging Markets Fund | 6,950 | 4.20 |
| 7,937 | FTF Martin Currie Emerging Markets Fund | 9 | 0.00 |
| 88,526 | Vontobel Fund - mtx Sustainable Emerging Markets Leaders | 6,188 | 3.74 |
| | EUROPE EXCLUDING UK EQUITIES (7.89%) | 7,500 | 4.53 |
| 30,964 | Barings Europe Select Trust | 1,339 | 0.81 |
| 2,655,478 | BlackRock European Dynamic Fund | 6,161 | 3.72 |
| | EUROPE INCLUDING UK EQUITIES (2.32%) | 1,836 | 1.11 |
| 589,641 | Liontrust European Dynamic Fund+ | 1,836 | 1.11 |
| | GLOBAL BONDS (0.17%) | 0 | 0.00 |
| | HIGH YIELD BONDS (1.01%) | 0 | 0.00 |
| | JAPAN EQUITIES (10.63%) | 18,764 | 11.35 |
| 636,686 | Baillie Gifford Japanese Fund | 11,346 | 6.86 |
| 1,941,997 | M&G Japan Smaller Companies Fund | 2,129 | 1.29 |
| 2,443,120 | Man GLG Japan Core Alpha Fund | 5,289 | 3.20 |
| | MONEY MARKET INSTRUMENTS (0.00%) | 3,026 | 1.83 |
| 1,512,803 | HSBC Sterling Liquidity Fund | 1,513 | 0.91 |
| 1,512,803 | JP Morgan Liquidity Fund | 1,513 | 0.92 |
| | NORTH AMERICA EQUITIES (18.63%) | 28,143 | 17.01 |
| 73,740 | AB SICAV I - American Growth Portfolio | 10,816 | 6.54 |
| 44,200 | iShares S&P Small Cap 600 UCITS ETF† | 2,826 | 1.71 |
| 53,431 | Loomis Sayles U.S. Equity Leaders Fund | 8,606 | 5.20 |
| 7,102 | Ossiam Shiller Barclays Cape US Sector Value UCITS ETF† | 5,895 | 3.56 |
| | PROPERTY (3.81%) | 4,733 | 2.86 |
| 2,716,081 | Assura REIT | 1,480 | 0.90 |

MA Active Progressive Fund (continued)

Portfolio Statement (continued)

as at 31 December 2022

| Holding/Nominal Value | Stock description | Market value (£'000) | Percentage of total net assets (%) |
|--|---|----------------------|------------------------------------|
| COLLECTIVE INVESTMENT SCHEMES (continued) | | | |
| PROPERTY (continued) | | | |
| 739,084 | Civitas Social Housing REIT | 467 | 0.28 |
| 1,329,016 | Primary Health Properties REIT | 1,473 | 0.89 |
| 947,476 | Tritax Big Box REIT | 1,313 | 0.79 |
| UK CORPORATE BONDS (7.99%) | | 24,170 | 14.61 |
| 3,519,602 | iShares Corporate Bond Index Fund (UK) | 5,057 | 3.06 |
| 21,498,992 | Liontrust Sustainable Future Corporate Bond Fund+ | 19,113 | 11.55 |
| UK EQUITIES (27.07%) | | 42,846 | 25.89 |
| 10,355 | iShares MSCI UK Small Cap UCITS ETF† | 2,044 | 1.23 |
| 5,333,961 | JO Hambro UK Dynamic Fund | 8,902 | 5.38 |
| 2,054,703 | LF Lindsell Train UK Equity Fund | 10,161 | 6.14 |
| 6,367,216 | Liontrust UK Equity Fund+ | 11,773 | 7.12 |
| 2,616,692 | TB Evenlode Continuing Income Fund | 9,966 | 6.02 |
| UK GILTS (7.85%) | | 12,019 | 7.26 |
| 5,339,179 | iShares UK Gilts All Stocks Index Fund (UK) | 7,475 | 4.52 |
| 44,750 | Vanguard UK Government Bond Index Fund | 4,422 | 2.67 |
| 1,120 | Vanguard UK Long Duration Gilt Index Fund^ | 122 | 0.07 |
| UK PROPERTY (0.43%) | | 735 | 0.45 |
| 727,908 | Supermarket Income REIT | 735 | 0.45 |
| US EQUITIES (1.86%) | | 0 | 0.00 |
| Portfolio of investments | | 165,635 | 100.11 |
| Net other liabilities | | (185) | (0.11) |
| Total net assets | | 165,450 | 100.00 |

