

LIONTRUST SUSTAINABLE FUTURE ICVC

Interim Report &
Financial Statements (unaudited)

For the period:
1 February 2023
to
31 July 2023

Managed in accordance with
The Liontrust Sustainable Future 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 Sustainable Future ICVC (the "Company") is:

Liontrust Fund Partners LLP

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

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

Depository

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

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

Independent Auditor

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

Administrator and Registrar

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

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

Management and Administration (continued)

Company Information

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

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 July 2023 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. Please note we are changing the reference and publication date of our annual Assessment of Value. Previously, the reference date was the end of August, with a publication date of December. Going forward, from 30 June 2023, the reference date will be 30 June, with a publication deadline of end of October. The assessment of value report can be viewed on the Liontrust website www.liontrust.co.uk/learning/assessment-of-value.

Significant Events after the Period End

In September 2023, Stuart Steven is to retire from fund management and he began to relinquish his responsibilities from April 2023. Aitken Ross, Kenny Watson and Jack Willis will continue their current roles as lead managers of the Liontrust SF Corporate Bond Fund.

Holdings in Other Funds of the Company

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

Sub-fund	Shares held	Holding	Market value (£'000)
Liontrust Sustainable Future Cautious Managed Fund	Liontrust Sustainable Future Corporate Bond Fund	5,367,575	4,789
Liontrust Sustainable Future Defensive Managed Fund	Liontrust Sustainable Future Corporate Bond Fund	12,123,650	10,817

Management and Administration (continued)

Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist fund management company with £29.5 billion in assets under management (AUM) as at 30 June 2023 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. 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 Interim Report and the Financial Statements were approved by the management committee of members of the ACD and authorised for issue on 27 September 2023.



Antony Morrison

Member

27 September 2023

Notes applicable to the financial statements of all Sub-funds

for the period from 1 February 2023 to 31 July 2023

Accounting Policies

Basis of accounting

The financial statements of the Company comprise the financial statements of each of the Sub-funds and have been prepared on a going concern basis in accordance with UK Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice "Financial Statements of UK Authorised Funds" issued by the IMA (now known as the Investment Association) in May 2014 (the "SORP"), updated in June 2017.

The accounting and distribution policies applied are consistent with those disclosed within the annual report & financial statements for the year ended 31 January 2023.

Sustainable Future Cautious Managed Fund

Report for the period from 1 February 2023 to 31 July 2023

Investment Objective

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

Investment Policy

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

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

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

Equity – 40-60 %

Fixed income – 20-50%

Cash – 0-20%

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

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

Sustainable Future Cautious Managed Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned -0.6% (Class 2 Net Income) over the period under review, versus the 0.7% IA Mixed Investment 40-85% Shares sector average (the comparator benchmark)*.

Across the portfolios, we continue to concentrate on where we have expertise and confidence in our predictions, namely the 20 sustainable themes that identify companies set to benefit making our world cleaner, healthier and safer. We continue to manage our portfolios in alignment with the themes, which themselves sit within three broader categories of *Better resource efficiency*, *Improved health and Greater safety and resilience*.

Within *Better resource efficiency*, the growth of renewables is accelerating for a market that's estimated to be worth half a trillion dollars, while the war in Ukraine has shown how security of supply is another essential attribute of renewable energy.

Under *Improved health*, there has been dramatic innovation in the development of diagnostic tools to aid early diagnosis, cancer and other diseases through the advances that we've seen in gene sequencing. Finally, within *Greater safety and resilience*, with water quality making the headlines, our theme around better monitoring of supply chains and quality control is focused on companies which provide equipment and services that undertake the essential analysis of our water, air and food.

All these areas are important to solving key sustainability challenges and should also deliver growth that is relatively independent of overall economic growth.

From an asset allocation perspective, we base our positioning on our views of economic conditions, risk and the likely returns from each asset class. Given where we are in the economic cycle, we maintain our overweight position in corporate bonds, which we feel can achieve good returns with relatively low risk.

On UK and global equities, we remain neutral. While we are positive on the returns from equities, the uncertainty of economic trajectory, and the associated volatility with that, holds us back from being overweight the asset class at this stage. Otherwise, we have reduced our overweight to infrastructure, recently taking profits from the strong performance from electricity generators, and we have moved to an underweight cash position, trimming down this asset class in order to help narrow the underweight that we have had to gilts.

In terms of asset class performance over the period under review, positive performance on the Sub-fund's equity exposure as global markets rallied was marginally offset by losses on its bond portfolio. Much of the equity market strength stemmed from the technology sector and quality growth-style stocks of the type the Sub-fund typically owns, despite the ongoing presence of rising interest rate expectations – a factor which in 2022 led to a significant de-rating for quality, growth stocks.

Rising rate expectations led to losses within the Sub-fund's bond exposure, particularly in government bonds where yield curves shifted higher and prices fell. A 0.5 percentage point increase from the Bank of England (BoE) in June represented a re-acceleration from March and May's increases of 0.25 percentage points. This decision came following stronger-than-expected UK jobs market numbers, wage growth and core inflation readings. All of this indicated that the BoE remained some way off getting inflation under control, which resulted in a sell-off in UK gilts over the period. The impact of rising benchmark rates within the Sub-fund's corporate bond allocation was offset somewhat by a tightening of credit spreads.

Drivers of performance in the equity portfolio included **Adobe** following the release of strong Q2 results while the software company also increased its full-year revenue forecast based on optimism that generative AI development will prompt higher demand for its software. Exposed to our *Improving the efficiency of energy use* theme, Adobe has come under some scepticism from investors and analysts who feared its business would be undercut by startups specialising in the new technology. However, it has recently revealed more of its artificial intelligence strategy, adding generative AI features throughout its product range, notably unveiling enterprise-level subscriptions for the new tools, which include legal assurance against copyright claims.

Cybersecurity company **Palo Alto Networks** was another strong performer, reporting third-quarter results that beat average estimates, while also raising the lower end of its full-year revenue forecast. Exposed to our theme of *Enabling digital security*, Palo Alto provides cyber security solutions for over 85,000 organisations. Almost every facet of our lives has some online exposure, whether personal

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

information, finances, commercial interactions and simple communications. The same is true for businesses, governments and international institutions. Keeping this information secure and only accessible by the right people is essential for retaining trust in all these on-line interactions.

Palo Alto's strategy is to build on the leading firewall product and move to subscription-based firewall and security as a service. This is increasingly based on consumption of data, meaning the market for security solutions will grow as data increases and more of this data is shifted into the cloud.

Global life sciences company **Abcam** was also among the top performers over the period under review. Exposed to our *Enabling innovation in healthcare* theme, the company reported robust first quarter revenue figures, driven by double-digit growth in the Americas and EMEA, while China returned to growth in the high-single digits.

Abcam provides high quality research tools to enable the progression of life science research. Science has a reproducibility problem, with a significant proportion of experiments not reproducible by others, or indeed by the original scientist. Part of the issue here is the quality of the tools or inputs that are being used. By continually refining their product portfolio to be the highest quality, Abcam ensures scientists get the best out of their research work.

In terms of detractors over the period, the collapse of Silicon Valley Bank (SVB) in March (the second largest banking failure in US history) led to a major sell-off in the US and European financial sectors and a few of our holdings were impacted by the subsequent contagion. Banks in 2023 are very different to those in 2008 – they are better capitalised, better regulated and tend to have more diversified sources of funding. For the Sustainable Future funds we look to invest in only those banks which demonstrate strong *Financial Resilience* – we did not invest in SVB in any of our Funds.

We note though that **First Republic**, which we did hold, has seen its shares impacted. First Republic started the year with a stronger credit rating than JP Morgan, and was the envy of the US banking sector. Unfortunately it was swept up in the turmoil associated with Silicon Valley Bank, given its deposit base was primarily in the San Francisco bay area, as was SVB's. Panic ensued as reports of the collapse of SVB hit the news, which saw First Republic's deposit base fall from 155bn to around 70bn over a few days. While the solvency of First Republic was sound, the sharp fall in its deposit base led to higher funding costs, and hurt profitability. We exited the position over the first quarter.

Exposed to our *Saving for the future* theme, **Charles Schwab** was another one of our positions to be negatively impacted by concerns around the collapse of SVB. Shares in the US investment firm fell amid a crisis of confidence in the banking sector with these concerns being further amplified after UBS announced that it was to buy out struggling Swiss lender Credit Suisse.

The market turbulence following the SVB collapse serves as an important reminder of how vital it is to invest in companies with strong balance sheets and good business models; and also to have good diversification across portfolios. Both are key features of the Sustainable Future approach.

Away from the banking sector, medical technology company **Masimo** was also among the detractors after releasing weaker than expected preliminary Q2 revenue figures while also announcing that it is making plans to reduce costs during the second half of the year. The company cited a shortfall in healthcare revenue on delayed orders, a sooner-than-expected end to the flu season and strained hospital budgets.

Our position in **Agilent Technologies** – a leading provider of instruments, software, services, and consumables for laboratories – was a notable detractor over the period. Exposed to our *Better monitoring of supply chains and quality control* theme, Agilent's products help us ensure the air we breathe, the water we drink and the food we eat is not affected by dangerous impurities. It also has a growing diagnostics business which enables innovation in areas such as gene therapy. Over the period, the company's earnings forecast for the second quarter came in below average estimates.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Having exited **First Republic**, we initiated a position in **Morningstar** under our *Saving for the future* theme. Morningstar provides both quantitative and qualitative research to the investment industry, with databases and analytical tools covering private markets, ESG, credit ratings, equity valuation, and more. On the client side, they provide software and investment management services to financial advisors and institutions.

We also added multinational plumbing and heating products distributor **Ferguson**, under our *Building better cities* theme. Sanitation is an area of sustainable development which offers a huge opportunity to improve over the coming decades. Clean water, decent toilets and good hygiene are basic human rights, and these also interact with other goals such as education, reducing inequalities and climate action.

Global information services company **Experian** was added under our *Increasing financial resilience* theme. As the world's largest consumer credit bureau, Experian plays a critical role in financial stability through the provision of transparent and accurate credit information. Experian has also developed a number of free tools on the consumer side of the business aimed at improving financial inclusion and credit scores – Experian Boost and Experian Go – helping people establish a credit identity and improve their score, all free of charge.

Cloud-based payroll and human capital management software provider **Paylocity** was also added under our *Increasing financial resilience* theme. Human Capital Management (HCM) is key to the strength and resilience of SME's (small and medium-sized enterprises). Incorrect payroll and incorrect taxes have high costs when they are not processed correctly. The importance of ensuring your workforce is engaged in a hybrid work environment places further importance on HCM within the workplace.

We also added medical products and technologies company **Convatec**. Held under our *Enabling innovation in healthcare* theme, Convatec manufactures medical devices for people living and managing chronic disease. Its mission is to pioneer trusted medical solutions to improve lives.

We re-added **Kingspan** under our *Improving the efficiency of energy use* theme for very strong sustainable investment reasons and because the company has now implemented the required controls around product certification and fire safety. Continued engagement with the company by the Sustainable Investment team has provided the reassurance that deficiencies highlighted by the Grenfell Tower inquiry will not occur again.

Kingspan's products dramatically improve the energy efficiency of buildings. The company estimates that through the use of its products sold in 2022, 173 million tonnes of CO2 will be saved, equivalent to the energy use of around 20 million homes. We believe Kingspan is well positioned to have a significant impact in reducing global energy use from buildings, which is essential if we are to prevent global warming exceeding the 1.5C threshold that the IPCC (Intergovernmental Panel on Climate Change) warns is critical.

We sold our position in **Puma**. The recent departure of the CEO to a competitor was disappointing, given we rated his strategy and leadership highly. We had also hoped the sales of products directly related to wellness and exercise would outgrow the fashion-focused sales, which would have increased the thematic exposure, and seen an upgrade from C to B in terms of the product rating. This mix shift did not eventuate, as sportswear sales had disappointed. We therefore decided to exit the position.

We exited our position long-term holding, **Crest Nicholson**, a leading UK house builder, with excellent sustainability credentials built into every home. Unfortunately, there has been some management mis-steps and changes over the past few years and we believe the UK housing recovery could take longer than anticipated. With these concerns, we have decided there are better opportunities in other areas of the portfolio.

We also sold our position in **GB**, a digital security company, with strong positioning in preventing growing identity fraud. Despite the strong structural demand, the management team made an expensive acquisition linked to cyber security in cryptocurrencies in what transpired to be the height of the crypto boom. This lack of discipline around capital allocation causes us to lose faith that management are careful custodians of our client's capital.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

*Source: Financial Express, bid-to-bid, net of fees, 31.07.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.

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

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

Material portfolio changes by value

Purchases

United Kingdom Gilt 1.5% 31/7/2053
 Lloyds Banking 6.625% 2/6/2033
 Liontrust GF Sustainable Future US Growth Fund **
 Paylocity
 ConvaTec
 Experian
 Morningstar
 Kingspan
 Ferguson
 HSBC 8.201% 16/11/2034

** Managed by Liontrust Investment Partners Limited

Sales

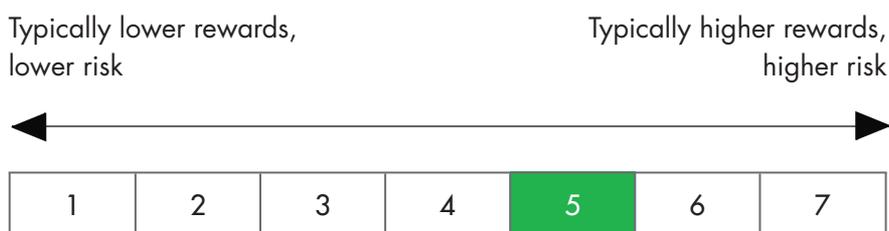
United Kingdom Gilt 0.875% 31/7/2033
 HSBC 5.40114%
 Lloyds Banking 2.707% 3/12/2035
 Puma
 Spotify Technology
 3i
 NVR
 Palo Alto Networks
 Equinix
 IQVIA

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Risk and Reward profile

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



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

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

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

Sustainable Future Cautious Managed Fund (continued)

Performance record (unaudited)

as at 31 July 2023

Income record

Any distributions payable are paid on a semi-annual basis (31 March and 30 September). The table shows distributions declared over the specified periods.

For the six months ending	31 July 2023 per share (p)	31 July 2022 per share (p)
Class 2 Net Income	1.6906	1.3663
Class 3 Net Income	1.7354	1.3986

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2023			
Class 2 Net Income	633,924,944	892,040	140.72
Class 3 Net Income	57,558,037	83,205	144.56
31 January 2023			
Class 2 Net Income	700,034,128	1,009,347	144.19
Class 3 Net Income	60,036,129	88,802	147.91
31 January 2022			
Class 2 Net Income	677,803,580	1,094,342	161.45
Class 3 Net Income	54,377,805	89,825	165.19
31 January 2021			
Class 2 Net Income	387,369,418	610,100	157.50
Class 3 Net Income	26,875,087	43,176	160.65

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (unaudited)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (53.72%)	541,309	55.50
	DENMARK (1.62%)	15,933	1.63
109,669	Ringkjoebing Landbobank	12,188	1.25
179,046	Vestas Wind Systems	3,745	0.38
	GERMANY (1.62%)	12,048	1.23
216,715	Evotec	4,435	0.45
222,126	Infineon Technologies	7,613	0.78
	IRELAND (1.51%)	23,819	2.44
151,410	Experian	4,554	0.47
62,198	Kerry	4,816	0.49
77,949	Kingspan	4,869	0.50
309,045	Smurfit Kappa	9,580	0.98
	JAPAN (2.71%)	24,209	2.48
5,194	Canadian Solar Infrastructure Fund**	3,367	0.35
34,400	Daikin Industries	5,398	0.55
30,000	Keyence	10,442	1.07
249,000	TechnoPro	5,002	0.51
	NETHERLANDS (1.94%)	22,555	2.31
5,179	Adyen	7,488	0.77
26,964	ASML	15,067	1.54
	SWEDEN (1.59%)	13,105	1.34
386,076	Avanza Bank	6,822	0.70
54,121	Spotify Technology	6,283	0.64
	SWITZERLAND (1.48%)	16,176	1.66
133,273	Alcon	8,843	0.91
30,224	Roche	7,333	0.75
	UNITED KINGDOM (18.10%)	172,377	17.68
389,525	3i	7,701	0.79
441,605	Abcam	8,045	0.82
268,079	Admiral	5,707	0.59

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
EQUITIES (continued)			
UNITED KINGDOM (continued)			
1,017,134	AJ Bell	3,334	0.34
113,365	Ashtead	6,525	0.67
60,981	AstraZeneca	6,820	0.70
347,681	Compass	7,048	0.72
2,408,537	ConvaTec	5,019	0.51
101,914	Croda International	6,003	0.62
1,243,897	DFS Furniture	1,500	0.15
29,984	Ferguson	3,748	0.38
447,588	GSK	6,196	0.64
705,988	Gym	740	0.08
2,242,092	Haleon	7,540	0.77
207,526	Halma	4,640	0.48
2,615,137	Helios Towers	2,365	0.24
13,006,462	Home REIT^	3,712	0.38
135,324	Intertek	5,901	0.61
5,429,356	IP	3,247	0.33
2,661,081	Legal & General	6,211	0.64
89,054	London Stock Exchange	7,536	0.77
1,947,931	Mobico	1,817	0.19
581,620	Molton Ventures	1,529	0.16
1,719,822	NatWest	4,202	0.43
884,700	Oxford Biomedica	3,910	0.40
1,194,933	Paragon Banking	6,303	0.65
388,883	Porvair	2,372	0.24
4,746,825	PRS REIT	3,907	0.40
1,261,334	Rotork	3,890	0.40
4,182,981	SDCL Energy Efficiency Income Trust*	3,229	0.33
411,348	Softcat	6,170	0.63
734,315	St James's Place	6,903	0.71
1,777,462	Trainline	4,682	0.48
228,323	Unilever	9,568	0.98
560,728	Wise	4,357	0.45
UNITED STATES OF AMERICA (23.15%)		241,087	24.73
24,938	Adobe	10,587	1.09
53,044	Advanced Drainage Systems	5,029	0.52
82,471	Agilent Technologies	7,805	0.80
130,961	Alphabet 'C'	13,550	1.39

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
EQUITIES (continued)			
UNITED STATES OF AMERICA (continued)			
53,997	American Tower	7,989	0.82
45,167	ANSYS	12,009	1.23
48,820	Autodesk	8,043	0.82
82,474	Bright Horizons Family Solutions	6,218	0.64
62,968	Brown & Brown	3,448	0.35
72,018	Cadence Design Systems	13,091	1.34
142,351	Charles Schwab	7,312	0.75
140,474	DocuSign	5,876	0.60
73,904	Ecolab	10,512	1.08
9,612	Equinix	6,053	0.62
36,563	Illumina	5,460	0.56
26,937	Intuit	10,715	1.10
36,806	Intuitive Surgical	9,281	0.95
63,906	IQVIA	11,119	1.14
51,272	Masimo	4,873	0.50
24,786	Morningstar	4,440	0.46
196,561	Nasdaq	7,712	0.79
1,507	NVR	7,384	0.76
40,505	Palo Alto Networks	7,870	0.81
37,712	Paylocity	6,649	0.68
80,570	PayPal	4,748	0.49
82,185	PTC	9,314	0.95
19,230	Thermo Fisher Scientific	8,200	0.84
93,494	Trex	5,024	0.52
49,502	VeriSign	8,116	0.83
68,501	Visa 'A'	12,660	1.30
BONDS (37.80%)		389,490	39.94
UNITED KINGDOM GOVERNMENT BONDS (13.21%)			
£ 131,650,000	United Kingdom Gilt 0.875% 31/7/2033	95,404	9.78
£ 69,900,000	United Kingdom Gilt 1.5% 31/7/2053	36,332	3.73
UK STERLING DEBT SECURITIES (21.60%)		234,252	24.02
£ 2,300,000	3i 5.75% 3/12/2032	2,272	0.23
£ 5,250,000	Anglian Water Osprey Financing 2% 31/7/2028	3,944	0.41
£ 2,500,000	Annington Funding 3.184% 12/7/2029	2,056	0.21

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
BONDS (continued)			
UK STERLING DEBT SECURITIES (continued)			
£ 1,200,000	Annington Funding 3.935% 12/7/2047	854	0.09
£ 1,350,000	Assicurazioni Generali 6.269% Perpetual	1,309	0.13
£ 5,050,000	AT&T 7% 30/4/2040	5,351	0.55
£ 4,500,000	Aviva 4.375% 12/9/2049	3,911	0.40
£ 3,400,000	Aviva 5.125% 4/6/2050	3,032	0.31
£ 2,667,000	Aviva 6.875% Perpetual	2,270	0.23
£ 4,600,000	Banco Santander 2.25% 4/10/2032	3,747	0.38
£ 9,100,000	Barclays 8.407% 14/11/2032	9,335	0.96
£ 4,000,000	Blackstone Property Partners Europe Sarl 2.625% 20/10/2028	3,026	0.31
£ 2,000,000	BNP Paribas 5.75% 13/6/2032	1,949	0.20
£ 1,800,000	BPCE 5.25% 16/4/2029	1,654	0.17
£ 1,800,000	BPCE 6.125% 24/5/2029	1,776	0.18
£ 2,095,000	Bunzl Finance 1.5% 30/10/2030	1,565	0.16
£ 1,083,000	Bunzl Finance 2.25% 11/6/2025	1,008	0.10
£ 2,300,000	Cadent Finance 2.125% 22/9/2028	1,918	0.20
£ 3,000,000	Canary Wharf Investment 3.375% 23/4/2028	2,068	0.21
£ 4,400,000	Clarion Funding 1.25% 13/11/2032	3,028	0.31
£ 3,200,000	Compass 4.375% 8/9/2032	2,988	0.31
£ 1,650,000	Cooperatieve Rabobank UA 4.625% 23/5/2029	1,494	0.15
£ 2,997,000	Coventry Building Society 2% 20/12/2030	2,256	0.23
£ 3,000,000	Coventry Building Society 6.875% Perpetual	2,848	0.29
£ 2,200,000	CPUK Finance 3.69% 28/2/2047	1,899	0.20
£ 2,750,000	Deutsche Telekom International Finance 8.875% 27/11/2028	3,157	0.32
£ 5,600,000	Direct Line Insurance 4% 5/6/2032	4,093	0.42
£ 4,082,000	DWR Cymru Financing UK 2.375% 31/3/2034	2,827	0.29
£ 2,100,000	DWR Cymru Financing UK 2.5% 31/3/2036	1,526	0.16
£ 707,000	GlaxoSmithKline Capital 5.25% 19/12/2033	713	0.07
£ 578,000	GSK Consumer Healthcare Capital UK 2.875% 29/10/2028	508	0.05
£ 6,700,000	HSBC 7% 7/4/2038	6,717	0.69
£ 3,000,000	HSBC 8.201% 16/11/2034	3,134	0.32
£ 3,500,000	Legal & General 4.5% 1/11/2050	2,999	0.31
£ 1,600,000	Legal & General 5.125% 14/11/2048	1,475	0.15
£ 1,600,000	Liberty Living Finance 3.375% 28/11/2029	1,331	0.14
£ 7,428,000	Lloyds Banking 2.707% 3/12/2035	5,553	0.57
£ 7,327,000	Lloyds Banking 6.625% 2/6/2033	7,157	0.73
£ 3,700,000	Logicor Financing Sarl 2.75% 15/1/2030	2,780	0.29
£ 4,000,000	London & Quadrant Housing Trust 2% 20/10/2038	2,493	0.26
£ 1,249,000	London Stock Exchange 1.625% 6/4/2030	998	0.10

