

LIONTRUST SPECIAL SITUATIONS FUND

A close-up, high-contrast photograph of a lion's face. The lion's eye is a striking green, and its fur is a mix of brown and orange tones. The background is dark, making the lion's features stand out.

Interim Report &
Financial Statements (unaudited)

For the period:

1 June 2022

to

30 November 2022

Managed in accordance with
The Liontrust Economic Advantage

LIONTRUST FUND PARTNERS LLP

LIONTRUST 

Contents

Management and Administration*	1
Manager's Investment Report*	3
Authorised Status*	11
Certification of Financial Statements by Partners of the Manager	11
Performance Tables	12
Portfolio Statement*	13
Financial Statements:	
Statement of Total Return	17
Statement of Change in Net Assets Attributable to Unitholders	17
Balance Sheet	18
Securities Financing Transactions	19
Additional information	22

* Collectively, these comprise the Authorised Fund Manager's Report (from herein referred to as the Manager's Report).

Management and Administration

Authorised Fund Manager ("Manager")

Liontrust Fund Partners LLP
2 Savoy Court
London WC2R 0EZ

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Administration and Dealing facsimile 0207 964 2562
Email Liontrustadmin@bnymellon.com
Website www.liontrust.co.uk

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

Investment Adviser

Liontrust Investment Partners LLP
2 Savoy Court
London WC2R 0EZ

Authorised and regulated by the FCA.

Trustee

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.

Liontrust Special Situations Fund

Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist fund management company with £31.7 billion in assets under management as at 30 September 2022 and that takes pride in having a distinct culture and approach to managing money. Our purpose is to have a positive impact on our investors, stakeholders and society. We aim to achieve this by providing the environment which enables our fund managers and employees to flourish, helping our investors achieve their financial goals, supporting companies in generating sustainable growth, and empowering and inspiring the wider community. 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 eight 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 Fund may also be negatively impacted even if they have no direct exposure to the regions involved in the conflict. The conflict has also resulted in a significantly increased risk of cyber attacks. Your attention is drawn to the section of the Prospectus entitled "Cyber Security Risk" in this regard.

Manager's Investment Report

Investment Objective

The Fund aims to deliver capital growth over the long-term (5 years or more).

Investment Policy

The Fund will invest at least 90% in companies which are incorporated, domiciled or conduct significant business in the United Kingdom (UK).

The Fund will typically invest 90% (minimum 80%) in equities or equity related derivatives but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.

The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes. Please refer to the Derivatives sections of the Prospectus for further details.

The Team

The award-winning Economic Advantage team have an average industry experience of 21 years. Anthony Cross joined Liontrust from Schroders in 1997 and was joined by Julian Fosh in 2008. Julian had previously managed funds at Scottish Amicable Investment Managers, Britannic Investment Managers, Scottish Friendly Assurance Society and Saracen Fund Managers. Victoria Stevens and Matt Tonge joined the team in 2015. Victoria was previously Deputy Head of Corporate Broking at FinnCap, while Matt had spent nine years on the Liontrust dealing desk, latterly winning an industry award for his work in mid and small cap stocks. Alex Wedge joined the team in March 2020 from N+1 Singer, where he had spent over seven years, latterly as a senior member of the equity sales team. Natalie Bell joined the team in August 2022, having previously been a member of the Liontrust Responsible Capitalism team where she led engagement with investee companies.

The Process

The process seeks to identify companies that possess intangible assets which produce barriers to competition and provide a durable competitive advantage that allows the companies to defy industry competition and sustain a higher than average level of profitability for longer than expected.

In the fund managers' experience, the hardest characteristics for competitors to replicate are three classes of intangible asset: intellectual property, strong distribution channels and significant recurring business.

Other less powerful but nonetheless important intangible strengths include franchises and licenses; good customer databases and relationships; effective procedures and formats; strong brands and company culture.

These intangible assets produce barriers to competition, protect margins and are capable, in the opinion of the fund managers, of reaping a financial advantage in the form of cash flow returns in excess of the cost of capital. A company that consistently generates excess cash flow returns will benefit from compounding as it reinvests this excess return into the business.

Every smaller company held in the Economic Advantage funds has at least 3% of its equity held by senior management and main board directors. Companies are also assessed for employee ownership below the senior management and board and changes in equity ownership are monitored.

Manager's Investment Report (continued)

Performance of the Fund

In the six months to 30 November 2022 an investment in the Fund returned 0.7% (retail class) and 1.2% (institutional class). This compares with an 0.3% return from the FTSE All-Share Index comparator benchmark, and a -2.2% return from the IA UK All Companies sector, also a comparator benchmark.