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

Comparative figures shown in brackets relate to 31 December 2021.

MA Active Progressive Fund (continued)

Portfolio Statement (continued)

as at 31 December 2022

Stocks shown as REITs represent Real Estate Investment Trust.

^ Income units or shares held.

+ Managed by Liontrust Fund Partners LLP.

† Exchange Traded Fund.

MA Active Progressive Fund (continued)

Statement of Total Return

for the year ended 31 December 2022

| | Notes | (£'000) | 1.1.2022 to 31.12.2022 (£'000) | (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---|-------|---------|--------------------------------------|---------|--------------------------------------|
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (29,243) | | 18,483 |
| Revenue | 3 | 3,447 | | 2,978 | |
| Expenses | 4 | (1,710) | | (1,977) | |
| Interest payable and similar charges | 6 | (2) | | (6) | |
| Net revenue before taxation | | 1,735 | | 995 | |
| Taxation | 5 | – | | – | |
| Net revenue after taxation | | | 1,735 | | 995 |
| Total return before distributions | | | (27,508) | | 19,478 |
| Distributions | 7 | | (3,445) | | (2,972) |
| Change in net assets attributable to shareholders from investment activities | | | (30,953) | | 16,506 |

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 | | 205,547 | | 192,563 |
| Amounts received on issue of shares | 7,431 | | 14,495 | |
| Amounts paid on cancellation of shares | (19,754) | | (20,790) | |
| | | (12,323) | | (6,295) |
| Dilution adjustment | | 1 | | – |
| Change in net assets attributable to shareholders from investment activities | | (30,953) | | 16,506 |
| Retained distributions on accumulation shares | | 3,178 | | 2,773 |
| Closing net assets attributable to shareholders | | 165,450 | | 205,547 |

MA Active Progressive Fund (continued)

Balance Sheet

as at 31 December 2022

| | Notes | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Fixed assets | | | |
| Investments | | 165,635 | 201,017 |
| Current assets: | | | |
| Debtors | 8 | 125 | 388 |
| Cash and bank balances | 9 | 226 | 4,489 |
| Total assets | | 165,986 | 205,894 |
| Liabilities | | | |
| Creditors: | | | |
| Distribution payable | | (71) | (72) |
| Other creditors | 10 | (465) | (275) |
| Total liabilities | | (536) | (347) |
| Net assets attributable to shareholders | | 165,450 | 205,547 |

MA Active Progressive Fund (continued)

Notes to the financial statements

for the year ended 31 December 2022

1 Accounting policies

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

2 Net capital (losses)/gains

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| The net capital (losses)/gains comprise: | | |
| Non-derivative securities | (29,232) | 18,499 |
| Foreign currency losses | (24) | (36) |
| ACD's charge rebates | 13 | 20 |
| Net capital (losses)/gains | (29,243) | 18,483 |

3 Revenue

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| Bank interest | 3 | – |
| Equity distributions on CIS holdings | 1,621 | 1,481 |
| Interest distributions on CIS holdings | 809 | 467 |
| Management fee rebates on CIS | 211 | 358 |
| Non-taxable overseas dividends | 291 | 256 |
| Taxable overseas dividends | 185 | 108 |
| UK dividends | 92 | 69 |
| UK REIT dividends | 235 | 239 |
| Total revenue | 3,447 | 2,978 |