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
BONDS (continued)			
UK STERLING DEBT SECURITIES (continued)			
£ 3,400,000	M&G 5.625% 20/10/2051	3,069	0.32
£ 950,000	M&G 6.34% 19/12/2063	844	0.09
£ 1,000,000	Motability Operations 1.75% 3/7/2029	821	0.08
£ 2,000,000	Motability Operations 3.625% 10/3/2036	1,690	0.17
£ 4,115,000	National Express 2.375% 20/11/2028	3,410	0.35
£ 1,867,000	National Express 4.25% 14/3/2032	1,629	0.17
£ 2,686,000	National Grid Gas 1.125% 14/1/2033	1,748	0.18
£ 1,300,000	Nationwide Building Society 5.875% Perpetual	1,232	0.13
£ 11,700,000	Natwest 2.105% 28/11/2031	9,888	1.01
£ 1,400,000	Natwest 7.416% 6/6/2033	1,395	0.14
£ 4,850,000	Next 3.625% 18/5/2028	4,345	0.45
£ 4,150,000	NGG Finance 5.625% 18/6/2073	3,960	0.41
£ 4,600,000	Optivo Finance 2.857% 7/10/2035	3,452	0.35
£ 2,300,000	Orange 8.125% 20/11/2028	2,568	0.26
£ 2,550,000	Orsted 2.125% 17/5/2027	2,254	0.23
£ 5,933,000	Orsted 2.5% 18/2/3021	3,958	0.41
£ 1,000,000	Peabody Capital No 2 2.75% 2/3/2034	769	0.08
£ 1,500,000	Pension Insurance 3.625% 21/10/2032	1,120	0.12
£ 2,500,000	Pension Insurance 4.625% 7/5/2031	2,075	0.21
£ 2,810,000	Pension Insurance 5.625% 20/9/2030	2,508	0.26
£ 5,500,000	Phoenix 5.625% 28/4/2031	4,906	0.50
£ 1,500,000	Places for People Homes 3.625% 22/11/2028	1,332	0.14
£ 300,000	Places for People Homes 5.875% 23/5/2031	298	0.03
£ 2,138,000	Realty Income 1.125% 13/7/2027	1,759	0.18
£ 3,250,000	RL Finance Bonds No. 4 4.875% 7/10/2049	2,447	0.25
£ 3,000,000	Rothsay Life 7.734% 16/5/2033	2,958	0.30
£ 1,908,000	Severn Trent Utilities Finance 2% 2/6/2040	1,131	0.12
£ 3,800,000	Severn Trent Utilities Finance 2.625% 22/2/2033	2,927	0.30
£ 600,000	Severn Trent Utilities Finance 6.25% 7/6/2029	605	0.06
£ 2,500,000	Southern Gas Networks 1.25% 2/12/2031	1,762	0.18
£ 2,143,000	Southern Housing 2.375% 8/10/2036	1,479	0.15
£ 2,900,000	SP Transmission 2% 13/11/2031	2,274	0.23
£ 4,428,000	SSE 3.74% Perpetual	4,017	0.41
£ 5,400,000	Standard Chartered 5.125% 6/6/2034	4,793	0.49
£ 5,400,000	Telefonica Emisiones 5.375% 2/2/2026	5,313	0.55
£ 2,700,000	UNITE 3.5% 15/10/2028	2,342	0.24
£ 2,286,000	United Utilities Water Finance 0.875% 28/10/2029	1,708	0.18
£ 7,000,000	Verizon Communications 3.375% 27/10/2036	5,396	0.55

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
BONDS (continued)			
UK STERLING DEBT SECURITIES (continued)			
£ 4,000,000	Vodafone 4.875% 3/10/2078	3,745	0.38
£ 2,600,000	Vodafone 5.9% 26/11/2032	2,630	0.27
£ 1,775,000	Western Power Distribution 3.5% 16/10/2026	1,640	0.17
£ 4,507,000	Whitbread 3% 31/5/2031	3,512	0.36
£ 2,850,000	Yorkshire Building Society 3.375% 13/9/2028	2,433	0.25
£ 3,750,000	Yorkshire Water Finance 1.75% 27/10/2032	2,639	0.27
£ 2,760,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	2,452	0.25
		14,512	1.49
EURO DEBT SECURITIES (1.37%)			
€ 6,400,000	Cellnex Finance 2% 15/2/2033	4,346	0.45
€ 6,200,000	Infrastrutture Wireless Italiane 1.75% 19/4/2031	4,483	0.46
€ 7,046,400	Stichting AK Rabobank Certificaten 6.5% Perpetual	5,683	0.58
		8,990	0.92
US DOLLAR DEBT SECURITIES (1.62%)			
\$ 4,600,000	AXA 6.379% Perpetual	3,849	0.40
\$ 1,000,000	BNP Paribas 5.28457% Perpetual	719	0.07
\$ 7,242,000	Zurich Finance Ireland Designated Activity 3% 19/4/2051	4,422	0.45
		45,465	4.66
COLLECTIVE INVESTMENT SCHEMES (9.15%)			
GUERNSEY (0.43%)			
2,888,054	Renewables Infrastructure	3,281	0.34
IRELAND (5.47%)			
660,000	Liontrust GF Sustainable Future US Growth Fund++	6,862	0.70
UNITED KINGDOM (3.25%)			
4,955,101	Aquila European Renewables Income Fund	3,694	0.38
5,918,400	Atrato Onsite Energy	4,735	0.49
6,795,854	Downing Renewables & Infrastructure Trust	6,116	0.63
2,702,892	Greencoat UK Wind	3,952	0.40
2,145,472	JLEN Environmental Assets	2,261	0.23
5,367,575	Liontrust Sustainable Future Corporate Bond Fund+	4,789	0.49
4,097,600	ThomasLloyd Energy Impact Trust^	3,328	0.34

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
COLLECTIVE INVESTMENT SCHEMES (continued)			
UNITED KINGDOM (continued)			
4,639,967	Triple Point Energy Efficiency Infrastructure	3,155	0.32
6,831,409	US Solar Fund	3,292	0.34
	Portfolio of investments	976,264	100.10
	Net other liabilities	(1,019)	(0.10)
	Total net assets	975,245	100.00

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2023.

Stocks shown as REITs represent Real Estate Investment Trust.

* Investment Trust.

++ Managed by Liontrust Investment Partners Limited.

** Real Estate Investment Trust (REIT).

+ Managed by Liontrust Fund Partners LLP.

^ Suspended Security.

Sustainable Future Cautious Managed Fund (continued)

Statement of Total Return (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Income				
Net capital losses		(22,597)		(78,424)
Revenue	14,350		11,982	
Expenses	(4,207)		(4,786)	
Interest payable and similar charges	(5)		(5)	
Net revenue before taxation	10,138		7,191	
Taxation	(1,164)		(344)	
Net revenue after taxation		8,974		6,847
Total return before distributions		(13,623)		(71,577)
Distributions		(12,339)		(10,517)
Change in net assets attributable to shareholders from investment activities		(25,962)		(82,094)

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Opening net assets attributable to shareholders		1,098,149		1,184,167
Amounts received on issue of shares	6,194		99,204	
Amounts paid on cancellation of shares	(103,136)		(31,847)	
		(96,942)		67,357
Change in net assets attributable to shareholders from investment activities		(25,962)		(82,094)
Closing net assets attributable to shareholders		975,245		1,169,430

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

Sustainable Future Cautious Managed Fund (continued)

Balance Sheet (unaudited)

as at 31 July 2023

	31.7.2023 (£'000)	31.1.2023 (£'000)
Assets		
Fixed assets		
Investments	976,264	1,105,463
Current assets:		
Debtors	5,320	7,827
Cash and bank balances	10,933	638
Total assets	992,517	1,113,928
Liabilities		
Provision for liabilities	(7)	(21)
Creditors:		
Distribution payable	(11,716)	(10,511)
Other creditors	(5,549)	(5,247)
Total liabilities	(17,272)	(15,779)
Net assets attributable to shareholders	975,245	1,098,149

Sustainable Future Corporate Bond Fund

Report for the period from 1 February 2023 to 31 July 2023

Investment Objective

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

Investment Policy

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

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

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

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

Sustainable Future Corporate Bond Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned -2.9% (Class 2 Gross Income) over the period under review, compared with the -2.5% return from the iBoxx Sterling Corporate All Maturities Index comparator benchmark and the average return from IA Sterling Corporate Bond sector, also a comparator benchmark, of -2.1%*.

Market backdrop

Financial markets generally had a strong start to the year, as stronger than anticipated economic data and falling headline inflation heightened optimism of a soft landing and that central banks are approaching the end of the monetary policy tightening.

This optimism was further supported by the reopening of the Chinese economy, with the potential easing of supply chain pressures supporting lower inflation and stronger growth more broadly.

However, as we progressed through the first quarter, core inflation continued to surprise to the upside, alongside more resilient economic data, raising the prospect of a prolonged period of higher interest rates.

In March, renewed inflation concerns were eclipsed by the significant volatility following the collapse of Silicon Valley Bank (SVB) in the US, which was swiftly followed by Credit Suisse's plight in Europe. SVB's demise marked the second largest bank failure in US history, after suffering large deposit outflows following a failed equity raise to bolster its capital position due to losses on its long-dated Treasuries investments.

This sparked fears about contagion risks for the broader banking sector resulting in large deposit outflows from US regional banks and the re-introduction of emergency funding programmes by the Federal Reserve.

These fears were further amplified by the downfall of Credit Suisse, which saw similarly large deposit outflows amidst waning confidence in the bank after it revealed regulator concerns regarding accounting irregularities after already being under heightened scrutiny. Ultimately, this led to government intervention in order to save the bank, with a last-ditch sale to UBS agreed which included significant guarantees and backing by the Swiss government.

Most notably for bond investors, the rescue deal resulted in the full write-down of the bank's AT1 securities, despite ranking senior to equity investors who received some compensation, undermining the conventional bank loss absorption capital structure.

This understandably undermined confidence in the AT1 asset class, and subordinated bank debt more broadly, with bond investors concerned that in the event of resolution they may rank junior to equity holders.

Investor concerns over the resilience of the global banking system saw a flight to safety, causing a significant rally in government bonds and resulting in strong returns from duration assets including corporate bonds and growth stocks. However, volatility and banking sentiment recovered swiftly, as all major central banks came out to reiterate their confidence in the financial system with the risks largely seen as contained, which reassured investors.

The second quarter of the year proved to be more difficult for global bond markets, as central banks continued their focus on tackling persistent levels of inflation, with core inflation in particular proving more stubborn than expected. Central banks reacted by raising interest rates in order to rein in inflation towards target levels. This, coupled with accompanying hawkish statements, resulted in markets pricing in higher terminal interest rates.

UK government bonds underperformed as yields rose to levels not seen since the mini-budget turmoil last September. The Bank of England increased rates by 25 basis points (bps) in May and then surprised the market by following this with a further 50bps increase to 5.0% in June. The step up to a 50bps increase followed strong wage growth of 7.2% reported in June, with UK headline and core inflation also surprising to the upside.

The Bank signalled that further rate hikes would be increasingly data driven going forward, with Governor Bailey acknowledging that inflation was taking longer than expected to come down. The market reacted by pricing in further rates increases, with the terminal rate forecast to be above 6%, driving yields sharply higher. Economic data continued to be resilient, although the effect of recent rate

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Market backdrop (continued)

increases has not been fully felt by households, due to them being on fixed rate mortgages. This is expected to feed through over the next 18 months as these cheap fixed rate deals expire.

In the US, the Federal Reserve (Fed) raised interest rates by 25bps in May, and left rates unchanged in June. This was the first time in over 12 months that the Fed has not increased rates, although the accompanying dot plot of rate predictions showed two further rate rises in 2023. US inflation continued to decline due to base effects and is now 4.0%. Economic data has proven to be resilient as evidenced by on-going employment growth, with monthly non-farm payroll data above 200,000, demonstrating that the US labour market remains tight. The US debt ceiling negotiations did cause volatility on fears of a technical default. However, an agreement was reached in the Senate to suspend the debt ceiling and legislation was signed off by President Biden in early June.

In Europe, the European Central Bank (ECB) increased interest rates by 50bps over the quarter, taking the deposit rate to 3.5% and signalled that they still have further to go. There are signs from economic survey data that the eurozone economy is slowing, but similar to the other economies, core inflation remains stubbornly high at over 5.0%.

In the UK, the Bank of England corporate bond disposal programme, which had been viewed as a potential negative overhang on the corporate bond market, has now concluded, which should further support corporate bond spreads.

Over the second quarter, sterling corporate bond credit spreads were broadly flat, which was a resilient performance given the volatility in government bond markets. Corporate bonds were supported by a strong new issue market and fund flows into the asset class, given the attractive all-in yield levels.

Performance

Our holdings across high quality European names continue to benefit from improving net interest margins in a higher rate environment, alongside well-capitalised balance sheets and robust asset quality, resulting in credit ratings remaining stable to improving across the names held. We believe these companies are well positioned against potential further weakness in sentiment and to capture a potential recovery.

Within the banks sector, the biggest contribution to the Sub-fund's credit performance was the early call announcement of the HSBC legacy discounted 'disco' bonds. The company announced that they would call the bonds at par, which were trading at around 75 cents, adding around 50bps of performance to the Sub-fund. The regulator has been pushing for action from banks in this space, with the bonds due to lose capital treatment in 2025 as well as the cessation of Libor in June 2023. This had a positive impact for Sub-fund's other disco holding from BNP, given HSBC represented around 45% of the market it has set a precedent that other issuers are expected to follow, which saw both Barclays and Standard Chartered also calling their discos during the second quarter.

In the utilities sector, the Sub-fund's holding in Thames Water had a small negative impact on performance, following the surprise resignation of its Chief Executive and press speculation over the possibility of it being placed in a special administration scheme. The Sub-fund's exposure is to the senior bonds within the operating company, and these have explicit creditor protections. We do not think the government will place Thames Water under a special administration regime, as it has not met the specific criteria that could invoke this. Subsequent news following the quarter end was supportive for the bonds, providing reassurance that shareholders would provide additional equity support.

The news around the name had a negative impact across the broader water utility industry, which affected the other water companies in our Sub-fund. However, we think the recent underperformance is temporary and our holdings should perform well as their underlying credit metrics are resilient.

Outlook

There is a real risk that the UK falls into recession in the coming months and consensus forecasts, while upgraded so far this year, are still for muted growth over the next few years. Recent stronger-than-expected inflation data has resulted in markets pricing in four to five further hikes, taking the market-derived peak in base rates beyond 6%, over 100bps higher than current levels. However, with the

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Outlook (continued)

economic growth outlook anaemic and inflation likely to belatedly fall back towards the Bank of England's 2% target next year, we think the case for further rate hikes is limited.

The further rise in policy rates by central banks will take time to fully feed through and will have a material impact on financing, particularly for consumers as a larger proportion of fixed rate mortgages expire adding further pressure to already existing signs of strain. As the effects of cumulative hikes feeds through, we expect base rates will peak soon as economic activity begins to slow.

However, we anticipate further volatility throughout this year as the bond market is currently particularly focused on short-term patterns in macroeconomic data, such as inflation prints, as it tries to predict the peak in base rates.

Despite the building economic headwinds, corporate fundamentals remain incredibly healthy. Borrowing remains well below long-run averages, while interest coverage is significantly higher than historical levels and still high cash-to-debt levels also emphasise balance sheet strength.

While these metrics have already started to deteriorate – and will continue to do so – the average corporate is well placed to withstand the anticipated period of economic weakness given the historically strong starting point for company balance sheets.

The increase in yields, alongside widening of corporate bond spreads, has made the total yield on corporate bonds very attractive. Investment grade sterling bonds are now yielding levels not seen since the global financial crisis.

We continue to argue that corporate bonds remain very attractive from a total return perspective, with short-term mispricing providing an opportunity, with yields close to peaking coupled with strong fundamentals and attractive valuations.

**Source: Financial Express, bid-to-bid, net of fees, 31.07.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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

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

Material portfolio changes by value

Purchases

United Kingdom Gilt 0.875% 31/7/2033
 Lloyds Banking 6.625% 2/6/2033
 National Grid Electricity Transmission 5.272% 18/1/2043
 Legal & General 5.125% 14/11/2048
 Deutsche Telekom International Finance 7.625% 15/6/2030
 ING Groep 6.25% 20/5/2033
 Rentokil Initial 5% 27/6/2032
 Vodafone 5.9% 26/11/2032
 Thames Water Utilities Finance 6.75% 16/11/2028
 BPCE 6.125% 24/5/2029

Sales

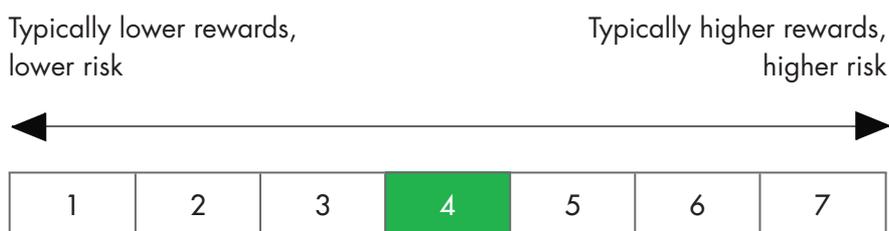
United Kingdom Gilt 0.875% 31/7/2033
 HSBC 5.40114%
 Vodafone 6.15% 27/2/2037
 Lloyds Banking 2.707% 3/12/2035
 HSBC 6% 29/3/2040
 Thames Water Utilities Finance 6.75% 16/11/2028
 Deutsche Telekom International Finance 8.75% 15/6/2030
 Motability Operations 3.625% 10/3/2036
 Zurich Finance Ireland Designated Activity 3% 19/4/2051
 Deutsche Telekom International Finance 9.25% 1/6/2032

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Risk and Reward profile

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



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

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

Sustainable Future Corporate Bond Fund (continued)

Performance record (unaudited)

as at 31 July 2023

Income record

Any distributions payable are paid on a quarterly basis (31 March, 30 June, 30 September and 31 December). The table shows distributions declared over the specified periods.

For the six months ending	31 July 2023 per share (p)	31 July 2022 per share (p)
Class 2 Gross Income	1.4414	1.2373
Class 3 Gross Income	2.0153	1.7612
Class 6 Gross Accumulation	2.7031	2.2346

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2023			
Class 2 Gross Income	416,550,533	275,492	66.14
Class 3 Gross Income	298,113,531	262,787	88.15
Class 6 Gross Accumulation	70,704,250	89,132	126.06
31 January 2023			
Class 2 Gross Income	356,240,970	247,411	69.45
Class 3 Gross Income	361,300,773	334,446	92.57
Class 6 Gross Accumulation	67,194,130	87,077	129.59
31 January 2022			
Class 2 Gross Income	400,436,008	328,686	82.08
Class 3 Gross Income	356,537,582	390,077	109.41
Class 6 Gross Accumulation	61,665,666	91,041	147.64
31 January 2021			
Class 2 Gross Income	317,367,716	279,039	87.92
Class 3 Gross Income	305,906,898	358,508	117.20
Class 6 Gross Accumulation	62,153,279	95,585	153.79

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (unaudited)

as at 31 July 2023

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UNITED KINGDOM GOVERNMENT BONDS (2.95%)	35,581	5.67
£49,100,000	United Kingdom Gilt 0.875% 31/7/2033	35,581	5.67
	UK STERLING DENOMINATED DEBT SECURITIES (76.24%)	514,288	81.98
£8,100,000	3i 5.75% 3/12/2032	8,003	1.28
£7,900,000	Anglian Water Osprey Financing 2% 31/7/2028	5,935	0.95
£7,000,000	Annington Funding 4.75% 9/8/2033	5,994	0.96
£13,500,000	AT&T 7% 30/4/2040	14,305	2.28
£7,000,000	Aviva 5.125% 4/6/2050	6,243	1.00
£6,666,000	Aviva 6.875% Perpetual	5,674	0.90
£19,000,000	Barclays 8.407% 14/11/2032	19,490	3.11
£10,000,000	Blackstone Property Partners Europe 4.875% 29/4/2032	7,713	1.23
£7,000,000	Blend Funding 2.922% 5/4/2056	4,331	0.69
£8,000,000	BNP Paribas 5.75% 13/6/2032	7,797	1.24
£5,000,000	BPCE 5.25% 16/4/2029	4,594	0.73
£8,700,000	BPCE 6.125% 24/5/2029	8,583	1.37
£10,376,000	Bunzl Finance 1.5% 30/10/2030	7,752	1.24
£6,200,000	Cadent Finance 2.125% 22/9/2028	5,169	0.82
£9,100,000	Canary Wharf Investment 3.375% 23/4/2028	6,272	1.00
£9,500,000	Clarion Funding 1.25% 13/11/2032	6,537	1.04
£7,500,000	Compass 4.375% 8/9/2032	7,003	1.12
£11,450,000	Cooperatieve Rabobank UA 4.625% 23/5/2029	10,365	1.65
£7,000,000	CPUK Finance 3.69% 28/2/2047	6,042	0.96
£5,000,000	Credit Agricole 5.75% 29/11/2027	4,912	0.78
£8,500,000	Deutsche Telekom International Finance 7.625% 15/6/2030	9,567	1.53
£6,000,000	Direct Line Insurance 4% 5/6/2032	4,385	0.70
£7,450,000	DWR Cymru Financing UK 2.5% 31/3/2036	5,413	0.86
£7,128,000	DWR Cymru Financing UK 2.375% 31/3/2034	4,937	0.79
£5,517,186	Greater Gabbard OFTO 4.137% 29/11/2032	5,081	0.81
£9,500,000	HSBC 7% 7/4/2038	9,523	1.52
£8,100,000	HSBC 8.201% 16/11/2034	8,461	1.35
£10,000,000	ING Groep 6.25% 20/5/2033	9,525	1.52
£7,000,000	Investec 1.875% 16/7/2028	5,639	0.90
£9,400,000	Legal & General 5.125% 14/11/2048	8,666	1.38
£8,400,000	Legal & General 4.5% 1/11/2050	7,197	1.15
£7,300,000	Liberty Living Finance 3.375% 28/11/2029	6,073	0.97
£11,482,000	Lloyds Banking 2.707% 3/12/2035	8,583	1.37
£14,273,000	Lloyds Banking 6.625% 2/6/2033	13,941	2.22
£5,250,000	London & Quadrant Housing Trust 2% 20/10/2038	3,272	0.52
£5,396,000	M&G 6.34% 19/12/2063	4,792	0.76
£7,300,000	M&G 5.625% 20/10/2051	6,590	1.05