From the Fund's launch on 10 November 2005 to 30 November 2022, an investment in the Fund rose by 448% (retail class) and 519% (institutional class), compared to a rise of 179% in the FTSE All-Share Index, and 159% from the IA UK All Companies sector comparator benchmarks.

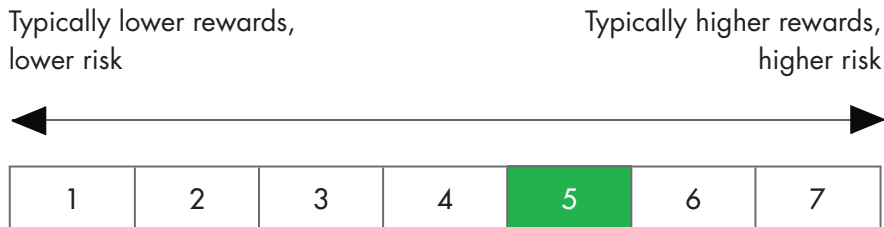
Source: Financial Express, bid to bid basis, total return net of fees, income reinvested, figures show performance up to 30/11/22. The primary class post-Retail Distribution Review is the institutional class, whereas pre-Retail Distribution Review the bundled Retail class performance history is used, unadjusted for the lower fees of the post Retail Distribution Review classes. Please note that total return has been calculated at midday whereas the financial statements are at close of business.

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.

Manager's Investment Report (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the 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 Fund. The shaded area in the table below shows the 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 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 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 Fund or a representative fund or Index's value has moved up and down in the past.
- The Fund is categorised 5 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 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 Fund.
- The 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 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 Fund volatility in both up and down markets by hedging against the general market.
- The Fund may encounter liquidity constraints from time to time. In addition the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings.
- The 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 Fund will invest in smaller companies and may invest a small proportion (less than 10%) of the Fund in unlisted securities. There may be liquidity constraints in these securities from time to time, i.e. in certain circumstances, the 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 Fund to defer or suspend redemptions of its shares.

Manager's Investment Report (continued)

Risk and Reward profile (continued)

- The 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 Fund.
- Outside of normal conditions, the 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.
- Environmental, Social and Governance ("ESG") Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG.

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

Manager's Investment Report (continued)

The Market

The FTSE All-Share Index returned 0.3% in the six months to 30 November 2022.

The index lost ground in capital terms, dropping 1.5% to 4,139 points, but dividend income lifted its total return marginally into positive territory.

For much of the period, equity markets slid as investor sentiment weakened in the face of a volatile geopolitical environment and an aggressive central bank response to inflationary pressures which looked increasingly likely to tip the economy into recession.

Existing inflationary pressures in the economy were exacerbated over the summer by Russia's restriction of gas supplies to Europe. UK consumer price inflation breached 10% in July and September, prompting the Bank of England to push through 200 basis points of hikes in four separate moves across the six months, mirroring a pace of tightening seen globally from key central banks such as the US Federal Reserve (Fed). In its accompanying comments, the Bank noted that the UK is projected to enter recession in the fourth quarter, with real household income expected to fall sharply in 2022 and 2023.

Falling equity markets and rising bond yields were accentuated by the UK government's fiscal actions in September, when short-lived UK Chancellor Kwasi Kwarteng's 'mini-budget' took a stimulative stance that was at odds with the Bank of England's economic assessment.

Global equities then recovered from mid-October, fuelled by hopes that the pace of monetary policy tightening may be set to slow. The most recent indications from the Fed are that rates may need to peak higher than previously anticipated, but also that future rate hikes may be smaller and slower, as the Fed waits to observe the cumulative impact of the policy measures already taken. US consumer price inflation for October of 7.7% year-on-year was the lowest since January, down from June's peak of 9.1%, and below forecasts of 7.9%, adding to hopes that rate rises may ease off.

The overall FTSE All-Share Index return hides some disparity in returns to different size segments; the FTSE 100 large-cap index returned 1.4% while the FTSE 250 mid-cap index and FTSE Small Cap index lost 4.8% and 5.3% respectively.

Fund Review

The Fund returned 1.2% (institutional class) in the six months to 30 November 2022. The FTSE All-Share Index comparator benchmark returned 0.3% and the average return in the IA UK All Companies sector, also a comparator benchmark, was -2.2%.*

Earlier in 2022, equity market weakness seemed to stem predominantly from ratings contracting – i.e. the 'p' in p/e (price / earnings) levels falling – as investors priced in higher interest rates (and discount rates) on future expected growth. As recessionary forces have built, earnings estimates also came under pressure, prompting further share price weakness over the summer months.