MA Active Progressive Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

4 Expenses

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---|--------------------------------------|--------------------------------------|
| Payable to the ACD or associates of the ACD: | | |
| ACD's charge | 1,568 | 1,806 |
| General administration charges*, ** | 140 | 98 |
| | 1,708 | 1,904 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary fee | 2 | 8 |
| Safe custody fee | — | 9 |
| | 2 | 17 |
| Other expenses: | | |
| Audit fee*** | — | 8 |
| Publication costs | — | (1) |
| Registration fee | — | 49 |
| | — | 56 |
| Total expenses | 1,710 | 1,977 |

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

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

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

MA Active Progressive Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

5 Taxation

a) Analysis of charge in year

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

b) Factors affecting tax charge for the year

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

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Net revenue before taxation | 1,735 | 995 |
| Corporation tax at 20% (2021 - 20%) | 347 | 199 |
| Effects of: | | |
| Capitalised income subject to tax | 3 | 4 |
| Movement in unrecognised tax losses | 51 | 158 |
| Revenue not subject to tax | (401) | (361) |
| 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

At the year end there is a potential deferred tax asset of £1,072,000 (2021: £1,021,000) due to tax losses of £5,360,000 (2021: £5,105,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|---|--------------------------------------|--------------------------------------|
| Overdraft interest | 2 | 6 |
| Total interest payable and similar charges | 2 | 6 |

MA Active Progressive Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

7 Distributions

| | 1.1.2022 to 31.12.2022 (£'000) | 1.1.2021 to 31.12.2021 (£'000) |
|--|--------------------------------------|--------------------------------------|
| Interim distribution | 2,092 | 1,745 |
| Final distribution | 1,280 | 1,197 |
| | 3,372 | 2,942 |
| Amounts deducted on cancellation of shares | 111 | 67 |
| Amounts received on issue of shares | (38) | (37) |
| Distributions | 3,445 | 2,972 |

The distributable amount has been calculated as follows:

| | | |
|---|--------------|--------------|
| Net revenue after taxation | 1,735 | 995 |
| Add: ACD's charge reimbursed by capital | 1,569 | 1,806 |
| Add: Other expenses reimbursed by capital | 141 | 171 |
| Distributions | 3,445 | 2,972 |

The distribution per share is set out in the tables on pages 160 to 161.

8 Debtors

| | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|--|-----------------------|-----------------------|
| Accrued management fee rebates on CIS | 43 | 214 |
| Accrued revenue | 21 | 21 |
| Amounts receivable for issue of shares | 1 | 104 |
| Corporation tax recoverable | – | 2 |
| Income tax recoverable | 60 | 47 |
| Total debtors | 125 | 388 |

9 Cash and bank balances

| | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|-------------------------------------|-----------------------|-----------------------|
| Cash and bank balances | 226 | 4,489 |
| Total cash and bank balances | 226 | 4,489 |

MA Active Progressive Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

10 Creditors

| | 31.12.2022 (£'000) | 31.12.2021 (£'000) |
|--|-----------------------|-----------------------|
| Accrued expenses | 14 | 20 |
| Accrued ACD's charge | 124 | 153 |
| Amounts payable for cancellation of shares | 327 | 102 |
| Total other creditors | 465 | 275 |

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 £133,000 (2021: £167,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £1,708,000 (2021: £1,904,000).

13 Risk management policies

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

- units and shares in regulated collective investment schemes, securities and other investments;
- derivative transactions for efficient portfolio management purposes in accordance with the Sub-fund's investment policies.

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

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

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

MA Active Progressive Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Market price risk

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

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

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

The Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the prospectus. The Sub-fund seeks to minimise all of the above mentioned risks by holding diversified portfolios of investments.

The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when the Sub-fund performance changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year.

A 5% increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £8,282,000 (2021: £10,051,000). A 5% decrease would have an equal and opposite effect.