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
UK STERLING DENOMINATED DEBT SECURITIES (continued)			
£8,800,000	Motability Operations 2.375% 14/3/2032	7,089	1.13
£8,083,000	National Express 2.375% 20/11/2028	6,699	1.07
£7,938,000	National Express 4.25% 14/3/2032	6,926	1.10
£9,000,000	National Grid Electricity Transmission 5.272% 18/1/2043	8,427	1.34
£9,174,000	National Grid Gas 1.125% 14/1/2033	5,970	0.95
£5,000,000	Natwest 5.125% Perpetual	4,231	0.67
£17,000,000	Natwest 7.416% 6/6/2033	16,942	2.70
£5,000,000	Natwest Markets 6.375% 8/11/2027	5,030	0.80
£4,500,000	Next 3.625% 18/5/2028	4,031	0.64
£8,000,000	Optivo Finance 2.857% 7/10/2035	6,004	0.96
£11,335,000	Orsted 2.5% 18/2/3021	7,562	1.21
£8,000,000	Peabody Capital No 2 2.75% 2/3/2034	6,156	0.98
£10,800,000	Pension Insurance 5.625% 20/9/2030	9,640	1.54
£9,800,000	Phoenix 5.625% 28/4/2031	8,742	1.39
£7,318,000	Places for People Homes 5.875% 23/5/2031	7,261	1.16
£9,200,000	Rentokil Initial 5% 27/6/2032	8,684	1.38
£7,500,000	Rothesay Life 7.734% 16/5/2033	7,395	1.18
£10,011,000	Severn Trent Utilities Finance 2% 2/6/2040	5,935	0.95
£7,243,000	South Eastern Power Networks 6.375% 12/11/2031	7,567	1.21
£6,000,000	Southern Gas Networks 3.1% 15/9/2036	4,393	0.70
£6,056,000	SP Transmission 2% 13/11/2031	4,749	0.76
£6,573,000	SSE 3.74% Perpetual	5,962	0.95
£6,200,000	Standard Chartered 5.125% 6/6/2034	5,503	0.88
£6,500,000	Thames Water Utilities Finance 6.75% 16/11/2028	6,411	1.02
£4,500,000	UNITE 3.5% 15/10/2028	3,903	0.62
£9,500,000	United Utilities Water Finance 2.625% 12/2/2031	7,745	1.23
£15,500,000	Verizon Communications 3.375% 27/10/2036	11,949	1.90
£8,215,000	Vodafone 5.9% 26/11/2032	8,309	1.32
£6,021,000	Whitbread 3% 31/5/2031	4,692	0.75
£9,500,000	Yorkshire Building Society 3.375% 13/9/2028	8,110	1.29
£15,000,000	Yorkshire Building Society 3.511% 11/10/2030	12,600	2.01
£4,652,000	Yorkshire Water Finance 6.454% 28/5/2027	4,631	0.74
£12,025,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	10,681	1.70
UK STERLING DENOMINATED FORWARD EXCHANGE CONTRACTS (0.12%)		121	0.02
£36,568,707	UK sterling 36,568,707 Vs Euro 42,700,000 - 20/9/2023	(105)	(0.02)
£48,325,019	UK sterling 48,325,019 Vs US dollar 61,900,000 - 20/9/2023	226	0.04

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UK STERLING DENOMINATED OPEN FUTURES CONTRACTS (0.15%)	1,287	0.21
1,223	Long Gilt Future September 2023	1,287	0.21
	UK STERLING DENOMINATED INTEREST RATE SWAPS (0.00%)	464	0.07
58,000,000	Pay IRS vs Receive IRS 5.6% until 29/6/2026 Interest Rate Swap (Counterparty: UBS)	464	0.07
	EURO DENOMINATED DEBT SECURITIES (5.02%)	36,921	5.88
€12,900,000	BNP Paribas 0.83667% Perpetual	8,038	1.28
€10,000,000	Cellnex Finance 2% 15/2/2033	6,790	1.08
€15,000,000	Cooperatieve Rabobank UA 3.1% Perpetual	10,154	1.62
€1,500,000	Hellas Telecommunications Luxembourg II 0.00000% 15/1/2015 ~	0	0.00
€7,000,000	Infrastrutture Wireless Italiane 1.625% 21/10/2028	5,281	0.84
€8,000,000	Prologis International Funding II 4.625% 21/2/2035	6,658	1.06
	EURO DENOMINATED OPEN FUTURES CONTRACTS (0.04%)	23	0.00
(90)	Euro-Bobl Future September 2023	27	0.00
(60)	Euro-Bund Future September 2023	(4)	0.00
	EURO DENOMINATED FORWARD EXCHANGE CONTRACTS (0.00%)	0	0.00
	US DOLLAR DENOMINATED DEBT SECURITIES (13.91%)	32,961	5.25
\$14,500,000	AXA 6.379% Perpetual	12,132	1.93
\$3,000,000	BNP Paribas 5.28457% Perpetual	2,157	0.34
\$16,000,000	Standard Chartered 7.014% Perpetual	11,923	1.90
\$4,039,000	Vodafone 6.15% 27/2/2037	3,266	0.52
\$5,705,000	Zurich Finance Ireland Designated Activity 3% 19/4/2051	3,483	0.56
	US DOLLAR DENOMINATED FORWARD EXCHANGE CONTRACTS (0.00%)	(67)	(0.01)
\$12,250,000	US dollar 12,250,000 Vs UK sterling 9,585,472 - 20/9/2023	(67)	(0.01)
	US DOLLAR DENOMINATED OPEN FUTURES CONTRACTS ((0.07%))	1,373	0.22
(595)	US 10 Year Ultra Future September 2023	1,236	0.20
(100)	US Long Bond (CBT) Future September 2023	137	0.02

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
US DOLLAR DENOMINATED OPEN FUTURES CONTRACTS (continued)			
	Portfolio of investments	622,952	99.29
	Net other assets	4,459	0.71
	Total net assets	627,411	100.00

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

Comparative figures show percentages for each category of holding at 31 January 2023.

~Delisted securities.

Sustainable Future Corporate Bond Fund (continued)

Statement of Total Return (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Income				
Net capital losses		(32,318)		(83,791)
Revenue	14,969		11,955	
Expenses	(1,534)		(1,711)	
Interest payable and similar charges	(50)		(11)	
Net revenue before taxation	13,385		10,233	
Taxation	–		–	
Net revenue after taxation		13,385		10,233
Total return before distributions		(18,933)		(73,558)
Distributions		(14,406)		(12,561)
Change in net assets attributable to shareholders from investment activities		(33,339)		(86,119)

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Opening net assets attributable to shareholders		668,934		809,804
Amounts received on issue of shares	95,826		66,283	
Amounts paid on cancellation of shares	(106,359)		(75,222)	
		(10,533)		(8,939)
Dilution adjustment		512		78
Change in net assets attributable to shareholders from investment activities		(33,339)		(86,119)
Retained distributions on accumulation shares		1,836		1,460
Unclaimed distributions		1		–
Closing net assets attributable to shareholders		627,411		716,284

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

Sustainable Future Corporate Bond Fund (continued)

Balance Sheet (unaudited)

as at 31 July 2023

	31.7.2023 (£'000)	31.1.2023 (£'000)
Assets		
Fixed assets		
Investments	623,128	657,734
Current assets:		
Debtors	12,648	12,550
Cash and bank balances	2,174	11,367
Total assets	637,950	681,651
Liabilities		
Investment liabilities	(176)	(1,402)
Creditors:		
Amounts due to future clearing houses and brokers	(406)	(1,366)
Bank overdrafts	(928)	–
Distribution payable	(6,069)	(5,981)
Other creditors	(2,960)	(3,968)
Total liabilities	(10,539)	(12,717)
Net assets attributable to shareholders	627,411	668,934

Sustainable Future Defensive Managed Fund

Report for the period from 1 February 2023 to 31 July 2023

Investment Objective

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

Investment Policy

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

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

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

Equity - 20-50%

Fixed Income - 10-60%

Cash - 0-20%

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

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

Sustainable Future Defensive Managed Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned -1.7% (Class 2 Net Income) over the period under review, versus the -0.4% IA Mixed Investment 20-60% Shares sector average (the comparator benchmark)*.

Across the portfolios, we continue to concentrate on where we have expertise and confidence in our predictions, namely the 20 sustainable themes that identify companies set to benefit making our world cleaner, healthier and safer. We continue to manage our portfolios in alignment with the themes, which themselves sit within three broader categories of *Better resource efficiency*, *Improved health and Greater safety and resilience*.

Within *Better resource efficiency*, the growth of renewables is accelerating for a market that's estimated to be worth half a trillion dollars, while the war in Ukraine has shown how security of supply is another essential attribute of renewable energy.

Under *Improved health*, there has been dramatic innovation in the development of diagnostic tools to aid early diagnosis, cancer and other diseases through the advances that we've seen in gene sequencing. Finally, within *Greater safety and resilience*, with water quality making the headlines, our theme around better monitoring of supply chains and quality control is focused on companies which provide equipment and services that undertake the essential analysis of our water, air and food.

All these areas are important to solving key sustainability challenges and should also deliver growth that is relatively independent of overall economic growth.

From an asset allocation perspective, we base our positioning on our views of economic conditions, risk and the likely returns from each asset class. Given where we are in the economic cycle, we maintain our overweight position in corporate bonds, which we feel can achieve good returns with relatively low risk.

On UK and global equities, we remain neutral. While we are positive on the returns from equities, the uncertainty of economic trajectory, and the associated volatility with that, holds us back from being overweight the asset class at this stage. Otherwise, we have reduced our overweight to infrastructure, recently taking profits from the strong performance from electricity generators, and we have moved to an underweight cash position, trimming down this asset class in order to help narrow the underweight that we have had to gilts.

In terms of asset class performance over the period under review, positive performance on the Sub-fund's equity exposure as global markets rallied was offset by losses on its bond portfolio. Much of the equity market strength stemmed from the technology sector and quality growth-style stocks of the type the Sub-fund typically owns, despite the ongoing presence of rising interest rate expectations – a factor which in 2022 led to a significant de-rating for quality, growth stocks.

Rising rate expectations led to losses within the Sub-fund's bond exposure, particularly in government bonds where yield curves shifted higher and prices fell. A 0.5 percentage point increase from the Bank of England (BoE) in June represented a re-acceleration from March and May's increases of 0.25 percentage points. This decision came following stronger-than-expected UK jobs market numbers, wage growth and core inflation readings. All of this indicated that the BoE remained some way off getting inflation under control, which resulted in a sell-off in UK gilts over the period. The impact of rising benchmark rates within the Sub-fund's corporate bond allocation was offset somewhat by a tightening of credit spreads.

Drivers of performance in the equity portfolio included **Adobe** following the release of strong Q2 results while the software company also increased its full-year revenue forecast based on optimism that generative AI development will prompt higher demand for its software. Exposed to our *Improving the efficiency of energy use* theme, Adobe has come under some scepticism from investors and analysts who feared its business would be undercut by startups specialising in the new technology. However, it has recently revealed more of its artificial intelligence strategy, adding generative AI features throughout its product range, notably unveiling enterprise-level subscriptions for the new tools, which include legal assurance against copyright claims.

Cybersecurity company **Palo Alto Networks** was another strong performer, reporting third-quarter results that beat average estimates, while also raising the lower end of its full-year revenue forecast. Exposed to our theme of *Enabling digital security*, Palo Alto provides cyber security solutions for over 85,000 organisations. Almost every facet of our lives has some online exposure, whether personal

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

information, finances, commercial interactions and simple communications. The same is true for businesses, governments and international institutions. Keeping this information secure and only accessible by the right people is essential for retaining trust in all these on-line interactions.

Palo Alto's strategy is to build on the leading firewall product and move to subscription-based firewall and security as a service. This is increasingly based on consumption of data, meaning the market for security solutions will grow as data increases and more of this data is shifted into the cloud.

Global life sciences company **Abcam** was also among the top performers over the period under review. Exposed to our *Enabling innovation in healthcare* theme, the company reported robust first quarter revenue figures, driven by double-digit growth in the Americas and EMEA, while China returned to growth in the high-single digits.

Abcam provides high quality research tools to enable the progression of life science research. Science has a reproducibility problem, with a significant proportion of experiments not reproducible by others, or indeed by the original scientist. Part of the issue here is the quality of the tools or inputs that are being used. By continually refining their product portfolio to be the highest quality, Abcam ensures scientists get the best out of their research work.

In terms of detractors over the period, the collapse of Silicon Valley Bank (SVB) in March (the second largest banking failure in US history) led to a major sell-off in the US and European financial sectors and a few of our holdings were impacted by the subsequent contagion. Banks in 2023 are very different to those in 2008 – they are better capitalised, better regulated and tend to have more diversified sources of funding. For the Sustainable Future funds we look to invest in only those banks which demonstrate strong Financial Resilience – we did not invest in SVB in any of our Funds.

We note though that **First Republic**, which we did hold, has seen its shares impacted. First Republic started the year with a stronger credit rating than JP Morgan, and was the envy of the US banking sector. Unfortunately it was swept up in the turmoil associated with Silicon Valley Bank, given its deposit base was primarily in the San Francisco bay area, as was SVB's. Panic ensued as reports of the collapse of SVB hit the news, which saw First Republic's deposit base fall from 155bn to around 70bn over a few days. While the solvency of First Republic was sound, the sharp fall in its deposit base led to higher funding costs, and hurt profitability. We exited the position over the first quarter.

Exposed to our *Saving for the future* theme, **Charles Schwab** was another one of our positions to be negatively impacted by concerns around the collapse of SVB. Shares in the US investment firm fell amid a crisis of confidence in the banking sector with these concerns being further amplified after UBS announced that it was to buy out struggling Swiss lender Credit Suisse.

The market turbulence following the SVB collapse serves as an important reminder of how vital it is to invest in companies with strong balance sheets and good business models; and also to have good diversification across portfolios. Both are key features of the Sustainable Future approach.

Away from the banking sector, Medical technology company **Masimo** was also among the detractors after releasing weaker than expected preliminary Q2 revenue figures while also announcing that it is making plans to reduce costs during the second half of the year. The company cited a shortfall in healthcare revenue on delayed orders, a sooner-than-expected end to the flu season and strained hospital budgets.

Our position in **Agilent Technologies** – a leading provider of instruments, software, services, and consumables for laboratories – was a notable detractor. Exposed to our *Better monitoring of supply chains and quality control* theme, Agilent's products help us ensure the air we breathe, the water we drink and the food we eat is not affected by dangerous impurities. It also has a growing diagnostics business which enables innovation in areas such as gene therapy. Over the period, the company's earnings forecast for the second quarter came in below average estimates.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Having exited **First Republic**, we initiated a position in **Morningstar** under our *Saving for the future* theme. Morningstar provides both quantitative and qualitative research to the investment industry, with databases and analytical tools covering private markets, ESG, credit ratings, equity valuation, and more. On the client side, they provide software and investment management services to financial advisors and institutions.

We also added multinational plumbing and heating products distributor **Ferguson**, under our *Building better cities* theme. Sanitation is an area of sustainable development which offers a huge opportunity to improve over the coming decades. Clean water, decent toilets and good hygiene are basic human rights, and these also interact with other goals such as education, reducing inequalities and climate action.

Global information services company **Experian** was added under our *Increasing financial resilience* theme. As the world's largest consumer credit bureau, Experian plays a critical role in financial stability through the provision of transparent and accurate credit information. Experian has also developed a number of free tools on the consumer side of the business aimed at improving financial inclusion and credit scores – Experian Boost and Experian Go – helping people establish a credit identity and improve their score, all free of charge.

Cloud-based payroll and human capital management software provider **Paylocity** was also added under our *Increasing financial resilience* theme. Human Capital Management (HCM) is key to the strength and resilience of SME's (small and medium-sized enterprises). Incorrect payroll and incorrect taxes have high costs when they are not processed correctly. The importance of ensuring your workforce is engaged in a hybrid work environment places further importance on HCM within the workplace.

We also added medical products and technologies company **Convatec**. Held under our *Enabling innovation in healthcare* theme, Convatec manufactures medical devices for people living and managing chronic disease. Its mission is to pioneer trusted medical solutions to improve lives.

We re-added **Kingspan** under our *Improving the efficiency of energy use* theme for very strong sustainable investment reasons and because the company has now implemented the required controls around product certification and fire safety. Continued engagement with the company by the Sustainable Investment team has provided the reassurance that deficiencies highlighted by the Grenfell Tower inquiry will not occur again.

Kingspan's products dramatically improve the energy efficiency of buildings. The company estimates that through the use of its products sold in 2022, 173 million tonnes of CO2 will be saved, equivalent to the energy use of around 20 million homes. We believe Kingspan is well positioned to have a significant impact in reducing global energy use from buildings, which is essential if we are to prevent global warming exceeding the 1.5C threshold that the IPCC (Intergovernmental Panel on Climate Change) warns is critical.

We sold our position in **Puma**. The recent departure of the CEO to a competitor was disappointing, given we rated his strategy and leadership highly. We had also hoped the sales of products directly related to wellness and exercise would outgrow the fashion-focused sales, which would have increased the thematic exposure, and seen an upgrade from C to B in terms of the product rating. This mix shift did not eventuate, as sportswear sales had disappointed. We therefore decided to exit the position.

We exited our position in long-term holding **Crest Nicholson**, a leading UK house builder, with excellent sustainability credentials built into every home. Unfortunately, there has been some management mis-steps and changes over the past few years and we believe the UK housing recovery could take longer than anticipated. With these concerns, we have decided there are better opportunities in other areas of the portfolio.

We also sold our position in **GB**, a digital security company, with strong positioning in preventing growing identity fraud. Despite the strong structural demand, the management team made an expensive acquisition linked to cyber security in cryptocurrencies in what transpired to be the height of the crypto boom. This lack of discipline around capital allocation causes us to lose faith that management are careful custodians of our client's capital.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Source: Financial Express, bid-to-bid, net of fees, 31.07.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.

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

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

Material portfolio changes by value

Purchases

United Kingdom Gilt 1.5% 31/7/2053
 Lloyds Banking 6.625% 2/6/2033
 Liontrust GF Sustainable Future US Growth Fund **
 Paylocity
 ConvaTec
 Standard Chartered 7.014% Perpetual
 Morningstar
 Experian
 Kingspan
 Ferguson

** Managed by Liontrust Investment Partners Limited.

Sales

United Kingdom Gilt 0.875% 31/7/2033
 HSBC 5.40114%
 Lloyds Banking 2.707% 3/12/2035
 Spotify Technology
 Liontrust Sustainable Future Corporate Bond Fund +
 Puma
 3i
 NVR
 Barclays Bank 5.23514% Perpetual
 IQVIA

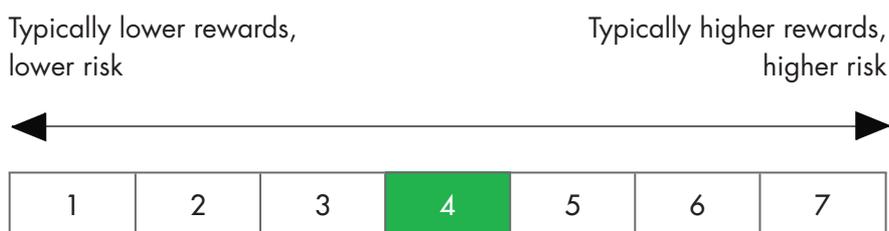
+ Managed by Liontrust Fund Partners LLP.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Risk and Reward profile

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



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

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

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

Sustainable Future Defensive Managed Fund (continued)

Performance record (unaudited)

as at 31 July 2023

Income record

Any distributions payable are paid on a semi-annual basis (31 March and 30 September). The table shows distributions declared over the specified periods.

For the six months ending	31 July 2023 per share (p)	31 July 2022 per share (p)
Class 2 Net Income	1.6593	1.3125
Class 3 Net Income	1.7034	1.3436

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2023			
Class 2 Net Income	689,415,941	878,143	127.37
Class 3 Net Income	55,852,708	73,088	130.86
31 January 2023			
Class 2 Net Income	770,850,581	1,016,583	131.88
Class 3 Net Income	60,498,011	81,850	135.29
31 January 2022			
Class 2 Net Income	820,564,686	1,226,428	149.46
Class 3 Net Income	61,332,400	93,778	152.90
31 January 2021			
Class 2 Net Income	456,260,987	675,800	148.12
Class 3 Net Income	39,973,592	60,399	151.10

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (unaudited)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (40.79%)	391,601	41.17
	DENMARK (1.18%)	11,242	1.19
76,735	Ringkjoebing Landbobank	8,528	0.90
129,727	Vestas Wind Systems	2,714	0.29
	GERMANY (1.12%)	7,853	0.83
158,156	Evotec	3,236	0.34
134,728	Infineon Technologies	4,617	0.49
	IRELAND (1.11%)	16,677	1.74
108,936	Experian	3,277	0.34
43,138	Kerry	3,340	0.35
55,317	Kingspan	3,456	0.36
213,039	Smurfit Kappa	6,604	0.69
	JAPAN (2.20%)	17,942	1.89
5,264	Canadian Solar Infrastructure Fund* **	3,412	0.36
21,600	Daikin Industries	3,389	0.36
22,100	Keyence	7,692	0.81
171,700	TechnoPro	3,449	0.36
	NETHERLANDS (1.15%)	13,040	1.37
3,975	Adyen	5,747	0.60
13,051	ASML	7,293	0.77
	SWEDEN (1.42%)	11,893	1.25
379,130	Avanza Bank	6,700	0.70
44,730	Spotify Technology	5,193	0.55
	SWITZERLAND (0.97%)	10,268	1.08
93,493	Alcon	6,203	0.65
16,754	Roche	4,065	0.43
	UNITED KINGDOM (13.91%)	124,359	13.07
273,859	3i	5,414	0.57
309,432	Abcam	5,637	0.59
187,340	Admiral	3,988	0.42

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
EQUITIES (continued)			
UNITED KINGDOM (continued)			
704,933	AJ Bell	2,311	0.24
78,715	Ashtead	4,531	0.48
42,595	AstraZeneca	4,764	0.50
242,305	Compass	4,912	0.52
1,693,247	ConvaTec	3,529	0.37
71,372	Croda International	4,204	0.44
954,766	DFS Furniture	1,151	0.12
24,915	Ferguson	3,114	0.33
308,699	GSK	4,273	0.45
726,982	Gym	762	0.08
1,562,601	Haleon	5,255	0.55
144,297	Halma	3,226	0.34
1,812,391	Helios Towers	1,639	0.17
12,000,004	Home REIT^	3,425	0.36
96,260	Intertek	4,198	0.44
3,828,270	IP	2,289	0.24
1,855,488	Legal & General	4,331	0.46
61,719	London Stock Exchange	5,223	0.55
1,549,848	Mobico	1,446	0.15
449,951	Molton Ventures	1,182	0.12
1,192,801	NatWest	2,914	0.31
644,614	Oxford Biomedica	2,849	0.30
833,188	Paragon Banking	4,395	0.46
285,881	Porvair	1,744	0.18
4,666,486	PRS REIT	3,840	0.40
874,179	Rotork	2,696	0.28
3,826,292	SDCL Energy Efficiency Income Trust*	2,954	0.31
283,659	Softcat	4,255	0.45
512,667	St James's Place	4,819	0.51
1,301,339	Trainline	3,428	0.36
158,475	Unilever	6,641	0.70
388,616	Wise	3,020	0.32
UNITED STATES OF AMERICA (17.73%)		178,327	18.75
15,067	Adobe	6,396	0.67
44,977	Advanced Drainage Systems	4,264	0.45
63,627	Agilent Technologies	6,022	0.63
112,934	Alphabet 'A'	11,652	1.22

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
EQUITIES (continued)			
UNITED STATES OF AMERICA (continued)			
41,186	American Tower	6,093	0.64
33,648	ANSYS	8,946	0.94
33,702	Autodesk	5,552	0.58
65,999	Bright Horizons Family Solutions	4,976	0.52
92,881	Brown & Brown	5,086	0.53
60,877	Cadence Design Systems	11,066	1.16
110,409	Charles Schwab	5,671	0.60
96,866	DocuSign	4,052	0.43
49,402	Ecolab	7,027	0.74
6,225	Equinix	3,920	0.41
30,250	Illumina	4,518	0.48
17,072	Intuit	6,791	0.71
19,151	Intuitive Surgical	4,829	0.51
43,457	IQVIA	7,561	0.79
48,141	Masimo	4,576	0.48
21,148	Morningstar	3,788	0.40
127,570	Nasdaq	5,005	0.53
953	NVR	4,670	0.49
35,043	Palo Alto Networks	6,809	0.72
29,010	Paylocity	5,115	0.54
62,809	PayPal	3,702	0.39
56,339	PTC	6,385	0.67
14,002	Thermo Fisher Scientific	5,971	0.63
79,311	Trex	4,262	0.45
33,974	VeriSign	5,570	0.59
43,571	Visa 'A'	8,052	0.85
BONDS (50.57%)		512,685	53.90
UNITED KINGDOM GOVERNMENT BONDS (18.77%)			
£ 183,800,000	United Kingdom Gilt 0.875% 31/7/2033	133,195	14.00
£ 96,800,000	United Kingdom Gilt 1.5% 31/7/2053	50,314	5.29
UK STERLING DEBT SECURITIES (27.22%)		291,013	30.59
£ 2,900,000	3i 5.75% 3/12/2032	2,865	0.30
£ 5,300,000	Anglian Water Osprey Financing 2% 31/7/2028	3,982	0.42
£ 4,000,000	Annington Funding 3.184% 12/7/2029	3,289	0.35

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
BONDS (continued)			
UK STERLING DEBT SECURITIES (continued)			
£ 1,500,000	Annington Funding 3.935% 12/7/2047	1,068	0.11
£ 1,700,000	Assicurazioni Generali 6.269% Perpetual	1,649	0.17
£ 5,800,000	AT&T 7% 30/4/2040	6,146	0.65
£ 6,900,000	Aviva 4.375% 12/9/2049	5,997	0.63
£ 4,700,000	Aviva 5.125% 4/6/2050	4,192	0.44
£ 3,333,000	Aviva 6.875% Perpetual	2,837	0.30
£ 5,300,000	Banco Santander 2.25% 4/10/2032	4,318	0.45
£ 11,700,000	Barclays 8.407% 14/11/2032	12,002	1.26
£ 5,000,000	Blackstone Property Partners Europe Sarl 2.625% 20/10/2028	3,783	0.40
£ 6,000,000	BNP Paribas 5.75% 13/6/2032	5,847	0.61
£ 1,800,000	BPCE 5.25% 16/4/2029	1,654	0.17
£ 1,800,000	BPCE 6.125% 24/5/2029	1,776	0.19
£ 2,094,000	Bunzl Finance 1.5% 30/10/2030	1,564	0.16
£ 1,617,000	Bunzl Finance 2.25% 11/6/2025	1,504	0.16
£ 3,000,000	Cadent Finance 2.125% 22/9/2028	2,501	0.26
£ 4,500,000	Canary Wharf Investment 3.375% 23/4/2028	3,101	0.33
£ 4,150,000	Clarion Funding 1.25% 13/11/2032	2,856	0.30
£ 2,400,000	Compass 4.375% 8/9/2032	2,241	0.24
£ 5,200,000	Cooperatieve Rabobank UA 4.625% 23/5/2029	4,707	0.49
£ 3,916,000	Coventry Building Society 2% 20/12/2030	2,948	0.31
£ 3,700,000	Coventry Building Society 6.875% Perpetual	3,512	0.37
£ 4,000,000	CPUK Finance 3.69% 28/2/2047	3,453	0.36
£ 5,600,000	Deutsche Telekom International Finance 8.875% 27/11/2028	6,428	0.68
£ 6,050,000	Direct Line Insurance 4% 5/6/2032	4,422	0.47
£ 4,982,000	DWR Cymru Financing UK 2.375% 31/3/2034	3,451	0.36
£ 2,700,000	DWR Cymru Financing UK 2.5% 31/3/2036	1,962	0.21
£ 890,000	GlaxoSmithKline Capital 5.25% 19/12/2033	898	0.09
£ 745,000	GSK Consumer Healthcare Capital UK 2.875% 29/10/2028	655	0.07
£ 9,350,000	HSBC 7% 7/4/2038	9,373	0.99
£ 5,700,000	Legal & General 4.5% 1/11/2050	4,883	0.51
£ 1,250,000	Legal & General 5.125% 14/11/2048	1,152	0.12
£ 2,500,000	Liberty Living Finance 3.375% 28/11/2029	2,080	0.22
£ 8,686,000	Lloyds Banking 2.707% 3/12/2035	6,493	0.68
£ 8,455,000	Lloyds Banking 6.625% 2/6/2033	8,258	0.87
£ 4,700,000	Logicor Financing Sarl 2.75% 15/1/2030	3,531	0.37
£ 3,750,000	London & Quadrant Housing Trust 2% 20/10/2038	2,337	0.25
£ 2,081,000	London Stock Exchange 1.625% 6/4/2030	1,663	0.17
£ 4,550,000	M&G 5.625% 20/10/2051	4,108	0.43

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
BONDS (continued)			
UK STERLING DEBT SECURITIES (continued)			
£ 1,000,000	M&G 6.34% 19/12/2063	888	0.09
£ 1,500,000	Motability Operations 1.75% 3/7/2029	1,231	0.13
£ 2,700,000	Motability Operations 3.625% 10/3/2036	2,282	0.24
£ 3,565,000	National Express 2.375% 20/11/2028	2,955	0.31
£ 1,633,000	National Express 4.25% 14/3/2032	1,425	0.15
£ 4,185,000	National Grid Gas 1.125% 14/1/2033	2,723	0.29
£ 2,800,000	Nationwide Building Society 5.875% Perpetual	2,653	0.28
£ 12,000,000	Natwest 2.105% 28/11/2031	10,141	1.07
£ 2,700,000	Natwest 3.622% 14/8/2030	2,517	0.26
£ 1,400,000	Natwest 7.416% 6/6/2033	1,395	0.15
£ 5,400,000	Next 3.625% 18/5/2028	4,837	0.51
£ 4,700,000	NGG Finance 5.625% 18/6/2073	4,484	0.47
£ 3,955,000	Optivo Finance 2.857% 7/10/2035	2,968	0.31
£ 2,800,000	Orange 8.125% 20/11/2028	3,127	0.33
£ 2,850,000	Orsted 2.125% 17/5/2027	2,520	0.27
£ 5,932,000	Orsted 2.5% 18/2/3021	3,958	0.42
£ 1,000,000	Peabody Capital No 2 2.75% 2/3/2034	769	0.08
£ 1,750,000	Pension Insurance 3.625% 21/10/2032	1,307	0.14
£ 2,700,000	Pension Insurance 4.625% 7/5/2031	2,241	0.24
£ 3,780,000	Pension Insurance 5.625% 20/9/2030	3,374	0.35
£ 7,850,000	Phoenix 5.625% 28/4/2031	7,003	0.74
£ 2,300,000	Places for People Homes 3.625% 22/11/2028	2,043	0.21
£ 700,000	Places for People Homes 5.875% 23/5/2031	694	0.07
£ 2,672,000	Realty Income 1.125% 13/7/2027	2,199	0.23
£ 3,955,000	RL Finance Bonds No. 4 4.875% 7/10/2049	2,978	0.31
£ 3,000,000	Rothsay Life 7.734% 16/5/2033	2,958	0.31
£ 4,272,000	Severn Trent Utilities Finance 2% 2/6/2040	2,533	0.27
£ 4,200,000	Severn Trent Utilities Finance 2.625% 22/2/2033	3,235	0.34
£ 800,000	Severn Trent Utilities Finance 6.25% 7/6/2029	807	0.08
£ 2,750,000	Southern Gas Networks 1.25% 2/12/2031	1,938	0.20
£ 3,571,000	Southern Housing 2.375% 8/10/2036	2,464	0.26
£ 2,900,000	SP Transmission 2% 13/11/2031	2,274	0.24
£ 5,245,000	SSE 3.74% Perpetual	4,758	0.50
£ 4,700,000	Standard Chartered 5.125% 6/6/2034	4,172	0.44
£ 7,250,000	Telefonica Emisiones 5.375% 2/2/2026	7,133	0.75
£ 2,200,000	UNITE 3.5% 15/10/2028	1,908	0.20
£ 3,286,000	United Utilities Water Finance 0.875% 28/10/2029	2,455	0.26
£ 7,800,000	Verizon Communications 3.375% 27/10/2036	6,013	0.63

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
BONDS (continued)			
UK STERLING DEBT SECURITIES (continued)			
£ 2,000,000	Vodafone 4.875% 3/10/2078	1,872	0.20
£ 5,900,000	Vodafone 5.9% 26/11/2032	5,968	0.63
£ 2,350,000	Western Power Distribution 3.5% 16/10/2026	2,171	0.23
£ 4,757,000	Whitbread 3% 31/5/2031	3,707	0.39
£ 3,950,000	Yorkshire Building Society 3.375% 13/9/2028	3,372	0.35
£ 5,410,000	Yorkshire Water Finance 1.75% 27/10/2032	3,808	0.40
£ 3,680,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	3,269	0.34
EURO DEBT SECURITIES (1.80%)		19,174	2.02
€ 3,000,000	BNP Paribas 0.83667% Perpetual	1,869	0.20
€ 8,500,000	Cellnex Finance 2% 15/2/2033	5,772	0.61
€ 8,000,000	Infrastrutture Wireless Italiane 1.75% 19/4/2031	5,785	0.61
€ 7,126,225	Stichting AK Rabobank Certificaten 6.5% Perpetual	5,748	0.60
US DOLLAR DEBT SECURITIES (2.78%)		18,989	2.00
\$ 5,800,000	AXA 6.379% Perpetual	4,853	0.51
\$ 4,000,000	BNP Paribas 4.5% Perpetual	2,375	0.25
\$ 3,000,000	BNP Paribas 5.28457% Perpetual	2,157	0.23
\$ 5,200,000	Standard Chartered 7.014% Perpetual	3,875	0.41
\$ 9,383,000	Zurich Finance Ireland Designated Activity 3% 19/4/2051	5,729	0.60
COLLECTIVE INVESTMENT SCHEMES (9.63%)		50,328	5.29
GUERNSEY (0.41%)		2,956	0.31
2,602,560	Renewables Infrastructure	2,956	0.31
IRELAND (5.05%)		5,510	0.58
530,000	Liontrust GF Sustainable Future US Growth Fund++	5,510	0.58
UNITED KINGDOM (4.17%)		41,862	4.40
4,618,532	Aquila European Renewables Income Fund	3,443	0.36
6,285,643	Atrato Onsite Energy	5,029	0.53
7,195,822	Downing Renewables & Infrastructure Trust	6,476	0.68
2,803,525	Greencoat UK Wind	4,099	0.43
1,618,269	JLEN Environmental Assets	1,706	0.18
12,123,650	Liontrust Sustainable Future Corporate Bond Fund+	10,817	1.14
4,376,000	ThomasLloyd Energy Impact Trust^	3,554	0.37

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
COLLECTIVE INVESTMENT SCHEMES (continued)			
UNITED KINGDOM (continued)			
4,919,164	Triple Point Energy Efficiency Infrastructure	3,345	0.35
7,041,560	US Solar Fund	3,393	0.36
	Portfolio of investments	954,614	100.36
	Net other liabilities	(3,383)	(0.36)
	Total net assets	951,231	100.00

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2023.

Stocks shown as REITs represent Real Estate Investment Trust.

* Investment Trust.

++ Managed by Liontrust Investment Partners Limited.

** Real Estate Investment Trust (REIT).

+ Managed by Liontrust Fund Partners LLP.

^ Suspended Security.

Sustainable Future Defensive Managed Fund (continued)

Statement of Total Return (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Income				
Net capital losses		(33,593)		(89,231)
Revenue	15,710		13,775	
Expenses	(4,212)		(5,273)	
Interest payable and similar charges	(6)		(8)	
Net revenue before taxation	11,492		8,494	
Taxation	(1,611)		(749)	
Net revenue after taxation		9,881		7,745
Total return before distributions		(23,712)		(81,486)
Distributions		(13,251)		(11,963)
Change in net assets attributable to shareholders from investment activities		(36,963)		(93,449)

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Opening net assets attributable to shareholders		1,098,433		1,320,206
Amounts received on issue of shares	6,198		75,077	
Amounts paid on cancellation of shares	(116,438)		(75,741)	
		(110,240)		(664)
Dilution adjustment		1		-
Change in net assets attributable to shareholders from investment activities		(36,963)		(93,449)
Closing net assets attributable to shareholders		951,231		1,226,093

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

Sustainable Future Defensive Managed Fund (continued)

Balance Sheet (unaudited)

as at 31 July 2023

	31.7.2023 (£'000)	31.1.2023 (£'000)
Assets		
Fixed assets		
Investments	954,614	1,109,339
Current assets:		
Debtors	6,368	9,603
Cash and bank balances	8,323	823
Total assets	969,305	1,119,765
Liabilities		
Provision for liabilities	(22)	(22)
Creditors:		
Distribution payable	(12,391)	(11,718)
Other creditors	(5,661)	(9,592)
Total liabilities	(18,074)	(21,332)
Net assets attributable to shareholders	951,231	1,098,433

Sustainable Future European Growth Fund

Report for the period from 1 February 2023 to 31 July 2023

Investment Objective

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

Investment Policy

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

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

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

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

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

Sustainable Future European Growth Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned 1.4% (Class 2 Net Accumulation) over the period under review, versus the 3.8% return from the MSCI Europe ex-UK Index and the 4.0% IA Europe ex-UK sector average (both of which are comparator benchmarks)*.

Across the portfolio, we continue to see strong progress in the underlying fundamentals of our companies. Businesses rarely improve in a linear fashion, and it requires a long-term perspective to separate short-term noise from fundamental changes. Despite the ongoing disruption caused by Covid-19 on demand and supply chains and interest rate shocks, we continue to focus resolutely on long-term progress and the companies that will help deliver positive change. Currently, market prices are not reflecting the growth and strong competitive positioning of our business, but we are excited about the long-term prospects of the Sub-fund given this misappreciation.

Within *Better resource efficiency*, the growth of renewables is accelerating for a market that's estimated to be worth half a trillion dollars, while the war in Ukraine has shown how security of supply is another essential attribute of renewable energy.

Under *Improved health*, there has been dramatic innovation in the development of diagnostic tools to aid early diagnosis, cancer and other diseases through the advances that we've seen in gene sequencing. Finally, within *Greater safety and resilience*, with water quality making the headlines, our theme around better monitoring of supply chains and quality control is focused on companies which provide equipment and services that undertake the essential analysis of our water, air and food. All these areas are important to solving key sustainability challenges and should also deliver growth that is relatively independent of overall economic growth.

Spotify performed well over the period under review, posting a robust Q1 results release and continuing to strengthen throughout the second quarter of the year. The company did give some of the strong gains back towards the end of the review period, releasing underwhelming sales figures for the second quarter. We have felt the market has somewhat misunderstood the company, namely around the key metrics that we believe are important for Spotify – specifically, user and subscriber growth.

Another top-performing company was **Infineon Technologies**, benefitting from strong performance in the semiconductor sub-sector, while also raising its sales and earnings forecast following stronger-than-expected demand in its core automotive and industrial sectors. Exposed to our *Improving the efficiency of energy use* theme, Infineon produces efficient power management chips, which are used across the economy in electronics, particularly in computing and mobiles as well as autos and industrial automation. It is the largest player in power semiconductors, which are key for electrification, so it is well positioned here.

American-Swiss medical device firm **Alcon**, which is held under our *Enabling healthier lifestyles* theme, was another positive contributor over the period. Alcon announced a 7% increase in sales to \$2.3 billion for the first quarter of 2023 and also slightly raised its full-year outlook for net sales. The company announced year-on-year growth of between 7% - 9%, compared to its previous forecast of between 6% - 8%.

Information Technology (IT) consultant **Nagarro**, which is held under our *Improving the resource efficiency of industrial and agricultural processes* theme, fell sharply after cutting its estimates for 2023 revenue, not including acquisitions made in 2023, from €1,020 million to around €940 million. Nagarro has seen a sharp slowdown in demand particularly among its clients in the financial sector following the fallout from the collapse of SVB and Credit Suisse earlier in the year.

Befesa was also among the detractors over the period as the German waste recycling firm fell after issuing guidance that was below expectations. Exposed to our *Delivering a circular materials economy* theme, Befesa is involved in taking the hazardous dust by-products of metal sheltering and treating and recycling it to form metals which it sells. Their business helps reduce the negative impacts and treat the hazardous waste from metal processing and recycle this back into use.

Shares in bioprocessing equipment and consumables manufacturer **Sartorius Stedim** fell after lowering its full-year sales guidance, citing longer-than-expected inventory reduction among biopharma customers following the Covid-19 pandemic. Held under our *Enabling innovation in healthcare* theme, Sartorius Stedim provides all the equipment and consumables used in biologic drug development and manufacturing. Currently around one third of drugs are considered "biologic" including gene and cell therapies, but these therapies are set to dominate the market over the next decade with more effective and targeted treatments. While we are disappointed in the short-term performance, we remain confident in the long-term prospects.

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

In terms of portfolio activity, a new position in the Sub-fund under our *Improving the resource efficiency of industrial and agricultural processes* theme is AutoStore, the market leader in “cubic” automated storage and retrieval systems (AS/RS) for warehouses. Over the past 25 years **AutoStore** has developed compact design to store and retrieve products in warehouses in a simple Rubik’s cube design. The system uses autonomous robots moving on top of an aluminium grid to store and retrieve bins and deliver products to port stations for packing and transport.

We also re-added **Kingspan** under our *Improving the efficiency of energy use* theme for very strong sustainable investment reasons and because the company has now implemented the required controls around product certification and fire safety. Continued engagement with the company by the Sustainable Investment team has provided the reassurance that deficiencies highlighted by the Grenfell Tower inquiry will not occur again.

Kingspan’s products dramatically improve the energy efficiency of buildings. The company estimates that through the use of its products sold in 2022, 173 million tonnes of CO₂ will be saved, equivalent to the energy use of around 20 million homes. We believe Kingspan is well positioned to have a significant impact in reducing global energy use from buildings, which is essential if we are to prevent global warming exceeding the 1.5C threshold that the IPCC (Intergovernmental Panel on Climate Change) warns is critical.

Live event ticketing company **CTS Eventim** was added under our *Encouraging sustainable leisure* theme. The company operates an online booking system that allows event promoters to sell their tickets to millions of fans. As part of our theme, we believe this is a socially positive form of consumption.

Swiss multinational specialty chemical company **Sika** was added under our *Building better cities* theme. Sika produces specialist chemicals for the building industry – these are adhesives, sealants, acoustic, protective and reinforcing systems and products. These range from admixtures to cement/concrete to improve its characteristics, for instance waterproofing or structural qualities. It helps to improve the performance of materials and so reducing the amount of material used, or prolongs its life. They also have innovative additives for cement to reduce CO₂ emissions and for recycling of old concrete for re-use.

Private equity company **3i** was added under our *Increasing financial resilience* theme. 3i predominantly invests in retail, infrastructure, healthcare, technology and industrial. They have strong responsible investment policies and firm exclusion on no-go areas.

We exited our position in **CANCOM**, the German IT solutions company, due to a deterioration in our assessment of the management quality, specifically their asset allocation choices and ability to capitalise on the thematic growth towards a more digitised economy and increased spend on digital security.

Long-term holding **Kone** was sold for portfolio construction reasons. We still admire Kone, its business model and its long-term prospects – despite the nearer term slowdown in their China business.

**Source: Financial Express, bid-to-bid, net of fees, 31.07.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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

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

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases

CTS Eventim
Kingspan
Sika
AutoStore
3i
Vestas Wind Systems
Puma
GN Store Nord
Tryg
Qiagen

Sales

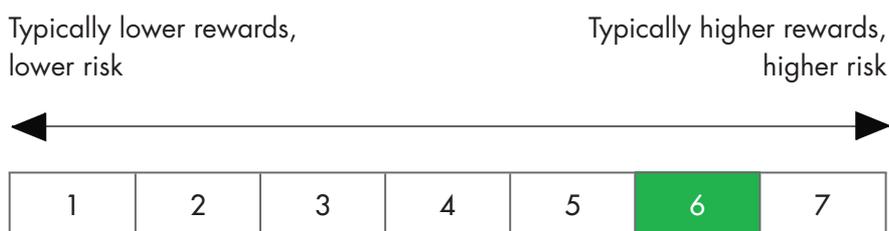
Cancom
Alcon
Topicus.com
Unilever
Puma
Haleon
Kone
Nagarro
Spotify Technology
Basic-Fit

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

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



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

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

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

Sustainable Future European Growth Fund (continued)

Performance record (unaudited)

as at 31 July 2023

Income record

Any distributions payable are paid on a semi-annual basis (31 March and 30 September). The table shows distributions declared over the specified periods.

For the six months ending	31 July 2023 per share (p)	31 July 2022 per share (p)
Class 2 Net Accumulation	1.6901	2.2594
Class 3 Net Accumulation	3.2355	4.0936
Class 6 Income	0.4846	0.6612

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2023			
Class 2 Net Accumulation	67,213,525	180,118	267.98
Class 3 Net Accumulation	32,981,818	127,804	387.50
Class 6 Income	579,111	442	76.34
31 January 2023			
Class 2 Net Accumulation	83,443,622	223,070	267.33
Class 3 Net Accumulation	35,125,956	135,503	385.76
Class 6 Income	526,339	403	76.64
31 January 2022			
Class 2 Net Accumulation	121,507,785	379,171	312.05
Class 3 Net Accumulation	37,454,337	167,939	448.38
Class 6 Income+	157,987	143	90.23
31 January 2021			
Class 2 Net Accumulation	69,567,707	206,965	297.50
Class 3 Net Accumulation	37,535,316	159,760	425.63

+ Launched on 9 August 2021.

Sustainable Future European Growth Fund (continued)

Portfolio Statement (unaudited)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (98.23%)	304,365	98.70
	BELGIUM (0.93%)	2,612	0.85
779,534	Unifiedpost	2,612	0.85
	DENMARK (12.33%)	42,045	13.64
189,664	Ambu	2,181	0.71
297,959	GN Store Nord	6,222	2.02
265,161	Netcompany	9,622	3.12
78,803	Ringkjoebing Landbobank	8,757	2.84
592,453	Tryg	9,135	2.96
292,937	Vestas Wind Systems	6,128	1.99
	FINLAND (1.14%)	0	0.00
	FRANCE (6.00%)	18,541	6.02
147,838	Edenred	7,484	2.43
45,436	Sartorius Stedim Biotech	11,057	3.59
	GERMANY (17.68%)	51,976	16.86
155,436	CTS Eventim	8,258	2.68
217,253	Evotec	4,446	1.44
264,814	Infineon Technologies	9,076	2.94
120,788	Nagarro	8,901	2.89
215,125	Puma	11,318	3.67
93,549	SAP	9,977	3.24
	IRELAND (2.82%)	13,484	4.38
115,327	Kingspan	7,204	2.34
203,635	Smurfit Kappa	6,280	2.04
	ITALY (2.16%)	6,840	2.22
953,126	Technogym	6,840	2.22
	LUXEMBOURG (3.13%)	6,358	2.06
212,963	Befesa	6,358	2.06
	NETHERLANDS (15.44%)	48,713	15.78
5,294	Adyen	7,654	2.48

Sustainable Future European Growth Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
EQUITIES (continued)			
NETHERLANDS (continued)			
28,209	ASML	15,763	5.11
197,148	Basic-Fit	5,193	1.68
299,165	Qiagen	10,928	3.54
149,405	Topicus.com	9,175	2.97
NORWAY (3.32%)		13,170	4.27
1,864,197	AutoStore	3,622	1.17
595,478	DNB Bank	9,548	3.10
SPAIN (1.50%)		5,059	1.64
443,226	Grifols	5,059	1.64
SWEDEN (13.91%)		39,380	12.77
527,827	Avanza Bank	9,327	3.02
326,986	Kinnevik	3,483	1.13
725,398	Lifco	11,396	3.70
60,141	Spotify Technology	6,982	2.26
1,197,095	Svenska Handelsbanken	8,192	2.66
SWITZERLAND (10.39%)		35,631	11.54
180,491	Alcon	11,976	3.88
16,821	Lonza	7,619	2.47
39,336	Roche	9,544	3.09
26,757	Sika	6,492	2.10
UNITED KINGDOM (7.48%)		20,556	6.67
158,452	3i	3,133	1.02
2,031,151	Haleon	6,831	2.21
4,530,148	Trustpilot	3,966	1.29
158,080	Unilever	6,626	2.15
Portfolio of investments		304,365	98.70
Net other assets		3,999	1.30
Total net assets		308,364	100.00

Sustainable Future European Growth Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2023.