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

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

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

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

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

MA Active Progressive Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Currency risk

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

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

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

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

The Sub-fund invests predominantly in sterling denominated Collective Investment Schemes (CIS) that in turn invest in a range of instruments, some of which may be overseas and subject to foreign currency risk. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of currency exchange rates. Therefore, no exchange rate sensitivity analysis has been prepared for these.

Interest rate risk

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

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

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

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

Liquidity risk

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

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

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

MA Active Progressive Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Liquidity risk (continued)

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

Counterparty credit risk

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

The Sub-fund may enter into transactions in financial instruments (directly, or through purchasing the units of collective investment schemes, including derivatives) which exposes it to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

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

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

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

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

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

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

Maturity profile of financial liabilities

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

Fair value of financial assets and liabilities

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

MA Active Progressive Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

13 Risk management policies (continued)

Valuation of financial investments

| | Assets (£'000) | Liabilities (£'000) |
|---------------------------------|-------------------|------------------------|
| 31.12.2022 | | |
| Level 1: Quoted prices | 16,233 | — |
| Level 2: Observable market data | 149,402 | — |
| | 165,635 | — |
| 31.12.2021 | | |
| Level 1: Quoted prices | 33,077 | — |
| Level 2: Observable market data | 167,940 | — |
| | 201,017 | — |

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

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

Level 3: Valuation techniques using unobservable inputs.

14 Share movement

For the year ending 31 December 2022

| | Opening shares | Shares issued | Shares redeemed | Shares converted | Closing shares |
|----------------|-------------------|------------------|--------------------|---------------------|-------------------|
| A Accumulation | 14,866,392 | 227,321 | (1,837,839) | (152,001) | 13,103,873 |
| A Income | 3,209,833 | 115,697 | (440,988) | 64,064 | 2,948,606 |
| R Accumulation | 20,310,234 | 456,951 | (1,964,901) | (71,894) | 18,730,390 |
| R Income | 254,702 | 49 | (137,187) | (117,564) | — |
| S Accumulation | 53,797,117 | 3,070,633 | (5,495,586) | 280,790 | 51,652,954 |
| S Income | 3,738,661 | 348,142 | (708,234) | 91,934 | 3,470,503 |

MA Active Progressive Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

15 Portfolio transaction costs

for the year ending 31 December 2022

| | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
|---|---------------------------------|------------------------|------|------------------|---|
| Purchases (excluding derivatives) | | | | | |
| Collective investment schemes | 60,957 | – | – | – | – |
| Total purchases | 60,957 | – | | – | |
| Total purchases including transaction costs | 60,957 | | | | |
| | | | | | |
| | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
| Sales (excluding derivatives) | | | | | |
| Equity instruments (direct) | 830 | 1 | 0.12 | – | – |
| Collective investment schemes | 71,421 | 3 | – | – | – |
| Total sales | 72,251 | 4 | | – | |
| Total sales net of transaction costs | 72,247 | | | | |
| | | | | | |
| Total transaction costs | | 4 | | – | |
| | | | | | |
| Total transaction costs as a % of average net assets | | - | | – | |

MA Active Progressive Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

15 Portfolio transaction costs (continued)

for the year ending 31 December 2021

| Purchases (excluding derivatives) | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
|---|---------------------------|---------------------|------|---------------|------|
| Equity instruments (direct) | 6,590 | 3 | 0.05 | 32 | 0.49 |
| Collective investment schemes | 16,541 | 1 | 0.01 | – | – |
| Total purchases | 23,131 | 4 | | 32 | |
| Total purchases including transaction costs | 23,167 | | | | |
| Sales (excluding derivatives) | Transaction Value (£'000) | Commissions (£'000) | % | Taxes (£'000) | % |
| Equity instruments (direct) | 664 | 1 | 0.15 | – | – |
| Collective investment schemes | 33,597 | 1 | – | – | – |
| Total sales | 34,261 | 2 | | – | |
| Total sales net of transaction costs | 34,259 | | | | |
| Total transaction costs | | 6 | | 32 | |
| Total transaction costs as a % of average net assets | | – | | 0.20% | |

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

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.04% (2021: 0.08%).