Sustainable Future European Growth Fund (continued)

Statement of Total Return (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Income				
Net capital losses		(2,145)		(84,679)
Revenue	4,808		6,889	
Expenses	(1,158)		(1,739)	
Interest payable and similar charges	–		–	
Net revenue before taxation	3,650		5,150	
Taxation	(1,184)		(916)	
Net revenue after taxation		2,466		4,234
Total return before distributions		321		(80,445)
Distributions		(2,466)		(4,234)
Change in net assets attributable to shareholders from investment activities		(2,145)		(84,679)

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Opening net assets attributable to shareholders		358,976		547,253
Amounts received on issue of shares	1,988		29,816	
Amounts paid on cancellation of shares	(52,658)		(69,886)	
		(50,670)		(40,070)
Change in net assets attributable to shareholders from investment activities		(2,145)		(84,679)
Retained distributions on accumulation shares		2,203		3,924
Closing net assets attributable to shareholders		308,364		426,428

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

Sustainable Future European Growth Fund (continued)

Balance Sheet (unaudited)

as at 31 July 2023

	31.7.2023 (£'000)	31.1.2023 (£'000)
Assets		
Fixed assets		
Investments	304,365	352,625
Current assets:		
Debtors	7,920	3,602
Cash and bank balances	2,133	6,761
Total assets	314,418	362,988
Liabilities		
Creditors:		
Distribution payable	(3)	–
Other creditors	(6,051)	(4,012)
Total liabilities	(6,054)	(4,012)
Net assets attributable to shareholders	308,364	358,976

Sustainable Future Global Growth Fund

Report for the period from 1 February 2023 to 31 July 2023

Investment Objective

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

Investment Policy

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

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

The Sub-fund will typically invest 95% (minimum 90%) in equities or equity related derivatives, but may also invest in collective investment schemes (up to 10% of Sub-fund's assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.

Investments in emerging market securities will be limited to 20%.

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

Sustainable Future Global Growth Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned 3.8% (Class 2 Net Accumulation) over the period under review, versus the 6.3% return from the MSCI World Index and the 3.9% IA Global sector average (both of which are comparator benchmarks)*.

Across the portfolios, we continue to concentrate on where we have expertise and confidence in our predictions, namely the 20 sustainable themes that identify companies set to benefit making our world cleaner, healthier and safer. We continue to manage our portfolios in alignment with the themes, which themselves sit within three broader categories of *Better resource efficiency*, *Improved health and Greater safety and resilience*.

Within *Better resource efficiency*, the growth of renewables is accelerating for a market that's estimated to be worth half a trillion dollars, while the war in Ukraine has shown how security of supply is another essential attribute of renewable energy.

Under *Improved health*, there has been dramatic innovation in the development of diagnostic tools to aid early diagnosis, cancer and other diseases through the advances that we've seen in gene sequencing. Finally, within *Greater safety and resilience*, with water quality making the headlines, our theme around better monitoring of supply chains and quality control is focused on companies which provide equipment and services that undertake the essential analysis of our water, air and food.

All these areas are important to solving key sustainability challenges and should also deliver growth that is relatively independent of overall economic growth. While 2022 was a tumultuous year for almost every asset class, we believe that the foundations for our key themes – Better resource efficiency; Improved health; and Greater safety and resilience – are stronger than ever.

Adobe was among the top performers over the period under review following the release of strong Q2 results while the software company also increased its full-year revenue forecast based on optimism that generative AI development will prompt higher demand for its software. Exposed to our *Improving the efficiency of energy use* theme, Adobe has come under some scepticism from investors and analysts who feared its business would be undercut by startups specialising in the new technology. However, it has recently revealed more of its artificial intelligence strategy, adding generative AI features throughout its product range, notably unveiling enterprise-level subscriptions for the new tools, which include legal assurance against copyright claims.

Cybersecurity company **Palo Alto Networks** was another strong performer, reporting third-quarter results that beat average estimates, while also raising the lower end of its full-year revenue forecast. Exposed to our theme of *Enabling digital security*, Palo Alto provides cyber security solutions for over 85,000 organisations. Almost every facet of our lives has some online exposure, whether personal information, finances, commercial interactions and simple communications. The same is true for businesses, governments and international institutions. Keeping this information secure and only accessible by the right people is essential for retaining trust in all these on-line interactions.

Palo Alto's strategy is to build on the leading firewall product and move to subscription-based firewall and security as a service. This is increasingly based on consumption of data, meaning the market for security solutions will grow as data increases and more of this data is shifted into the cloud.

Cadence Design Systems has also been a notable strong performer year to date, and has also been a standout performer in the Sub-fund over the last few years. Cadence provides electronic design automation (EDA), technology that designs and optimises semiconductor chips. Its technology facilitates innovation behind many of our themes related to the digitalisation of the global economy.

Held under our *Improving the efficiency of energy use* theme, Cadence has done well to move beyond its core customer base, which has traditionally been the semiconductor manufacturers, broadening its customers to Google, Microsoft and Tesla. These companies want to design their own chips and, in order to do this, you need to have the software that Cadence provides. Furthermore, as we move into a new era of artificial intelligence coupled with the excitement surrounding ChatGPT, the backbone of this technological shift is stronger and more powerful chips; once again, Cadence's offering is vital in achieving this.

In terms of detractors over the period, the collapse of Silicon Valley Bank (SVB) in March (the second largest banking failure in US history) led to a major sell-off in the US and European financial sectors and a few of our holdings were impacted by the subsequent

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

contagion. Banks in 2023 are very different to those in 2008 – they are better capitalised, better regulated and tend to have more diversified sources of funding. For the Sustainable Future funds we look to invest in only those banks which demonstrate strong *Financial Resilience* – we did not invest in SVB in any of our Funds.

We note though that **First Republic**, which we did hold, has seen its shares impacted. First Republic started the year with a stronger credit rating than JP Morgan, and was the envy of the US banking sector. Unfortunately it was swept up in the turmoil associated with Silicon Valley Bank, given its deposit base was primarily in the San Francisco bay area, as was SVB's. Panic ensued as reports of the collapse of SVB hit the news, which saw First Republic's deposit base fall from 1.55bn to around 70bn over a few days. While the solvency of First Republic was sound, the sharp fall in its deposit base led to higher funding costs, and hurt profitability. We exited the position over the first quarter.

Exposed to our *Saving for the future* theme, **Charles Schwab** was another one of our positions to be negatively impacted by concerns around the collapse of SVB. Shares in the US investment firm fell amid a crisis of confidence in the banking sector with these concerns being further amplified after UBS announced that it was to buy out struggling Swiss lender Credit Suisse.

The market turbulence following the SVB collapse serves as an important reminder of how vital it is to invest in companies with strong balance sheets and good business models; and also to have good diversification across portfolios. Both are key features of the Sustainable Future approach.

Away from the banking sector, our position in **Agilent Technologies** – a leading provider of instruments, software, services, and consumables for laboratories – was a notable detractor. Exposed to our *Better monitoring of supply chains and quality control* theme, Agilent's products help us ensure the air we breathe, the water we drink and the food we eat is not affected by dangerous impurities. It also has a growing diagnostics business which enables innovation in areas such as gene therapy. Over the period, the company's earnings forecast for the second quarter came in below average estimates.

Medical technology company **Masimo** was also among the detractors after releasing weaker than expected preliminary Q2 revenue figures while also announcing that it is making plans to reduce costs during the second half of the year. The company cited a shortfall in healthcare revenue on delayed orders, a sooner-than-expected end to the flu season and strained hospital budgets.

Having exited **First Republic**, we initiated a position in **Morningstar** under our *Saving for the future* theme. Morningstar provides both quantitative and qualitative research to the investment industry, with databases and analytical tools covering private markets, ESG, credit ratings, equity valuation, and more. On the client side, they provide software and investment management services to financial advisors and institutions.

We also added multinational plumbing and heating products distributor **Ferguson**, under our *Building better cities* theme. Sanitation is an area of sustainable development which offers a huge opportunity to improve over the coming decades. Clean water, decent toilets and good hygiene are basic human rights, and these also interact with other goals such as education, reducing inequalities and climate action.

We also opened a position in cloud-based payroll and human capital management software provider **Paylocity** under our *Increasing financial resilience* theme. Human Capital Management (HCM) is key to the strength and resilience of SME's (small and medium-sized enterprises). Incorrect payroll and incorrect taxes have high costs when they are not processed correctly. The importance of ensuring your workforce is engaged in a hybrid work environment places further importance on HCM within the workplace.

We sold our position in **Puma**. The recent departure of the CEO to a competitor was disappointing, given we rated his strategy and leadership highly. We had also hoped the sales of products directly related to wellness and exercise would outgrow the fashion-focused sales, which would have increased the thematic exposure, and seen an upgrade from C to B in terms of the product rating. This mix shift did not eventuate, as sportswear sales had disappointed. We therefore decided to exit the position.

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

We also sold **Intertek**. We have become increasingly concerned that the “reshoring” phenomena is a headwind for growth and margins for Intertek. As production is incrementally brought back to home shores, particularly in the US, the level of complexity in terms of supply chain auditing also falls, which we feel may negatively affect the long-term earnings and returns profile of Intertek.

**Source: Financial Express, bid-to-bid, net of fees, 31.07.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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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

Paylocity
Morningstar
Ferguson
Advanced Drainage Systems
Trex
Agilent Technologies
American Tower
IQVIA

Sales

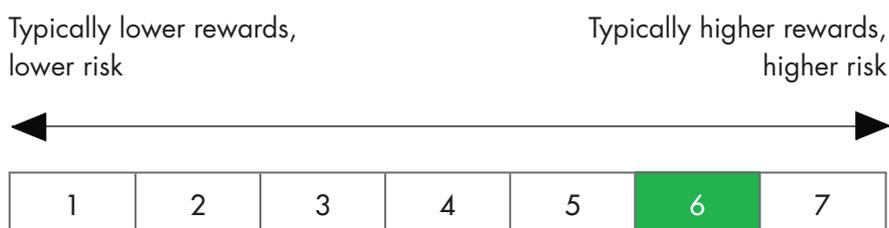
Intertek
Puma
NVR
Palo Alto Networks
Compass
Spotify Technology
Equinix
London Stock Exchange
Visa 'A'
Alphabet 'A'

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

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



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

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

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

Sustainable Future Global Growth Fund (continued)

Performance record (unaudited)

as at 31 July 2023

Income record

Any distributions payable are paid on a semi-annual basis (31 March and 30 September). The table shows distributions declared over the specified periods.

For the six months ending	31 July 2023 per share (p)	31 July 2022 per share (p)
Class 2 Net Accumulation	0.0000	0.0000
Class 3 Net Accumulation	0.5371	0.6684

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2023			
Class 2 Net Accumulation	467,745,197	1,234,685	263.97
Class 3 Net Accumulation	107,566,177	410,661	381.78
31 January 2023			
Class 2 Net Accumulation	502,391,668	1,297,953	258.35
Class 3 Net Accumulation	110,588,243	412,404	372.92
31 January 2022			
Class 2 Net Accumulation	553,654,539	1,535,420	277.32
Class 3 Net Accumulation	114,753,297	457,490	398.67
31 January 2021			
Class 2 Net Accumulation	309,771,314	790,319	255.13
Class 3 Net Accumulation	102,840,028	375,607	365.23

Sustainable Future Global Growth Fund (continued)

Portfolio Statement (unaudited)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (98.73%)	1,630,833	99.12
	DENMARK (3.51%)	53,777	3.27
320,650	Ringkjoebing Landbobank	35,634	2.17
867,328	Vestas Wind Systems	18,143	1.10
	GERMANY (4.82%)	60,096	3.66
1,226,858	Evotec	25,105	1.53
1,020,986	Infineon Technologies	34,991	2.13
	JAPAN (6.13%)	91,164	5.54
162,722	Daikin Industries	25,533	1.55
114,433	Keyence	39,831	2.42
1,284,428	TechnoPro	25,800	1.57
	NETHERLANDS (4.02%)	74,622	4.54
27,041	Adyen	39,095	2.38
63,580	ASML	35,527	2.16
	SWEDEN (4.40%)	68,428	4.16
2,125,636	Avanza Bank	37,562	2.28
265,878	Spotify Technology	30,866	1.88
	SWITZERLAND (3.88%)	66,642	4.05
588,274	Alcon	39,032	2.37
113,797	Roche	27,610	1.68
	UNITED KINGDOM (6.18%)	85,074	5.16
1,382,369	Compass	28,021	1.70
201,708	Ferguson	25,214	1.53
376,256	London Stock Exchange	31,839	1.93
	UNITED STATES OF AMERICA (65.79%)	1,131,030	68.74
122,401	Adobe	51,964	3.16
332,470	Advanced Drainage Systems	31,522	1.92
389,564	Agilent Technologies	36,869	2.24
591,242	Alphabet 'A'	61,001	3.71
245,341	American Tower	36,298	2.21

Sustainable Future Global Growth Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
EQUITIES (continued)			
UNITED STATES OF AMERICA (continued)			
198,294	ANSYS	52,723	3.20
216,748	Autodesk	35,710	2.17
333,163	Bright Horizons Family Solutions	25,120	1.53
479,707	Brown & Brown	26,266	1.60
264,104	Cadence Design Systems	48,007	2.92
796,381	Charles Schwab	40,907	2.49
475,391	DocuSign	19,885	1.21
209,760	Ecolab	29,836	1.81
64,213	Equinix	40,440	2.46
205,914	Illumina	30,751	1.87
114,070	Intuit	45,374	2.76
171,677	Intuitive Surgical	43,290	2.63
263,092	IQVIA	45,775	2.78
292,594	Masimo	27,810	1.69
152,679	Morningstar	27,348	1.66
801,478	Nasdaq	31,445	1.91
7,437	NVR	36,441	2.21
122,994	Palo Alto Networks	23,898	1.45
154,370	Paylocity	27,217	1.65
423,892	PayPal	24,982	1.52
436,862	PTC	49,508	3.01
109,309	Thermo Fisher Scientific	46,612	2.83
586,077	Trex	31,494	1.91
257,565	VeriSign	42,227	2.57
326,331	Visa 'A'	60,310	3.66
COLLECTIVE INVESTMENT SCHEMES (1.52%)		0	0.00
Portfolio of investments		1,630,833	99.12
Net other assets		14,513	0.88
Total net assets		1,645,346	100.00

Sustainable Future Global Growth Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2023.

Sustainable Future Global Growth Fund (continued)

Statement of Total Return (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Income				
Net capital gains/(losses)		34,905		(149,565)
Revenue	7,152		8,428	
Expenses	(6,099)		(6,859)	
Interest payable and similar charges	(3)		(11)	
Net revenue before taxation	1,050		1,558	
Taxation	(1,077)		(1,008)	
Net (expense)/revenue after taxation		(27)		550
Total return before distributions		34,878		(149,015)
Distributions		(609)		(794)
Change in net assets attributable to shareholders from investment activities		34,269		(149,809)

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Opening net assets attributable to shareholders		1,710,357		1,992,910
Amounts received on issue of shares	13,870		115,681	
Amounts paid on cancellation of shares	(113,728)		(150,580)	
		(99,858)		(34,899)
Dilution adjustment		–		(1)
Change in net assets attributable to shareholders from investment activities		34,269		(149,809)
Retained distributions on accumulation shares		578		773
Closing net assets attributable to shareholders		1,645,346		1,808,974

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

Sustainable Future Global Growth Fund (continued)

Balance Sheet (unaudited)

as at 31 July 2023

	31.7.2023 (£'000)	31.1.2023 (£'000)
Assets		
Fixed assets		
Investments	1,630,833	1,714,583
Current assets:		
Debtors	10,589	1,294
Cash and bank balances	11,631	231
Total assets	1,653,053	1,716,108
Liabilities		
Creditors:		
Other creditors	(7,707)	(5,751)
Total liabilities	(7,707)	(5,751)
Net assets attributable to shareholders	1,645,346	1,710,357

Sustainable Future Managed Fund

Report for the period from 1 February 2023 to 31 July 2023

Investment Objective

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

Investment Policy

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

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

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

Equity – 60-85%

Fixed income – 10-40%

Cash – 0-10%

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

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

Sustainable Future Managed Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned 1.4% (Class 2 Net Income) over the period under review, versus the 0.7% average return of the IA Mixed Investment 40-85% Shares sector (the comparator benchmark)*.

Across the portfolios, we continue to concentrate on where we have expertise and confidence in our predictions, namely the 20 sustainable themes that identify companies set to benefit making our world cleaner, healthier and safer. We continue to manage our portfolios in alignment with the themes, which themselves sit within three broader categories of *Better resource efficiency*, *Improved health and Greater safety and resilience*.

Within *Better resource efficiency*, the growth of renewables is accelerating for a market that's estimated to be worth half a trillion dollars, while the war in Ukraine has shown how security of supply is another essential attribute of renewable energy.

Under *Improved health*, there has been dramatic innovation in the development of diagnostic tools to aid early diagnosis, cancer and other diseases through the advances that we've seen in gene sequencing. Finally, within *Greater safety and resilience*, with water quality making the headlines, our theme around better monitoring of supply chains and quality control is focused on companies which provide equipment and services that undertake the essential analysis of our water, air and food.

All these areas are important to solving key sustainability challenges and should also deliver growth that is relatively independent of overall economic growth.

From an asset allocation perspective, we base our positioning on our views of economic conditions, risk and the likely returns from each asset class. Given where we are in the economic cycle, we maintain our overweight position in corporate bonds, which we feel can achieve good returns with relatively low risk.

On UK and global equities, we remain neutral. While we are positive on the returns from equities, the uncertainty of economic trajectory, and the associated volatility with that, holds us back from being overweight the asset class at this stage. Otherwise, we have reduced our overweight to infrastructure, recently taking profits from the strong performance from electricity generators, and we have moved to an underweight cash position, trimming down this asset class in order to help narrow the underweight that we have had to gilts.

The Sub-fund's equity exposure of around 75% drove positive performance as global equities rallied. Much of this strength stemmed from the technology sector and quality growth-style stocks of the type the Sub-fund typically owns, despite the ongoing presence of rising interest rate expectations – a factor which in 2022 led to a significant de-rating for quality, growth stocks.

Rising rate expectations did lead to losses within the Sub-fund's bond exposure, particularly in government bonds where yield curves shifted higher and prices fell. A 0.5 percentage point increase from the Bank of England (BoE) in June represented a re-acceleration from March and May's increases of 0.25 percentage points. This decision came following stronger-than-expected UK jobs market numbers, wage growth and core inflation readings. All of this indicated that the BoE remained some way off getting inflation under control.

Drivers of performance in the equity portfolio included **Adobe** following the release of strong Q2 results while the software company also increased its full-year revenue forecast based on optimism that generative AI development will prompt higher demand for its software. Exposed to our *Improving the efficiency of energy use* theme, Adobe has come under some scepticism from investors and analysts who feared its business would be undercut by startups specialising in the new technology. However, it has recently revealed more of its artificial intelligence strategy, adding generative AI features throughout its product range, notably unveiling enterprise-level subscriptions for the new tools, which include legal assurance against copyright claims.

Cybersecurity company **Palo Alto Networks** was another strong performer, reporting third-quarter results that beat average estimates, while also raising the lower end of its full-year revenue forecast. Exposed to our theme of *Enabling digital security*, Palo Alto provides cyber security solutions for over 85,000 organisations. Almost every facet of our lives has some online exposure, whether personal

Sustainable Future Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

information, finances, commercial interactions and simple communications. The same is true for businesses, governments and international institutions. Keeping this information secure and only accessible by the right people is essential for retaining trust in all these on-line interactions.

Palo Alto's strategy is to build on the leading firewall product and move to subscription-based firewall and security as a service. This is increasingly based on consumption of data, meaning the market for security solutions will grow as data increases and more of this data is shifted into the cloud.

Cadence Design Systems has also been a notable strong performer year to date, and has also been a standout performer in the Sub-fund over the last few years. Cadence provides electronic design automation (EDA), technology that designs and optimises semiconductor chips. Its technology facilitates innovation behind many of our themes related to the digitalisation of the global economy.

Held under our *Improving the efficiency of energy use* theme, Cadence has done well to move beyond its core customer base, which has traditionally been the semiconductor manufacturers, broadening its customers to Google, Microsoft and Tesla. These companies want to design their own chips and, in order to do this, you need to have the software that Cadence provides. Furthermore, as we move into a new era of artificial intelligence coupled with the excitement surrounding ChatGPT, the backbone of this technological shift is stronger and more powerful chips; once again, Cadence's offering is vital in achieving this.

In terms of detractors over the period, the collapse of Silicon Valley Bank (SVB) in March (the second largest banking failure in US history) led to a major sell-off in the US and European financial sectors and a few of our holdings were impacted by the subsequent contagion. Banks in 2023 are very different to those in 2008 – they are better capitalised, better regulated and tend to have more diversified sources of funding. For the Sustainable Future funds we look to invest in only those banks which demonstrate strong *Financial Resilience* – we did not invest in SVB in any of our Funds.

We note though that **First Republic**, which we did hold, has seen its shares impacted. First Republic started the year with a stronger credit rating than JP Morgan, and was the envy of the US banking sector. Unfortunately it was swept up in the turmoil associated with Silicon Valley Bank, given its deposit base was primarily in the San Francisco bay area, as was SVB's. Panic ensued as reports of the collapse of SVB hit the news, which saw First Republic's deposit base fall from 1.55bn to around 70bn over a few days. While the solvency of First Republic was sound, the sharp fall in its deposit base led to higher funding costs, and hurt profitability. We exited the position during the first quarter.

Exposed to our *Saving for the future* theme, **Charles Schwab** was another one of our positions to be negatively impacted by concerns around the collapse of SVB. Shares in the US investment firm fell amid a crisis of confidence in the banking sector with these concerns being further amplified after UBS announced that it was to buy out struggling Swiss lender Credit Suisse.

The market turbulence following the SVB collapse serves as an important reminder of how vital it is to invest in companies with strong balance sheets and good business models; and also to have good diversification across portfolios. Both are key features of the Sustainable Future approach.

Away from the banking sector, medical technology company **Masimo** was also among the detractors after releasing weaker than expected preliminary Q2 revenue figures while also announcing that it is making plans to reduce costs during the second half of the year. The company cited a shortfall in healthcare revenue on delayed orders, a sooner-than-expected end to the flu season and strained hospital budgets.

Our position in **Agilent Technologies** – a leading provider of instruments, software, services, and consumables for laboratories – was a notable detractor. Exposed to our *Better monitoring of supply chains and quality control* theme, Agilent's products help us ensure the air we breathe, the water we drink and the food we eat is not affected by dangerous impurities. It also has a growing diagnostics business which enables innovation in areas such as gene therapy. Over the period, the company's earnings forecast for the second quarter came in below average estimates.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

Having exited **First Republic**, we initiated a position in **Morningstar** under our *Saving for the future* theme. Morningstar provides both quantitative and qualitative research to the investment industry, with databases and analytical tools covering private markets, ESG, credit ratings, equity valuation, and more. On the client side, they provide software and investment management services to financial advisors and institutions.

We also added multinational plumbing and heating products distributor **Ferguson**, under our *Building better cities* theme. Sanitation is an area of sustainable development which offers a huge opportunity to improve over the coming decades. Clean water, decent toilets and good hygiene are basic human rights, and these also interact with other goals such as education, reducing inequalities and climate action.