MA Active Progressive Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 December 2022

16 Post balance sheet events

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

Since the year-end, the NAV per share of the S Accumulation share class has increased by 5.37% to 19 April 2023. The other share classes in the Sub-fund have moved by a similar magnitude.

MA Active Progressive Fund (continued)

Distribution Tables

for the year ended 31 December 2022

Final distribution

Group 1 - Shares purchased prior to 1 July 2022

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

| | Net Revenue Pence per share | Equalisation* Pence per share | Distribution paid 28.2.2023 Pence per share | Distribution paid 28.2.2022 Pence per share |
|--------------------------|-----------------------------------|-------------------------------------|--|--|
| A Accumulation - Group 1 | 1.4453 | — | 1.4453 | 1.2563 |
| A Accumulation - Group 2 | 0.7009 | 0.7444 | 1.4453 | 1.2563 |
| A Income - Group 1 | 1.1948 | — | 1.1948 | 1.0575 |
| A Income - Group 2 | 0.3928 | 0.8020 | 1.1948 | 1.0575 |
| R Accumulation - Group 1 | 2.0506 | — | 2.0506 | 1.7946 |
| R Accumulation - Group 2 | 0.8468 | 1.2038 | 2.0506 | 1.7946 |
| R Income - Group 1 | — | — | — | 1.1420 |
| R Income - Group 2 | — | — | — | 1.1420 |
| S Accumulation - Group 1 | 1.2298 | — | 1.2298 | 1.0672 |
| S Accumulation - Group 2 | 0.4737 | 0.7561 | 1.2298 | 1.0672 |
| S Income - Group 1 | 1.0443 | — | 1.0443 | 0.9226 |
| S Income - Group 2 | 0.4228 | 0.6215 | 1.0443 | 0.9226 |

MA Active Progressive Fund (continued)

Distribution Tables (continued)

for the year ended 31 December 2022

Interim distribution

Group 1 - Shares purchased prior to 1 January 2022

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

| | Net Revenue Pence per share | Equalisation* Pence per share | Distribution paid 31.8.2022 Pence per share | Distribution paid 31.8.2021 Pence per share |
|--------------------------|-----------------------------------|-------------------------------------|--|--|
| A Accumulation - Group 1 | 2.2611 | — | 2.2611 | 1.7747 |
| A Accumulation - Group 2 | 1.1651 | 1.0960 | 2.2611 | 1.7747 |
| A Income - Group 1 | 1.8921 | — | 1.8921 | 1.5026 |
| A Income - Group 2 | 0.6772 | 1.2149 | 1.8921 | 1.5026 |
| R Accumulation - Group 1 | 3.2190 | — | 3.2190 | 2.5621 |
| R Accumulation - Group 2 | 1.6817 | 1.5373 | 3.2190 | 2.5621 |
| R Income - Group 1 | — | — | — | 1.6321 |
| R Income - Group 2 | — | — | — | 1.6321 |
| S Accumulation - Group 1 | 1.9223 | — | 1.9223 | 1.5046 |
| S Accumulation - Group 2 | 0.9592 | 0.9631 | 1.9223 | 1.5046 |
| S Income - Group 1 | 1.6517 | — | 1.6517 | 1.3248 |
| S Income - Group 2 | 1.0031 | 0.6486 | 1.6517 | 1.3248 |

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

Additional Information (unaudited)

Important information

Past performance is not a guide to future performance. The value of an investment and the income generated from it can fall as well as rise and is not guaranteed. You may get back less than you originally invested. The issue of shares may be subject to an initial charge and this is likely to have an impact on the realisable value of your investment, particularly in the short term. The annual management fee of the Liontrust MA Active Intermediate Fund, Liontrust MA Active Moderate Income Fund and Liontrust MA Active Progressive 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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