Global information services company **Experian** was added under our *Increasing financial resilience* theme. As the world's largest consumer credit bureau, Experian plays a critical role in financial stability through the provision of transparent and accurate credit information. Experian has also developed a number of free tools on the consumer side of the business aimed at improving financial inclusion and credit scores – Experian Boost and Experian Go – helping people establish a credit identity and improve their score, all free of charge.

Cloud-based payroll and human capital management software provider **Paylocity** was also added under our *Increasing financial resilience* theme. Human Capital Management (HCM) is key to the strength and resilience of SME's (small and medium-sized enterprises). Incorrect payroll and incorrect taxes have high costs when they are not processed correctly. The importance of ensuring your workforce is engaged in a hybrid work environment places further importance on HCM within the workplace.

We also added medical products and technologies company **Convatec**. Held under our *Enabling innovation in healthcare* theme, Convatec manufactures medical devices for people living and managing chronic disease. Its mission is to pioneer trusted medical solutions to improve lives.

We re-added **Kingspan** under our *Improving the efficiency of energy use* theme for very strong sustainable investment reasons and because the company has now implemented the required controls around product certification and fire safety. Continued engagement with the company by the Sustainable Investment team has provided the reassurance that deficiencies highlighted by the Grenfell Tower inquiry will not occur again.

Kingspan's products dramatically improve the energy efficiency of buildings. The company estimates that through the use of its products sold in 2022, 173 million tonnes of CO2 will be saved, equivalent to the energy use of around 20 million homes. We believe Kingspan is well positioned to have a significant impact in reducing global energy use from buildings, which is essential if we are to prevent global warming exceeding the 1.5C threshold that the IPCC (Intergovernmental Panel on Climate Change) warns is critical.

We sold our position in **Puma**. The recent departure of the CEO to a competitor was disappointing, given we rated his strategy and leadership highly. We had also hoped the sales of products directly related to wellness and exercise would outgrow the fashion-focused sales, which would have increased the thematic exposure, and seen an upgrade from C to B in terms of the product rating. This mix shift did not eventuate, as sportswear sales had disappointed. We therefore decided to exit the position.

We exited our position in long-term holding **Crest Nicholson**, a leading UK house builder, with excellent sustainability credentials built into every home. Unfortunately, there has been some management mis-steps and changes over the past few years and we believe the UK housing recovery could take longer than anticipated. With these concerns, we have decided there are better opportunities in other areas of the portfolio.

We also sold our position in **GB**, a digital security company, with strong positioning in preventing growing identity fraud. Despite the strong structural demand, the management team made an expensive acquisition linked to cyber security in cryptocurrencies in what transpired to be the height of the crypto boom. This lack of discipline around capital allocation causes us to lose faith that management are careful custodians of our client's capital.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Sub-fund review (continued)

*Source: Financial Express, bid-to-bid, net of fees, 31.07.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.

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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

Paylocity
 Morningstar
 Ferguson
 ConvaTec
 Kingspan
 Experian
 Liontrust GF Sustainable Future US Growth Fund **
 United Kingdom Gilt 1.5% 31/7/2053
 Advanced Drainage Systems
 Trex

Sales

Liontrust GF Sustainable Future Global Growth Fund**
 NVR
 Puma
 3i
 HSBC 5.40114%
 Palo Alto Networks
 Equinix
 United Kingdom Gilt 0.875% 31/7/2033
 Spotify Technology
 Daikin Industries

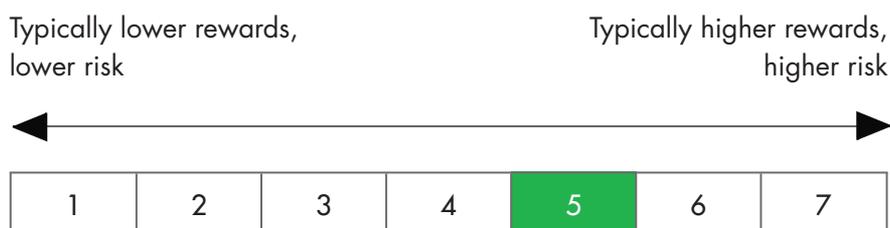
** Managed by Liontrust Investment Partners Limited.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Risk and Reward profile

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



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

Sustainable Future Managed Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

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

Sustainable Future Managed Fund (continued)

Performance record (unaudited)

as at 31 July 2023

Income record

Any distributions payable are paid on a semi-annual basis (31 March and 30 September). The table shows distributions declared over the specified periods.

For the six months ending	31 July 2023 per share (p)	31 July 2022 per share (p)
Class 2 Net Income	1.1169	0.8233
Class 3 Net Income	1.8575	1.5018
Class 6 Net Accumulation	1.4518	1.0606
Class 7 Net Accumulation	1.8718	1.4736

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2023			
Class 2 Net Income	299,561,405	547,093	182.63
Class 3 Net Income	436,845,672	1,066,894	244.23
Class 6 Net Accumulation	441,233,408	1,055,588	239.24
Class 7 Net Accumulation	1,653,138	4,102	248.14
31 January 2023			
Class 2 Net Income	332,135,495	608,271	183.14
Class 3 Net Income	442,457,094	1,083,576	244.90
Class 6 Net Accumulation	453,040,653	1,080,273	238.45
Class 7 Net Accumulation	2,014,512	4,975	246.95
31 January 2022			
Class 2 Net Income	361,596,819	727,146	201.09
Class 3 Net Income	455,496,759	1,224,796	268.89
Class 6 Net Accumulation	424,834,370	1,103,582	259.77
Class 7 Net Accumulation	984,858	2,642	268.27
31 January 2021			
Class 2 Net Income	259,766,021	496,611	191.18
Class 3 Net Income	428,934,229	1,096,554	255.65
Class 6 Net Accumulation	250,616,322	616,789	246.11
Class 7 Net Accumulation	524,676	1,328	253.19

Sustainable Future Managed Fund (continued)

Portfolio Statement (unaudited)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (71.87%)	1,996,555	74.67
	UNITED STATES OF AMERICA (36.40%)	1,029,653	38.51
	Banks (1.08%)		
	Biotechnology (1.13%)	27,265	1.02
182,570	Illumina	27,265	1.02
	Building Materials (0.47%)	25,470	0.95
473,972	Trex	25,470	0.95
	Chemicals (1.20%)	37,940	1.42
266,734	Ecolab	37,940	1.42
	Commercial Services (1.57%)	92,076	3.44
304,643	Bright Horizons Family Solutions	22,969	0.86
125,899	Morningstar	22,552	0.84
136,553	Paylocity	24,076	0.90
381,418	PayPal	22,479	0.84
	Diversified Financial Services (4.68%)	110,018	4.11
538,202	Charles Schwab	27,645	1.03
865,021	Nasdaq	33,938	1.27
262,074	Visa 'A'	48,435	1.81
	Electronics (1.12%)	30,449	1.14
321,732	Agilent Technologies	30,449	1.14
	Healthcare Products (3.96%)	104,470	3.91
150,420	Intuitive Surgical	37,930	1.42
269,000	Masimo	25,567	0.96
96,084	Thermo Fisher Scientific	40,973	1.53
	Healthcare Services (2.35%)	61,215	2.29
351,835	IQVIA	61,215	2.29
	Home Builders (1.79%)	31,120	1.16
6,351	NVR	31,120	1.16

Sustainable Future Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
EQUITIES (continued)			
UNITED STATES OF AMERICA (continued)			
Insurance (0.67%)		21,830	0.82
398,686	Brown & Brown	21,830	0.82
Internet (4.12%)		117,075	4.38
534,773	Alphabet 'A'	55,175	2.06
130,753	Palo Alto Networks	25,406	0.95
222,596	VeriSign	36,494	1.37
Metal & Hardware (0.44%)		25,479	0.95
268,736	Advanced Drainage Systems	25,479	0.95
Real Estate Investment Trusts (3.26%)		71,624	2.68
237,418	American Tower	35,126	1.31
57,954	Equinix	36,498	1.37
Software (8.56%)		273,622	10.24
103,304	Adobe	43,856	1.64
212,835	ANSYS	56,590	2.12
200,581	Autodesk	33,046	1.24
253,436	Cadence Design Systems	46,068	1.72
413,631	DocuSign	17,302	0.65
89,231	Intuit	35,493	1.33
364,150	PTC	41,267	1.54
UNITED KINGDOM (19.83%)		536,104	20.06
Banks (1.47%)		34,068	1.28
5,538,335	NatWest	13,530	0.51
3,893,394	Paragon Banking	20,538	0.77
Biotechnology (0.94%)		33,211	1.24
1,423,342	Abcam	25,930	0.97
1,647,346	Oxford Biomedica	7,281	0.27

Sustainable Future Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Chemicals (0.87%)	19,504	0.73
331,138	Croda International	19,504	0.73
	Commercial Services (1.53%)	41,687	1.56
367,755	Ashtead	21,168	0.79
470,503	Intertek	20,519	0.77
	Computers (0.96%)	20,032	0.75
1,335,496	Softcat	20,032	0.75
	Cosmetics & Personal Care (2.16%)	55,359	2.07
7,206,086	Haleon	24,234	0.91
742,746	Unilever	31,125	1.16
	Distribution & Wholesale (0.00%)	21,418	0.80
171,343	Ferguson	21,418	0.80
	Diversified Financial Services (2.31%)	59,065	2.21
3,299,577	AJ Bell	10,816	0.40
306,313	London Stock Exchange	25,920	0.97
2,375,378	St James's Place	22,329	0.84
	Electronics (0.95%)	26,469	0.99
619,427	Halma	13,850	0.52
4,091,760	Rotork	12,619	0.47
	Engineering & Construction (0.32%)	7,486	0.28
8,276,589	Helios Towers	7,486	0.28
	Food Services (0.84%)	23,984	0.90
1,183,245	Compass	23,984	0.90
	Healthcare Products (0.00%)	16,140	0.60
7,744,929	ConvaTec	16,140	0.60

Sustainable Future Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Home Builders (0.28%)		
	Insurance (1.49%)	38,435	1.44
854,782	Admiral	18,198	0.68
8,670,475	Legal & General	20,237	0.76
	Internet (0.62%)	15,898	0.59
6,035,576	Trainline	15,898	0.59
	Investment Companies (0.26%)	5,893	0.22
7,632,922	SDCL Energy Efficiency Income Trust	5,893	0.22
	Miscellaneous Manufacturing (0.28%)	7,778	0.29
1,275,005	Porvair	7,778	0.29
	Pharmaceuticals (1.73%)	43,482	1.63
198,779	AstraZeneca	22,231	0.83
1,535,236	GSK	21,251	0.80
	Private Equity (1.94%)	41,616	1.56
1,254,399	3i	24,799	0.93
18,953,671	IP	11,334	0.42
2,086,273	Molton Ventures	5,483	0.21
	Real Estate Investment & Services (0.01%)	144	0.01
427,000	Ethical Property~	144	0.01
	Retail (0.17%)	3,789	0.14
3,142,102	DFS Furniture	3,789	0.14
	Software (0.36%)	14,134	0.53
1,818,998	Wise	14,134	0.53

Sustainable Future Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Transportation (0.34%)	6,512	0.24
6,979,298	Mobico	6,512	0.24
	JAPAN (3.28%)	80,754	3.02
	Building Materials (0.98%)	22,188	0.83
141,401	Daikin Industries	22,188	0.83
	Commercial Services (0.81%)	18,738	0.70
932,856	TechnoPro	18,738	0.70
	Machinery Diversified (1.49%)	39,828	1.49
114,425	Keyence	39,828	1.49
	IRELAND (1.86%)	75,856	2.83
	Building Materials (0.00%)	15,365	0.57
245,964	Kingspan	15,365	0.57
	Commercial Services (0.00%)	13,966	0.52
464,287	Experian	13,966	0.52
	Food Producers (0.56%)	15,575	0.58
201,151	Kerry	15,575	0.58
	Forest Products & Paper (1.30%)	30,950	1.16
998,394	Smurfit Kappa	30,950	1.16
	DENMARK (2.33%)	61,054	2.28
	Alternative Energy Sources (0.61%)	15,305	0.57
731,662	Vestas Wind Systems	15,305	0.57
	Banks (1.72%)	45,749	1.71
411,666	Ringkjoebing Landbobank	45,749	1.71

Sustainable Future Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	SWEDEN (2.36%)	60,237	2.25
	Diversified Financial Services (1.21%)	32,730	1.22
1,852,216	Avanza Bank	32,730	1.22
	Internet (1.15%)	27,507	1.03
236,942	Spotify Technology	27,507	1.03
	SWITZERLAND (1.99%)	58,394	2.19
	Healthcare Products (1.08%)	33,621	1.26
506,718	Alcon	33,621	1.26
	Pharmaceuticals (0.91%)	24,773	0.93
102,103	Roche	24,773	0.93
	NETHERLANDS (1.61%)	50,529	1.89
	Commercial Services (0.48%)	16,885	0.63
11,679	Adyen	16,885	0.63
	Semiconductors (1.13%)	33,644	1.26
60,209	ASML	33,644	1.26
	GERMANY (2.21%)	43,974	1.64
	Apparel (0.95%)		
	Healthcare Services (0.49%)	17,953	0.67
877,368	Evotec	17,953	0.67
	Semiconductors (0.77%)	26,021	0.97
759,253	Infineon Technologies	26,021	0.97
	BONDS (22.06%)	576,323	21.56
	UNITED KINGDOM GOVERNMENT BONDS (5.82%)	145,244	5.43
£ 99,150,000	United Kingdom Gilt 0.875% 31/7/2033	71,852	2.69
£ 141,200,000	United Kingdom Gilt 1.5% 31/7/2053	73,392	2.74

Sustainable Future Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
BONDS (continued)			
UK STERLING DEBT SECURITIES (13.72%)		376,515	14.08
£ 6,500,000	Anglian Water Osprey Financing 2% 31/7/2028	4,883	0.18
£ 2,200,000	Annington Funding 3.935% 12/7/2047	1,566	0.06
£ 5,500,000	Annington Funding 3.184% 12/7/2029	4,523	0.17
£ 5,200,000	Assicurazioni Generali 6.269% Perpetual	5,044	0.19
£ 7,250,000	AT&T 7% 30/4/2040	7,682	0.29
£ 8,950,000	Aviva 5.125% 4/6/2050	7,982	0.30
£ 4,667,000	Aviva 6.875% Perpetual	3,973	0.15
£ 5,700,000	Banco Santander 2.25% 4/10/2032	4,644	0.17
£ 4,000,000	Barclays 8.407% 14/11/2032	4,103	0.15
£ 9,200,000	Blackstone Property Partners Europe Sarl 2.625% 20/10/2028	6,961	0.26
£ 6,800,000	Blend Funding 2.922% 5/4/2056	4,207	0.16
£ 4,000,000	BNP Paribas 5.75% 13/6/2032	3,898	0.15
£ 2,400,000	BPCE 5.25% 16/4/2029	2,205	0.08
£ 2,600,000	BPCE 6.125% 24/5/2029	2,565	0.10
£ 5,235,000	Bunzl Finance 1.5% 30/10/2030	3,911	0.15
£ 6,600,000	Cadent Finance 2.25% 10/10/2035	4,493	0.17
£ 4,865,000	Canary Wharf Investment 3.375% 23/4/2028	3,353	0.13
£ 7,200,000	Clarion Funding 1.25% 13/11/2032	4,955	0.19
£ 5,600,000	Compass 4.375% 8/9/2032	5,229	0.20
£ 3,500,000	Cooperatieve Rabobank UA 4.625% 23/5/2029	3,168	0.12
£ 4,000,000	Coventry Building Society 6.875% Perpetual	3,797	0.14
£ 8,500,000	Direct Line Insurance 4% 5/6/2032	6,212	0.23
£ 9,436,000	DWR Cymru Financing UK 2.5% 31/3/2036	6,856	0.26
£ 7,658,000	DWR Cymru Financing UK 2.375% 31/3/2034	5,304	0.20
£ 1,988,000	GlaxoSmithKline Capital 5.25% 19/12/2033	2,005	0.07
£ 501,000	GSK Consumer Healthcare Capital UK 2.875% 29/10/2028	441	0.02
£ 10,500,000	HSBC 7% 7/4/2038	10,526	0.39
£ 5,000,000	HSBC 6% 29/3/2040	4,540	0.17
£ 6,500,000	Legal & General 5.125% 14/11/2048	5,992	0.22
£ 5,850,000	Legal & General 4.5% 1/11/2050	5,012	0.19
£ 9,600,000	Liberty Living Finance 3.375% 28/11/2029	7,986	0.30
£ 4,059,000	Lloyds Banking 2.707% 3/12/2035	3,034	0.11
£ 6,000,000	Lloyds Banking 6.625% 2/6/2033	5,860	0.22
£ 9,250,000	Logicor Financing Sarl 2.75% 15/1/2030	6,950	0.26
£ 6,000,000	London & Quadrant Housing Trust 2% 20/10/2038	3,740	0.14
£ 4,515,000	London Stock Exchange 1.625% 6/4/2030	3,609	0.13
£ 2,500,000	M&G 6.34% 19/12/2063	2,220	0.08
£ 6,500,000	M&G 5.625% 20/10/2051	5,868	0.22

Sustainable Future Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
BONDS (continued)			
UK STERLING DEBT SECURITIES (continued)			
£ 3,200,000	Motability Operations 3.625% 10/3/2036	2,704	0.10
£ 7,500,000	Motability Operations 1.75% 3/7/2029	6,157	0.23
£ 6,377,000	National Express 2.375% 20/11/2028	5,285	0.20
£ 2,500,000	National Express 4.25% 14/3/2032	2,181	0.08
£ 4,355,000	National Grid Gas 1.125% 14/1/2033	2,834	0.11
£ 9,000,000	Nationwide Building Society 5.875% Perpetual	8,528	0.32
£ 4,800,000	Natwest 3.622% 14/8/2030	4,475	0.17
£ 6,837,000	Natwest 2.105% 28/11/2031	5,778	0.22
£ 6,500,000	Natwest 7.416% 6/6/2033	6,478	0.24
£ 4,585,000	Next 3.625% 18/5/2028	4,107	0.15
£ 7,900,000	NGG Finance 5.625% 18/6/2073	7,538	0.28
£ 5,292,000	Optivo Finance 2.857% 7/10/2035	3,972	0.15
£ 6,000,000	Orange 8.125% 20/11/2028	6,700	0.25
£ 7,200,000	Orsted 2.5% 18/2/3021	4,804	0.18
£ 13,210,000	Pension Insurance 5.625% 20/9/2030	11,791	0.44
£ 1,000,000	Pension Insurance 4.625% 7/5/2031	830	0.03
£ 9,100,000	Phoenix 5.625% 28/4/2031	8,118	0.30
£ 4,009,000	Realty Income 1.125% 13/7/2027	3,299	0.12
£ 5,000,000	RL Finance Bonds No. 4 4.875% 7/10/2049	3,765	0.14
£ 8,000,000	Rothsay Life 7.734% 16/5/2033	7,888	0.29
£ 3,750,000	Severn Trent Utilities Finance 6.25% 7/6/2029	3,782	0.14
£ 4,788,000	Severn Trent Utilities Finance 2% 2/6/2040	2,838	0.11
£ 5,500,000	Southern Gas Networks 1.25% 2/12/2031	3,876	0.14
£ 4,571,000	Southern Housing 2.375% 8/10/2036	3,154	0.12
£ 7,650,000	SP Transmission 2% 13/11/2031	5,999	0.22
£ 8,977,000	SSE 3.74% Perpetual	8,143	0.30
£ 15,360,000	Standard Chartered 5.125% 6/6/2034	13,633	0.51
£ 5,640,000	Travis Perkins 3.75% 17/2/2026	5,019	0.19
£ 4,500,000	United Utilities Water Finance 2.625% 12/2/2031	3,669	0.14
£ 2,571,000	United Utilities Water Finance 0.875% 28/10/2029	1,921	0.07
£ 11,250,000	Verizon Communications 1.875% 19/9/2030	8,725	0.33
£ 5,900,000	Vodafone 5.9% 26/11/2032	5,968	0.22
£ 4,000,000	Vodafone 4.875% 3/10/2078	3,745	0.14
£ 5,900,000	Western Power Distribution 3.5% 16/10/2026	5,451	0.20
£ 2,614,000	Whitbread 3% 31/5/2031	2,037	0.08
£ 9,300,000	Yorkshire Building Society 3.375% 13/9/2028	7,940	0.30
£ 4,600,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	4,086	0.15

Sustainable Future Managed Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	EURO DEBT SECURITIES (0.79%)	21,120	0.79
€ 8,200,000	Cellnex Finance 2% 15/2/2033	5,568	0.21
€ 7,700,000	Infrastrutture Wireless Italiane 1.75% 19/4/2031	5,568	0.21
€ 12,378,675	Stichting AK Rabobank Certificaten 6.5% Perpetual	9,984	0.37
	US DOLLAR DEBT SECURITIES (1.73%)	33,444	1.26
\$ 10,100,000	AXA 6.379% Perpetual	8,450	0.32
\$ 6,500,000	Barclays Bank 5.23514% 14/8/2171 Perpetual	5,039	0.19
\$ 8,900,000	BNP Paribas 5.28457% Perpetual	6,398	0.24
\$ 6,800,000	Standard Chartered 7.014% Perpetual	5,067	0.19
\$ 13,905,000	Zurich Finance Ireland Designated Activity 3% 19/4/2051	8,490	0.32
	COLLECTIVE INVESTMENT SCHEMES (6.12%)	84,239	3.15
	GUERNSEY (0.44%)	10,522	0.39
9,262,477	Renewables Infrastructure	10,522	0.39
	IRELAND (5.54%)	70,250	2.63
3,000,000	Liontrust GF Sustainable Future European Corporate Bond Fund++	24,438	0.92
2,976,615	Liontrust GF Sustainable Future Global Growth Fund++	32,296	1.21
1,300,000	Liontrust GF Sustainable Future US Growth Fund++	13,516	0.50
	UNITED KINGDOM (0.14%)	3,467	0.13
2,371,772	Greencoat UK Wind	3,467	0.13
	Portfolio of investments	2,657,117	99.38
	Net other assets	16,560	0.62
	Total net assets	2,673,677	100.00

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2023.

++ Managed by Liontrust Investment Partners Limited.

~ Unquoted security.

Sustainable Future Managed Fund (continued)

Statement of Total Return (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Income				
Net capital losses		(8,745)		(231,755)
Revenue	29,340		25,358	
Expenses	(9,147)		(9,789)	
Interest payable and similar charges	(11)		(5)	
Net revenue before taxation	20,182		15,564	
Taxation	(1,964)		(913)	
Net revenue after taxation		18,218		14,651
Total return before distributions		9,473		(217,104)
Distributions		(18,283)		(14,651)
Change in net assets attributable to shareholders from investment activities		(8,810)		(231,755)

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Opening net assets attributable to shareholders		2,777,095		3,058,166
Amounts received on issue of shares	32,889		141,007	
Amounts paid on cancellation of shares	(133,833)		(72,148)	
		(100,944)		68,859
Stamp duty reserve tax		(101)		–
Change in net assets attributable to shareholders from investment activities		(8,810)		(231,755)
Retained distributions on accumulation shares		6,437		4,903
Closing net assets attributable to shareholders		2,673,677		2,900,173

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

Sustainable Future Managed Fund (continued)

Balance Sheet (unaudited)

as at 31 July 2023

	31.7.2023 (£'000)	31.1.2023 (£'000)
Assets		
Fixed assets		
Investments	2,657,117	2,778,410
Current assets:		
Debtors	26,909	15,018
Cash and bank balances	18,389	975
Total assets	2,702,415	2,794,403
Liabilities		
Creditors:		
Distribution payable	(11,460)	(7,327)
Other creditors	(17,278)	(9,981)
Total liabilities	(28,738)	(17,308)
Net assets attributable to shareholders	2,673,677	2,777,095

Sustainable Future Managed Growth Fund

Report for the period from 1 February 2023 to 31 July 2023

Investment Objective

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

Investment Policy

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

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

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

Equity – 60-100%

Fixed income – 0-20%

Cash – 0-20%

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

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

Sustainable Future Managed Growth Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned 4.0% (Class 2 Net Accumulation) over the period under review, versus the IA Flexible Investment sector average of 0.3% (which is the comparator benchmark)*.

Across the portfolios, we continue to concentrate on where we have expertise and confidence in our predictions, namely the 20 sustainable themes that identify companies set to benefit making our world cleaner, healthier and safer. We continue to manage our portfolios in alignment with the themes, which themselves sit within three broader categories of *Better resource efficiency*, *Improved health and Greater safety and resilience*.

Within *Better resource efficiency*, the growth of renewables is accelerating for a market that's estimated to be worth half a trillion dollars, while the war in Ukraine has shown how security of supply is another essential attribute of renewable energy.

Under *Improved health*, there has been dramatic innovation in the development of diagnostic tools to aid early diagnosis, cancer and other diseases through the advances that we've seen in gene sequencing. Finally, within *Greater safety and resilience*, with water quality making the headlines, our theme around better monitoring of supply chains and quality control is focused on companies which provide equipment and services that undertake the essential analysis of our water, air and food.

All these areas are important to solving key sustainability challenges and should also deliver growth that is relatively independent of overall economic growth.

Adobe was among the top performers over the period under review following the release of strong Q2 results while the software company also increased its full-year revenue forecast based on optimism that generative AI development will prompt higher demand for its software. Exposed to our *Improving the efficiency of energy use* theme, Adobe has come under some scepticism from investors and analysts who feared its business would be undercut by startups specialising in the new technology. However, it has recently revealed more of its artificial intelligence strategy, adding generative AI features throughout its product range, notably unveiling enterprise-level subscriptions for the new tools, which include legal assurance against copyright claims.

Cybersecurity company **Palo Alto Networks** was another strong performer, reporting third-quarter results that beat average estimates, while also raising the lower end of its full-year revenue forecast. Exposed to our theme of *Enabling digital security*, Palo Alto provides cyber security solutions for over 85,000 organisations. Almost every facet of our lives has some online exposure, whether personal information, finances, commercial interactions and simple communications. The same is true for businesses, governments and international institutions. Keeping this information secure and only accessible by the right people is essential for retaining trust in all these on-line interactions.

Palo Alto's strategy is to build on the leading firewall product and move to subscription-based firewall and security as a service. This is increasingly based on consumption of data, meaning the market for security solutions will grow as data increases and more of this data is shifted into the cloud.

Cadence Design Systems has also been a notable strong performer year to date, and has also been a standout performer in the Sub-fund over the last few years. Cadence provides electronic design automation (EDA), technology that designs and optimises semiconductor chips. Its technology facilitates innovation behind many of our themes related to the digitalisation of the global economy.

Held under our *Improving the efficiency of energy use* theme, Cadence has done well to move beyond its core customer base, which has traditionally been the semiconductor manufacturers, broadening its customers to Google, Microsoft and Tesla. These companies want to design their own chips and, in order to do this, you need to have the software that Cadence provides. Furthermore, as we move into a new era of artificial intelligence coupled with the excitement surrounding ChatGPT, the backbone of this technological shift is stronger and more powerful chips; once again, Cadence's offering is vital in achieving this.

In terms of detractors over the period, the collapse of Silicon Valley Bank (SVB) in March (the second largest banking failure in US history) led to a major sell-off in the US and European financial sectors and a few of our holdings were impacted by the subsequent contagion. Banks in 2023 are very different to those in 2008 – they are better capitalised, better regulated and tend to have more

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

diversified sources of funding. For the Sustainable Future funds we look to invest in only those banks which demonstrate strong *Financial Resilience* – we did not invest in SVB in any of our Funds.

We note though that **First Republic**, which we did hold, has seen its shares impacted. First Republic started the year with a stronger credit rating than JP Morgan, and was the envy of the US banking sector. Unfortunately it was swept up in the turmoil associated with Silicon Valley Bank, given its deposit base was primarily in the San Francisco bay area, as was SVB's. Panic ensued as reports of the collapse of SVB hit the news, which saw First Republic's deposit base fall from 1.55bn to around 70bn over a few days. While the solvency of First Republic was sound, the sharp fall in its deposit base led to higher funding costs, and hurt profitability. We exited the position over the first quarter.

Exposed to our *Saving for the future* theme, **Charles Schwab** was another one of our positions to be negatively impacted by concerns around the collapse of SVB. Shares in the US investment firm fell amid a crisis of confidence in the banking sector with these concerns being further amplified after UBS announced that it was to buy out struggling Swiss lender Credit Suisse.

The market turbulence following the SVB collapse serves as an important reminder of how vital it is to invest in companies with strong balance sheets and good business models; and also to have good diversification across portfolios. Both are key features of the Sustainable Future approach.

Away from the banking sector, our position in **Agilent Technologies** – a leading provider of instruments, software, services, and consumables for laboratories – was a notable detractor. Exposed to our *Better monitoring of supply chains and quality control* theme, Agilent's products help us ensure the air we breathe, the water we drink and the food we eat is not affected by dangerous impurities. It also has a growing diagnostics business which enables innovation in areas such as gene therapy. Over the period, the company's earnings forecast for the second quarter came in below average estimates.

Medical technology company **Masimo** was also among the detractors after releasing weaker than expected preliminary Q2 revenue figures while also announcing that it is making plans to reduce costs during the second half of the year. The company cited a shortfall in healthcare revenue on delayed orders, a sooner-than-expected end to the flu season and strained hospital budgets.

Having exited **First Republic**, we initiated a position in **Morningstar** under our *Saving for the future* theme. Morningstar provides both quantitative and qualitative research to the investment industry, with databases and analytical tools covering private markets, ESG, credit ratings, equity valuation, and more. On the client side, they provide software and investment management services to financial advisors and institutions.

We also added multinational plumbing and heating products distributor **Ferguson**, under our *Building better cities* theme. Sanitation is an area of sustainable development which offers a huge opportunity to improve over the coming decades. Clean water, decent toilets and good hygiene are basic human rights, and these also interact with other goals such as education, reducing inequalities and climate action.

We also opened a position in cloud-based payroll and human capital management software provider **Paylocity** under our *Increasing financial resilience* theme. Human Capital Management (HCM) is key to the strength and resilience of SME's (small and medium-sized enterprises). Incorrect payroll and incorrect taxes have high costs when they are not processed correctly. The importance of ensuring your workforce is engaged in a hybrid work environment places further importance on HCM within the workplace.

We also sold **Intertek**. We have become increasingly concerned that the "reshoring" phenomena is a headwind for growth and margins for Intertek. As production is incrementally brought back to home shores, particularly in the US, the level of complexity in terms of supply chain auditing also falls, which we feel may negatively affect the long-term earnings and returns profile of Intertek.

We sold our position in **Puma**. The recent departure of the CEO to a competitor was disappointing, given we rated his strategy and leadership highly. We had also hoped the sales of products directly related to wellness and exercise would outgrow the fashion-focused sales, which would have increased the thematic exposure, and seen an upgrade from C to B in terms of the product rating. This mix shift did not eventuate, as sportswear sales had disappointed. We therefore decided to exit the position.

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

**Source: Financial Express, bid-to-bid, net of fees, 31.7.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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

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

Material portfolio changes by value

Purchases

Paylocity
Morningstar
Ferguson
Advanced Drainage Systems
Trex
IQVIA
American Tower
Agilent Technologies

Sales

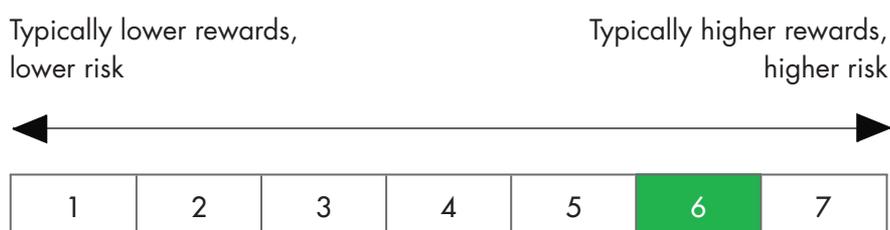
Intertek
Puma
NVR
Palo Alto Networks
Spotify Technology
Compass
London Stock Exchange
Daikin Industries
First Republic Bank
Equinix

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

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



- 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 set by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund is categorised 6 primarily for its exposure to a diversified portfolio of global equities and bonds.
- The SRRI may not fully take into account the following risks:
 - that a company may fail thus reducing its value within the Sub-fund;
 - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Sub-fund;
 - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result;
 - the creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- The Sub-fund may, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Sub-fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- The Sub-fund may have both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign exchange contracts to protect returns in the base currency of the Sub-fund.

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

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

Sustainable Future Managed Growth Fund (continued)

Performance record (unaudited)

as at 31 July 2023

Income record

Any distributions payable are paid on a semi-annual basis (31 March and 30 September). The table shows distributions declared over the specified periods.

For the six months ending	31 July 2023 per share (p)	31 July 2022 per share (p)
Class 2 Net Accumulation	0.0000	0.0000
Class 3 Net Accumulation	0.6493	0.6703

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2023			
Class 2 Net Accumulation	267,755,184	723,941	270.37
Class 3 Net Accumulation	65,828,080	257,561	391.26
31 January 2023			
Class 2 Net Accumulation	282,526,906	745,832	263.99
Class 3 Net Accumulation	66,664,529	254,152	381.24
31 January 2022			
Class 2 Net Accumulation	270,116,046	763,599	282.69
Class 3 Net Accumulation	68,438,900	278,253	406.57
31 January 2021			
Class 2 Net Accumulation	150,478,822	392,939	261.13
Class 3 Net Accumulation	62,611,161	234,122	373.93

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement (unaudited)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (96.71%)	940,729	95.85
	DENMARK (3.91%)	34,378	3.50
213,979	Ringkjoebing Landbobank	23,780	2.42
506,673	Vestas Wind Systems	10,598	1.08
	GERMANY (4.32%)	30,452	3.11
717,542	Evotec	14,683	1.50
460,106	Infineon Technologies	15,769	1.61
	JAPAN (6.10%)	51,896	5.29
93,600	Daikin Industries	14,687	1.50
70,700	Keyence	24,609	2.51
627,300	TechnoPro	12,600	1.28
	NETHERLANDS (4.27%)	45,463	4.63
16,840	Adyen	24,347	2.48
37,790	ASML	21,116	2.15
	SWEDEN (4.57%)	40,294	4.11
1,275,796	Avanza Bank	22,544	2.30
152,900	Spotify Technology	17,750	1.81
	SWITZERLAND (3.80%)	37,498	3.82
341,792	Alcon	22,678	2.31
61,081	Roche	14,820	1.51
	UNITED KINGDOM (5.79%)	49,235	5.02
775,409	Compass	15,718	1.60
116,688	Ferguson	14,586	1.49
223,715	London Stock Exchange	18,931	1.93
	UNITED STATES OF AMERICA (63.95%)	651,513	66.37
71,000	Adobe	30,142	3.07
190,400	Advanced Drainage Systems	18,052	1.84
224,900	Agilent Technologies	21,285	2.17
404,531	Alphabet 'A'	41,737	4.25
147,700	American Tower	21,852	2.23

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
EQUITIES (continued)			
UNITED STATES OF AMERICA (continued)			
110,100	ANSYS	29,274	2.98
124,700	Autodesk	20,545	2.09
169,000	Bright Horizons Family Solutions	12,742	1.30
279,500	Brown & Brown	15,304	1.56
170,400	Cadence Design Systems	30,974	3.15
436,906	Charles Schwab	22,442	2.29
269,400	DocuSign	11,269	1.15
107,755	Ecolab	15,327	1.56
38,220	Equinix	24,070	2.45
117,000	Illumina	17,473	1.78
49,600	Intuit	19,729	2.01
100,300	Intuitive Surgical	25,292	2.58
155,200	IQVIA	27,003	2.75
160,300	Masimo	15,236	1.55
87,800	Morningstar	15,727	1.60
414,208	Nasdaq	16,251	1.65
4,276	NVR	20,952	2.13
79,548	Palo Alto Networks	15,456	1.57
92,342	Paylocity	16,281	1.66
219,200	PayPal	12,919	1.32
246,900	PTC	27,980	2.85
62,970	Thermo Fisher Scientific	26,852	2.74
335,800	Trex	18,045	1.84
124,900	VeriSign	20,477	2.09
220,900	Visa 'A'	40,825	4.16
COLLECTIVE INVESTMENT SCHEMES (3.36%)		0	0.00
Portfolio of investments		940,729	95.85
Net other assets		40,773	4.15
Total net assets		981,502	100.00

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2023.

Sustainable Future Managed Growth Fund (continued)

Statement of Total Return (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Income				
Net capital gains/(losses)		23,189		(71,355)
Revenue	4,483		4,475	
Expenses	(3,643)		(3,684)	
Interest payable and similar charges	(2)		–	
Net revenue before taxation	838		791	
Taxation	(621)		(495)	
Net revenue after taxation		217		296
Total return before distributions		23,406		(71,059)
Distributions		(440)		(460)
Change in net assets attributable to shareholders from investment activities		22,966		(71,519)

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Opening net assets attributable to shareholders		999,984		1,041,852
Amounts received on issue of shares	13,609		76,529	
Amounts paid on cancellation of shares	(55,484)		(25,946)	
		(41,875)		50,583
Change in net assets attributable to shareholders from investment activities		22,966		(71,519)
Retained distributions on accumulation shares		427		460
Closing net assets attributable to shareholders		981,502		1,021,376

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

Sustainable Future Managed Growth Fund (continued)

Balance Sheet (unaudited)

as at 31 July 2023

	31.7.2023 (£'000)	31.1.2023 (£'000)
Assets		
Fixed assets		
Investments	940,729	1,000,732
Current assets:		
Debtors	7,074	591
Cash and bank balances	39,965	209
Total assets	987,768	1,001,532
Liabilities		
Creditors:		
Other creditors	(6,266)	(1,548)
Total liabilities	(6,266)	(1,548)
Net assets attributable to shareholders	981,502	999,984

Sustainable Future UK Growth Fund

Report for the period from 1 February 2023 to 31 July 2023

Investment Objective

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

Investment Policy

The Sub-fund will invest at least 80% in companies which are incorporated, domiciled or conduct significant business in the United Kingdom (UK) and will seek to achieve the investment objective through investment in securities that provide or produce sustainable products and services as well as having a progressive approach to the management of environmental, social and governance ("ESG") issues. Further information on the investment process can be found in the Prospectus.

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

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

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

Sustainable Future UK Growth Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned -0.6% (Class 2 Net Accumulation) over the period under review, versus a flat IA UK All Companies sector average and the MSCI UK Index's 0.8% (both of which are comparator benchmarks)*.

Across the portfolios, we continue to concentrate on where we have expertise and confidence in our predictions, namely the 20 sustainable themes that identify companies set to benefit making our world cleaner, healthier and safer. We continue to manage our portfolios in alignment with the themes, which themselves sit within three broader categories of *Better resource efficiency*, *Improved health and Greater safety and resilience*.

Within *Better resource efficiency*, the growth of renewables is accelerating for a market that's estimated to be worth half a trillion dollars, while the advent of the war in Ukraine has shown how security of supply is another essential attribute of renewable energy.

Under *Improved health*, there has been dramatic innovation in the development of diagnostic tools to aid early diagnosis, cancer and other diseases through the advances that we've seen in gene sequencing. Finally, within *Greater safety and resilience*, with water quality making the headlines, our theme around better monitoring of supply chains and quality control is focused on companies which provide equipment and services that undertake the essential analysis of our water, air and food.

All these areas are important to solving key sustainability challenges and should also deliver growth that is relatively independent of overall economic growth.

In terms of performance drivers, our best performing company over the period under review was global life sciences company **Abcam**. Exposed to our *Enabling innovation in healthcare* theme, the company most notably reported robust first quarter revenue figures, driven by double-digit growth in the Americas and EMEA, while China returned to growth in the high-single digits.

Abcam provides high quality research tools to enable the progression of life science research. Science has a reproducibility problem, with a significant proportion of experiments not reproducible by others, or indeed by the original scientist. Part of the issue here is the quality of the tools or inputs that are being used. By continually refining their product portfolio to be the highest quality, Abcam ensures scientists get the best out of their research work.

Online money transfer specialist **Wise** performed strongly after more than tripling its annual profits, boosted by an increase in customer numbers, while higher interest rates lifted income. The fintech company also updated its outlook for its 2024 financial year: it now expects income to grow between 28% - 32%.

Held under our *Increasing financial resilience* theme, Wise's mission is to bring transparency and fairness into moving money around the world. This covers pricing of products and sharing the economies of scale in order to bring foreign exchange (FX) costs down to zero. Traditionally, FX has been very costly for individuals, especially those remitting small amounts regularly. Wise offers a significantly better rate, lower fees, and very simple app-based approach. Offering better rates is not just about having more to spend on your holiday; for migrant labour the typical 6% charge to remit earnings has very real impacts on household spending. Wise can reduce this by 60% on average.

Private equity company **3i** was also among the top performers over the quarter after its full year results release in May was received well by the market – reporting net asset value per share that beat average estimates. Exposed to our theme of *Increasing financial resilience*, 3i's private equity business delivered a gross investment return of £5.0bn, or 40%, driven primarily by its position in non-food discounter Action, which recorded a very strong performance in its most recent full-year results. The strong returns were also aided by contributions from a number of its other portfolio companies operating in the value-for-money and private label, healthcare, industrial technology and business and technology services sectors.

Digital education company **Learning Technologies** was among the notable detractors following the release of two lacklustre updates over the period under review. Exposed to our *Providing education* theme, LTG fell sharply in April after its full-year results release was poorly received by the market. However, despite citing a challenging macroeconomic backdrop, the leader in the fast-growing workplace digital learning and talent management market noted the successful integration of GP Strategies which is now its leading

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

market-facing brand. LTG fell again towards the end of the review period after its first-half of 2023 update also underwhelmed investors with revised revenue and operating guidance sitting below analyst estimates.

Mobico (Formerly National Express) performed poorly over the period under review, most notably falling sharply on the announcement of its financial report for the six months to the 30 June 2023. Exposed to our theme of *Making transportation more efficient or safer*, the transport company reported an 18.5% increase in group revenue for the period, however group operating profit was down to £8.7m, with the company attributing this to a reduction in Covid-19 funding from the government.

Identity verification and fraud protection specialist **GB** reported an increase in revenue for the year to 31 March, rising to £279m from £244m the previous year. However, the group fell sharply after posting a £119m pre-tax loss after recording a £122m impairment charge as it factored in lower demand trends for its US identity business.

Despite strong structural demand, GB's management team made an expensive acquisition linked to cyber security in cryptocurrencies in what transpired to be the height of the crypto boom. This lack of discipline around capital allocation causes us to lose faith that management are careful custodians of our client's capital – we decided to exit our position over the period.

In terms of other portfolio activity, we initiated a position in medical products and technologies company **Convatec**. Held under our *Enabling innovation in healthcare* theme, Convatec manufactures medical devices for people living with and managing chronic disease. Its mission is to pioneer trusted medical solutions to improve lives.

We also initiated a new position in multinational plumbing and heating products distributor **Ferguson**, under our *Building better cities* theme. Sanitation is an area of sustainable development which offers a huge opportunity to improve over the coming decades. Clean water, decent toilets and good hygiene are basic human rights, and these also interact with other goals such as education, reducing inequalities and climate action.

We also added global information services company **Experian** under our *Increasing financial resilience* theme. As the world's largest consumer credit bureau, Experian plays a critical role in financial stability through the provision of transparent and accurate credit information. Experian has also developed a number of free tools on the consumer side of the business aimed at improving financial inclusion and credit scores – Experian Boost and Experian Go – helping people establish a credit identity and improve their score, all free of charge.

We re-added **Kingspan** under our *Improving the efficiency of energy use* theme for very strong sustainable investment reasons and because the company has now implemented the required controls around product certification and fire safety. Continued engagement with the company by the Sustainable Investment team has provided the reassurance that deficiencies highlighted by the Grenfell Tower inquiry will not occur again.

Kingspan's products dramatically improve the energy efficiency of buildings. The company estimates that through the use of its products sold in 2022, 173 million tonnes of CO2 will be saved, equivalent to the energy use of around 20 million homes. We believe Kingspan is well positioned to have a significant impact in reducing global energy use from buildings, which is essential if we are to prevent global warming exceeding the 1.5C threshold that the IPCC (Intergovernmental Panel on Climate Change) warns is critical.

In terms of sells, we exited our position in **Crest Nicholson**, a leading UK house builder, with excellent sustainability credentials built into every home, and a long-term holding. Unfortunately, there has been some management mis-steps and changes over the past few years and we believe the UK housing recovery could take longer than anticipated. With these concerns, we have decided there are better opportunities in other areas of the portfolio.

**Source: Financial Express, bid-to-bid, net of fees, 31.7.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Sub-fund review (continued)

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

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

Material portfolio changes by value

Purchases

ConvaTec
Experian
Kingspan
Ferguson
Molten Ventures
Softcat
Kerry
Croda International
London Stock Exchange
Wise

Sales

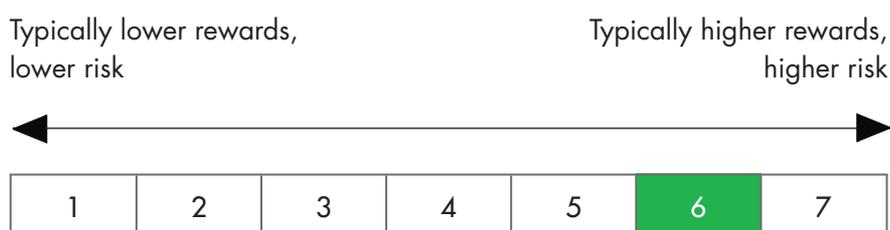
3i
GB
Oxford Instruments
GSK
Smurfit Kappa
London Stock Exchange
Paragon Banking
Unilever
Halma
Syncona

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

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



- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund is categorised 6 primarily for its exposure to UK equities.
- The SRRI may not fully take into account the following risks:
 - that a company may fail thus reducing its value within the Sub-fund;
 - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Sub-fund.
- The Sub-fund may, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Sub-fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- The Sub-fund may invest in companies listed on the Alternative Investment Market (AIM) which is primarily for emerging or smaller companies. The rules are less demanding than those of the official List of the London Stock Exchange and therefore companies listed on AIM may carry a greater risk than a company with a full listing.
- The Sub-fund will invest in smaller companies and may invest a small proportion (less than 10%) of the Sub-fund in unlisted securities. There may be liquidity constraints in these securities from time to time, i.e. in certain circumstances, the Sub-fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause the Sub-fund to defer or suspend redemptions of its shares.

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

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

Sustainable Future UK Growth Fund (continued)

Performance record (unaudited)

as at 31 July 2023

Income record

Any distributions payable are paid on a semi-annual basis (31 March and 30 September). The table shows distributions declared over the specified periods.

For the six months ending	31 July 2023 per share (p)	31 July 2022 per share (p)
Class 2 Net Accumulation	2.4287	1.9916
Class 3 Net Accumulation	4.1343	3.5402
Class 6 Income	0.8139	0.6777
M Accumulation	1.0469	0.8785
M Income	1.0096	0.8555

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2023			
Class 2 Net Accumulation	223,839,211	494,289	220.82
Class 3 Net Accumulation	63,986,785	205,519	321.19
Class 6 Income	3,005,874	2,199	73.16
M Accumulation	44,825,151	39,949	89.12
M Income	3,871,435	3,293	85.07
31 January 2023			
Class 2 Net Accumulation	243,441,634	546,581	224.52
Class 3 Net Accumulation	67,651,338	220,513	325.95
Class 6 Income	2,586,297	1,945	75.21
M Accumulation	36,246,399	32,820	90.55
M Income	6,064,718	5,304	87.46
31 January 2022			
Class 2 Net Accumulation	284,202,697	741,478	260.90
Class 3 Net Accumulation	81,330,616	306,861	377.30
Class 6 Income+	645,594	571	88.51
M Accumulation	1,234,893	1,297	105.05
M Income	9,381,266	9,656	102.93
31 January 2021			
Class 2 Net Accumulation	194,147,395	493,036	253.95
Class 3 Net Accumulation	79,783,202	291,831	365.78
M Accumulation†	10,000	10	102.09
M Income†	8,499,074	8,597	101.15

+ Launched on 9 August 2021.

† Launched on 11 February 2020.

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (unaudited)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (95.17%)	725,709	97.38
	UNITED KINGDOM (89.47%)	655,365	87.94
	Alternative Energy Sources (0.34%)	2,118	0.28
581,210	Ceres Power	2,118	0.28
	Banks (6.61%)	38,452	5.16
7,850,714	NatWest	19,179	2.57
3,653,664	Paragon Banking	19,273	2.59
	Biotechnology (5.09%)	45,923	6.16
1,171,470	Abcam	21,342	2.86
3,384,802	Oxford Biomedica	14,961	2.01
3,649,331	Oxford Nanopore Technologies	9,620	1.29
	Building Materials (1.24%)	10,477	1.41
3,347,263	Genuit	10,477	1.41
	Chemicals (2.34%)	18,296	2.45
310,635	Croda International	18,296	2.45
	Commercial Services (5.33%)	40,152	5.39
423,390	Ashtead	24,370	3.27
361,879	Intertek	15,782	2.12
	Computers (3.40%)	21,472	2.88
1,431,458	Softcat	21,472	2.88
	Cosmetics & Personal Care (6.71%)	49,020	6.57
7,190,401	Haleon	24,181	3.24
592,750	Unilever	24,839	3.33
	Distribution & Wholesale (0.00%)	10,188	1.37
81,505	Ferguson	10,188	1.37
	Diversified Financial Services (7.55%)	56,272	7.55
4,501,648	AJ Bell	14,756	1.98

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
EQUITIES (continued)			
UNITED KINGDOM (continued)			
Diversified Financial Services (continued)			
234,395	London Stock Exchange	19,835	2.66
1,627,254	Mortgage Advice Bureau	10,154	1.36
1,226,304	St James's Place	11,527	1.55
Electricity (1.22%)		9,808	1.32
589,422	Telecom Plus	9,808	1.32
Electronics (9.34%)		54,485	7.30
700,817	Halma	15,670	2.10
556,924	Oxford Instruments	13,366	1.79
4,765,714	Rotork	14,697	1.97
1,542,583	Smart Metering Systems	10,752	1.44
Engineering & Construction (1.58%)		10,329	1.39
11,419,801	Helios Towers	10,329	1.39
Food Services (1.98%)		15,690	2.11
774,044	Compass	15,690	2.11
Healthcare Products (0.00%)		18,047	2.42
8,659,696	ConvaTec	18,047	2.42
Home Builders (0.41%)			
Insurance (5.16%)		36,943	4.96
790,933	Admiral	16,839	2.26
8,141,156	Legal & General	19,001	2.55
684,066	Thrive Renewables~	1,103	0.15
Internet (3.73%)		25,715	3.45
6,353,073	Trainline	16,734	2.25
10,258,615	Trustpilot	8,981	1.20

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Investment Companies (1.41%)	5,859	0.79
739,170	Capital for Colleagues	222	0.03
7,652,932	Distribution Finance Capital	2,526	0.34
4,029,585	SDCL Energy Efficiency Income Trust	3,111	0.42
	Leisure Time (1.36%)	8,743	1.17
8,342,371	Gym	8,743	1.17
	Miscellaneous Manufacturing (1.21%)	9,596	1.29
1,573,095	Porvair	9,596	1.29
	Pharmaceuticals (5.32%)	35,961	4.83
211,702	AstraZeneca	23,677	3.18
887,422	GSK	12,284	1.65
	Private Equity (7.41%)	55,020	7.38
1,740,593	3i	34,412	4.62
17,844,552	IP	10,671	1.43
3,781,370	Molton Ventures	9,937	1.33
	Real Estate Investment & Services (0.02%)	129	0.02
382,000	Ethical Property~	129	0.02
	Real Estate Investment Trusts (1.19%)	7,966	1.07
5,784,978	Home REIT^	1,651	0.22
7,673,484	PRS REIT	6,315	0.85
	Retail (1.43%)	8,980	1.20
7,445,910	DFS Furniture	8,980	1.20
	Software (6.25%)	49,958	6.71
848,635	First Derivatives	15,174	2.04
18,987,461	Learning Technologies	14,241	1.91
2,643,839	Wise	20,543	2.76

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Transportation (1.84%)	9,766	1.31
10,467,738	Mobico	9,766	1.31
	IRELAND (5.70%)	70,344	9.44
	Building Materials (0.00%)	12,977	1.74
207,745	Kingspan	12,977	1.74
	Commercial Services (0.00%)	16,870	2.26
560,844	Experian	16,870	2.26
	Food Producers (1.87%)	18,094	2.43
233,683	Kerry	18,094	2.43
	Forest Products & Paper (3.83%)	22,403	3.01
722,668	Smurfit Kappa	22,403	3.01
	COLLECTIVE INVESTMENT SCHEMES (3.62%)	19,570	2.62
	GUERNSEY (2.71%)	14,270	1.91
9,375,992	Syncona	14,270	1.91
	UNITED KINGDOM (0.91%)	5,300	0.71
10,998,437	US Solar Fund	5,300	0.71
	Portfolio of investments	745,279	100.00
	Net other liabilities	(30)	(0.00)
	Total net assets	745,249	100.00

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2023.

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Stocks shown as REITs represent Real Estate Investment Trust.

~ Unquoted security.

^ Suspended Security.

Sustainable Future UK Growth Fund (continued)

Statement of Total Return (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Income				
Net capital losses		(21,581)		(107,021)
Revenue	11,802		12,066	
Expenses	(2,742)		(3,421)	
Interest payable and similar charges	(1)		(2)	
Net revenue before taxation	9,059		8,643	
Taxation	(164)		(6)	
Net revenue after taxation		8,895		8,637
Total return before distributions		(12,686)		(98,384)
Distributions		(8,895)		(8,632)
Change in net assets attributable to shareholders from investment activities		(21,581)		(107,016)

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Opening net assets attributable to shareholders		807,163		1,059,863
Amounts received on issue of shares	21,041		52,163	
Amounts paid on cancellation of shares	(69,925)		(88,259)	
		(48,884)		(36,096)
Change in net assets attributable to shareholders from investment activities		(21,581)		(107,016)
Retained distributions on accumulation shares		8,551		8,206
Closing net assets attributable to shareholders		745,249		924,957

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

Sustainable Future UK Growth Fund (continued)

Balance Sheet (unaudited)

as at 31 July 2023

	31.7.2023 (£'000)	31.1.2023 (£'000)
Assets		
Fixed assets		
Investments	745,279	797,404
Current assets:		
Debtors	6,217	1,349
Cash and bank balances	9,351	10,618
Total assets	760,847	809,371
Liabilities		
Creditors:		
Distribution payable	(64)	(36)
Other creditors	(15,534)	(2,172)
Total liabilities	(15,598)	(2,208)
Net assets attributable to shareholders	745,249	807,163

UK Ethical Fund

Report for the period from 1 February 2023 to 31 July 2023

Investment Objective

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

Investment Policy

The Sub-fund will invest at least 80% in companies which are incorporated, domiciled or conduct significant business in the United Kingdom (UK) and will seek to achieve the investment objective through investment in securities that provide or produce sustainable products and services as well as having a progressive approach to the management of environmental, social and governance (ESG) issues. Further information on the investment process can be found in the Prospectus.

All investments will be expected to conform to our social and environmental criteria, and ethical screening process which includes complete exclusion of companies involved in any activity related to animal testing. Full details are set out on the Liontrust website (www.liontrust.co.uk).

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

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

UK Ethical Fund (continued)

Investment review

Sub-fund review

The Sub-fund returned -4.3% (Class 2 Net Accumulation) over the period under review, versus a flat IA UK All Companies sector average and the MSCI UK Index's 0.8% (both of which are comparator benchmarks)*.

Across the portfolios, we continue to concentrate on where we have expertise and confidence in our predictions, namely the 20 sustainable themes that identify companies set to benefit making our world cleaner, healthier and safer. We continue to manage our portfolios in alignment with the themes, which themselves sit within three broader categories of *Better resource efficiency*, *Improved health and Greater safety and resilience*.

Within *Better resource efficiency*, the growth of renewables is accelerating for a market that's estimated to be worth half a trillion dollars, while the advent of the war in Ukraine has shown how security of supply is another essential attribute of renewable energy.

Under *Improved health*, there has been dramatic innovation in the development of diagnostic tools to aid early diagnosis, cancer and other diseases through the advances that we've seen in gene sequencing. Finally, within *Greater safety and resilience*, with water quality making the headlines, our theme around better monitoring of supply chains and quality control is focused on companies which provide equipment and services that undertake the essential analysis of our water, air and food.

All these areas are important to solving key sustainability challenges and should also deliver growth that is relatively independent of overall economic growth.

Online money transfer specialist **Wise** enjoyed a strong second quarter after more than tripling its annual profits, boosted by an increase in customer numbers, while higher interest rates lifted income. The fintech company also updated its outlook for its 2024 financial year: it now expects income to grow between 28% - 32%.

Held under our *Increasing financial resilience* theme, Wise's mission is to bring transparency and fairness into moving money around the world. This covers pricing of products and sharing the economies of scale in order to bring foreign exchange (FX) costs down to zero. Traditionally, FX has been very costly for individuals especially those remitting small amounts regularly. Wise offers a significantly better rate, lower fees, and very simple app-based approach. Offering better rates is not just about having more to spend on your holiday; for migrant labour the typical 6% charge to remit earnings has very real impacts on household spending. Wise can reduce this by 60% on average.

Softcat performed strongly following a half-year update which announced operating profit was ahead of initial expectations, with full-year profits also on track to be slightly ahead of previous estimates. Exposed to our *Enhancing digital security* theme, Softcat is the UK's leading value-added reseller of IT software and equipment serving the fragmented SME market. The company's competitive advantage is based on its unique culture, which emphasises professionalism, meritocracy, competition and fun. This employee satisfaction drives best-in-class customer experience, high recurring revenues and rapidly increasing market share.

First Derivates (FD) Technologies was also among the top performers over the period under review. Exposed to our theme of *Improving the resource efficiency of industrial and agricultural processes*, FD is a leading provider of products and consulting services to some of the world's largest finance, technology and energy institutions.

The online world and the proliferation of sensors in all areas of economic and social activity is driving an explosion in data generation, but this data is only useful if it is captured and managed so that it can be analysed effectively. First Derivates has the leading database software for time-series databases: information where the time of the event is critical. FD's architecture can deliver a 10-20x reduction in the number of servers needed for a task and 100x improvement in speed and commensurate reductions in energy consumption.

Digital education company **Learning Technologies** (LTG) was among the notable detractors following the release of two lacklustre updates over the period under review. Exposed to our *Providing education* theme, LTG fell sharply in April after its full-year results release was poorly received by the market. However, despite citing a challenging macroeconomic backdrop, the leader in the fast-growing workplace digital learning and talent management market noted the successful integration of GP Strategies which is now its

UK Ethical Fund (continued)

Investment review (continued)

Sub-fund review (continued)

leading market-facing brand. LTG fell again towards the end of the review period after its first-half of 2023 update also underwhelmed investors with revised revenue and operating guidance sitting below analyst estimates.

Mobico (Formerly National Express) performed poorly over the period under review, most notably falling sharply on the announcement of its financial report for the six months to the 30 June 2023. Exposed to our theme of *Making transportation more efficient or safer*, the transport company reported an 18.5% increase in group revenue for the period, however group operating profit was down to £8.7m, with the company attributing this to a reduction in Covid-19 funding from the government.

Identity verification and fraud protection specialist **GB** reported an increase in revenue for the year to 31 March, rising to £279m from £244m the previous year. However, the group fell sharply after posting a £119m pre-tax loss after recording a £122m impairment charge as it factored in lower demand trends for its US identity business.

Despite strong structural demand, GB's management team made an expensive acquisition linked to cyber security in cryptocurrencies in what transpired to be the height of the crypto boom. This lack of discipline around capital allocation causes us to lose faith that management are careful custodians of our client's capital – we decided to exit our position over the period.

Other portfolio activity included the addition of global information services company **Experian** under our *Increasing financial resilience* theme. As the world's largest consumer credit bureau, Experian plays a critical role in financial stability through the provision of transparent and accurate credit information. Experian has also developed a number of free tools on the consumer side of the business aimed at improving financial inclusion and credit scores – Experian Boost and Experian Go – helping people establish a credit identity and improve their score, all free of charge.

We also re-added **Kingspan** under our *Improving the efficiency of energy use* theme for very strong sustainable investment reasons and because the company has now implemented the required controls around product certification and fire safety. Continued engagement with the company by the Sustainable Investment team has provided the reassurance that deficiencies highlighted by the Grenfell Tower inquiry will not occur again.

Kingspan's products dramatically improve the energy efficiency of buildings. The company estimates that through the use of its products sold in 2022, 173 million tonnes of CO₂ will be saved, equivalent to the energy use of around 20 million homes. We believe Kingspan is well positioned to have a significant impact in reducing global energy use from buildings, which is essential if we are to prevent global warming exceeding the 1.5C threshold that the IPCC (Intergovernmental Panel on Climate Change) warns is critical.

In terms of sells, we exited our position in **Crest Nicholson**, a leading UK house builder, with excellent sustainability credentials built into every home, and a long-term holding. Unfortunately, there has been some management mis-steps and changes over the past few years and we believe the UK housing recovery could take longer than anticipated. With these concerns, we have decided there are better opportunities in other areas of the portfolio.

* Source: *Financial Express, bid-to-bid, net of fees, 31.07.23. Please note that the total return has been calculated at midday whereas the financial statements are at close of business.*

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

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

UK Ethical Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases

Experian
Kingspan
National Grid
NatWest
London Stock Exchange
Telecom Plus
Softcat
Genuit
Learning Technologies
St James's Place

Sales

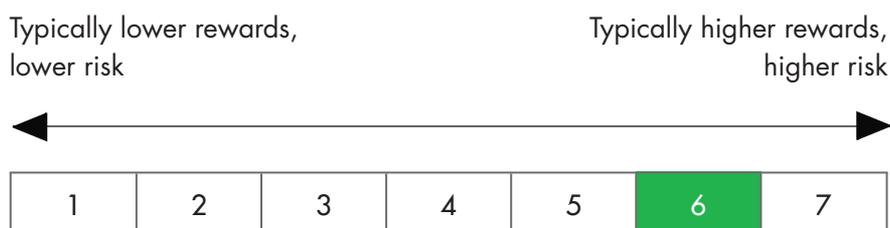
Oxford Instruments
Smurfit Kappa
GB
London Stock Exchange
Intertek
Smart Metering Systems
Crest Nicholson
Paragon Banking
National Grid
Softcat

UK Ethical Fund (continued)

Investment review (continued)

Risk and Reward profile

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



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- The Sub-fund is categorised 6 primarily for its exposure to UK equities.
- The SRRI may not fully take into account the following risks:
 - that a company may fail thus reducing its value within the Sub-fund;
 - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Sub-fund.
- The Sub-fund may, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Sub-fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- The Sub-fund may invest in companies listed on the Alternative Investment Market (AIM) which is primarily for emerging or smaller companies. The rules are less demanding than those of the official List of the London Stock Exchange and therefore companies listed on AIM may carry a greater risk than a company with a full listing.
- The Sub-fund will invest in smaller companies and may invest a small proportion (less than 10%) of the Sub-fund in unlisted securities. There may be liquidity constraints in these securities from time to time, i.e. in certain circumstances, the Sub-fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause the Sub-fund to defer or suspend redemptions of its shares.

UK Ethical Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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

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

UK Ethical Fund (continued)

Performance record (unaudited)

as at 31 July 2023

Income record

Any distributions payable are paid on a semi-annual basis (31 March and 30 September). The table shows distributions declared over the specified periods.

For the six months ending	31 July 2023 per share (p)	31 July 2022 per share (p)
Class 2 Net Accumulation	4.4336	3.1543
Class 3 Net Income	4.3868	3.3765

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2023			
Class 2 Net Accumulation	88,830,691	251,163	282.74
Class 3 Net Income	117,176,597	287,126	245.04
31 January 2023			
Class 2 Net Accumulation	103,607,682	309,136	298.37
Class 3 Net Income	122,238,569	321,114	262.69
31 January 2022			
Class 2 Net Accumulation	121,887,001	423,542	347.49
Class 3 Net Income	128,316,856	398,843	310.83
31 January 2021			
Class 2 Net Accumulation	102,296,266	345,718	337.96
Class 3 Net Income	127,988,930	391,544	305.92

UK Ethical Fund (continued)

Portfolio Statement (unaudited)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (95.22%)	523,787	97.30
	UNITED KINGDOM (90.34%)	470,696	87.43
	Alternative Energy Sources (0.46%)	2,194	0.41
602,148	Ceres Power	2,194	0.41
	Banks (8.54%)	40,564	7.54
7,200,948	NatWest	17,592	3.27
4,354,901	Paragon Banking	22,972	4.27
	Biotechnology (0.95%)	6,916	1.28
2,623,730	Oxford Nanopore Technologies	6,916	1.28
	Building Materials (1.86%)	12,381	2.30
3,955,589	Genuit	12,381	2.30
	Chemicals (2.58%)	16,430	3.05
2,539,413	Treatt	16,430	3.05
	Commercial Services (7.71%)	41,966	7.79
400,753	Ashtead	23,067	4.28
433,355	Intertek	18,899	3.51
	Computers (5.27%)	21,132	3.93
1,408,802	Softcat	21,132	3.93
	Diversified Financial Services (11.13%)	63,041	11.72
6,364,525	AJ Bell	20,863	3.88
219,583	London Stock Exchange	18,581	3.45
1,532,967	Mortgage Advice Bureau	9,566	1.78
1,492,695	St James's Place	14,031	2.61
	Electricity (3.29%)	23,189	4.30
1,326,984	National Grid	13,688	2.54
570,999	Telecom Plus	9,501	1.76

UK Ethical Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Electronics (10.63%)	43,885	8.15
626,076	Oxford Instruments	15,026	2.79
4,236,390	Rotork	13,065	2.43
2,266,037	Smart Metering Systems	15,794	2.93
	Engineering & Construction (2.72%)	13,608	2.53
15,044,817	Helios Towers	13,608	2.53
	Food Services (3.59%)	21,430	3.98
1,057,223	Compass	21,430	3.98
	Home Builders (1.09%)		
	Insurance (7.10%)	39,757	7.39
782,665	Admiral	16,663	3.10
9,138,072	Legal & General	21,328	3.96
1,095,006	Thrive Renewables~	1,766	0.33
	Internet (3.61%)	20,753	3.85
5,090,262	Trainline	13,408	2.49
8,389,512	Trustpilot	7,345	1.36
	Investment Companies (3.05%)	15,245	2.83
1,108,253	Capital for Colleagues	332	0.06
9,907,713	Distribution Finance Capital	3,270	0.61
15,081,670	SDCL Energy Efficiency Income Trust	11,643	2.16
	Leisure Time (2.04%)	10,282	1.91
9,810,923	Gym	10,282	1.91
	Real Estate Investment & Services (0.06%)	266	0.05
788,000	Ethical Property~	266	0.05

UK Ethical Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Real Estate Investment Trusts (2.37%)	12,677	2.35
6,638,467	Home REIT^	1,895	0.35
13,101,104	PRS REIT	10,782	2.00
	Retail (2.17%)	10,671	1.98
8,848,114	DFS Furniture	10,671	1.98
	Software (7.13%)	41,951	7.79
770,698	First Derivatives	13,780	2.56
16,541,208	Learning Technologies	12,406	2.30
2,028,952	Wise	15,765	2.93
	Transportation (2.99%)	12,358	2.30
13,245,208	Mobico	12,358	2.30
	IRELAND (4.88%)	53,091	9.87
	Building Materials (0.00%)	16,206	3.01
259,429	Kingspan	16,206	3.01
	Commercial Services (0.00%)	19,254	3.58
640,110	Experian	19,254	3.58
	Forest Products & Paper (4.88%)	17,631	3.28
568,742	Smurfit Kappa	17,631	3.28
	COLLECTIVE INVESTMENT SCHEMES (3.74%)	15,756	2.93
	GUERNSEY (1.37%)	4,956	0.92
4,362,689	Renewables Infrastructure	4,956	0.92

UK Ethical Fund (continued)

Portfolio Statement (unaudited) (continued)

as at 31 July 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	COLLECTIVE INVESTMENT SCHEMES (continued)		
	UNITED KINGDOM (2.37%)	10,800	2.01
3,522,323	Greencoat UK Wind	5,150	0.96
11,724,900	US Solar Fund	5,650	1.05
	Portfolio of investments	539,543	100.23
	Net other liabilities	(1,254)	(0.23)
	Total net assets	538,289	100.00

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2023.

Stocks shown as REITs represent Real Estate Investment Trust.

~ Unquoted security.

^ Suspended Security.

UK Ethical Fund (continued)

Statement of Total Return (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Income				
Net capital losses		(40,507)		(75,602)
Revenue	11,285		10,127	
Expenses	(1,657)		(2,165)	
Interest payable and similar charges	–		–	
Net revenue before taxation	9,628		7,962	
Taxation	(173)		22	
Net revenue after taxation		9,455		7,984
Total return before distributions		(31,052)		(67,618)
Distributions		(9,455)		(7,984)
Change in net assets attributable to shareholders from investment activities		(40,507)		(75,602)

Statement of Change in Net Assets Attributable to Shareholders (unaudited)

for the period ended 31 July 2023

	(£'000)	1.2.2023 to 31.7.2023 (£'000)	(£'000)	1.2.2022 to 31.7.2022 (£'000)
Opening net assets attributable to shareholders		630,250		822,385
Amounts received on issue of shares	3,977		17,231	
Amounts paid on cancellation of shares	(59,369)		(55,820)	
		(55,392)		(38,589)
Change in net assets attributable to shareholders from investment activities		(40,507)		(75,602)
Retained distributions on accumulation shares		3,938		3,483
Closing net assets attributable to shareholders		538,289		711,677

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

UK Ethical Fund (continued)

Balance Sheet (unaudited)

as at 31 July 2023

	31.7.2023 (£'000)	31.1.2023 (£'000)
Assets		
Fixed assets		
Investments	539,543	623,678
Current assets:		
Debtors	10,734	1,098
Cash and bank balances	2,463	10,190
Total assets	552,740	634,966
Liabilities		
Creditors:		
Distribution payable	(5,140)	(2,579)
Other creditors	(9,311)	(2,137)
Total liabilities	(14,451)	(4,716)
Net assets attributable to shareholders	538,289	630,250

Additional Information (unaudited)

Important information

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

You should always regard investment in Funds as long term. The annual management fees of the Liontrust Sustainable Future Cautious Managed Fund and Liontrust Sustainable Future Defensive Managed Fund are deducted from capital. Whilst this results in the dividend paid to investors being higher than would be the case were the annual management fee charged to income, the potential for capital growth may be reduced.



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