Much of this weakness was concentrated in the mid and small-cap sections of the market. It is understandable that investors might be concerned that these smaller companies would be disproportionately affected by the problems faced by the UK's domestic economy. However, while we by no means claim that any of the Fund's companies will be immune from a contraction in the UK economy, we have so far been reassured by the trading resilience shown by many of them.

One of the best performers in the portfolio was **Kainos** (+26%), an outsourced provider of Information Technology (IT) design and support services, primarily to the public sector and healthcare industry. Long-term customer relationships and ongoing demand from the NHS have meant that its business has proven resilient to a challenging economic backdrop. In November, it reported 26% year-on-year revenue growth to £180m in the six months to 30 September, while bookings rose 18% to £222m, taking its contracted backlog to £308m. At 53%, growth was particularly strong in its international operations, lifting its share of the group total to one-third.

Another riser was **Craneware** (+55%), which provides IT solutions to US healthcare providers. Its share price rise was aided by the strength in the dollar relative to the pound for much of the period. In 2021, Craneware acquired a business called Sentry, more than doubling its revenues in the year to 30 June 2022. It has now fully completed the integration of Sentry, with the combined EBITDA (earnings before interest, tax, depreciation and amortisation) margin target of 30% being hit ahead of schedule and synergies from the deal largely mitigating the wage inflation seen in the industry this year. However, many of the hospitals it serves have yet to fully recover activity levels to pre-pandemic levels. While this has restricted growth to some extent in the last year, Craneware expects activity to normalise soon.

Manager's Investment Report (continued)

Fund Review (continued)

Keywords Studios (+30%) announced in November that, due to solid trading and strength in the US dollar, it expects both revenues and profits for 2022 to be ahead of its previous guidance. The support services provider to the video games industry also included upbeat 2023 outlook comments within a trading update, noting that organic growth may moderate but should remain well above its medium-term target of 15%, with overall financial performance on track to be at the upper end of the current analysts' forecast range.

US dollar strength also provided a tailwind to interdealer broker **TP ICAP** (+37%), which derives around 60% of its revenues in the currency. TP ICAP's business model often sees an uptick in revenues during volatile market conditions, and this helped it grow revenues by 7% (excluding acquisitions) in the first half of 2022, with profits also rising more than expected. The company also flagged the possibility of a return of surplus capital to shareholders as a result of recent efforts to optimise its capital structure.

Other strong performers included **BP** (+18%) and **Shell** (+4.9%), which are in the minority of companies benefitting from rocketing energy prices, and engineers **Rotork** (+9.3%) and **Weir** (+11%), which both issued November trading updates commenting that demand is high and supply chain disruption is easing.

It is apparent that this year's stock market turmoil and the de-rating experienced by many businesses has not gone unnoticed by corporate and private equity buyers.

Shares in **Ideagen** (+0.1%) had jumped in April after private equity investor Cinven announced bid interest. Although it subsequently withdrew this interest, other suitors emerged, including HGC Capital whose £1bn+ takeover offer was recommended by Ideagen's board; we sold out of the position shortly ahead of the deal's completion. **CareTech** (+5.4%) was approached by both a founder-led consortium (Sheikh Holdings) and a rival private equity bidder back in March. In June it was announced that Sheikh Holdings had teamed up with private equity investor THCP to make an 750p per share cash offer which has been recommended by CareTech's independent directors.

EMIS (+44%) was another portfolio beneficiary of takeover interest as its Board recommended a £1.24bn offer from US-based healthcare and insurance provider UnitedHealth. The cash offer of 1,925p a share is 29% above the level prior to its announcement and 32% higher than EMIS's prior all-time high of 1,460p. Shares in EMIS jumped to trade at a small discount to the offer price.

Of the portfolio detractors, **John Wood** (-47%) was the heaviest faller despite announcing the disposal of its built-environment consulting business for \$1.9bn, having put the unit up for sale earlier this year. The proceeds will be used to pay down debt and provide financial stability as the engineering and consultancy group looks to execute a strategic realignment. However, the initial signs are that investors are underwhelmed with the group's new direction and growth targets, as shares in the company slid in the aftermath of an investor presentation on 29 November.

The portfolio's weakest positions also included a few exposed to a softening in sentiment towards the property sector following the adverse market reaction to the government's mini-budget. **Mortgage Advice Bureau** (-43%) and **Savills** (-13%) were most obviously affected, with both having already experienced a softening in demand even prior to the budget announcement, which is expected to further dampen activity after mortgage rates adjusted sharply higher.

Moonpig's (-39%) shares fell heavily despite a September AGM update describing trading since 30 April as in line with its expectations and on track to meet full-year financial guidance. Investors looking for signs of exposure to weakening consumer spending may have focused on its decision to prioritise greeting card sales over gifts due to their greater historic resilience to economic downturns.

GSK (-18%) dropped heavily in August due to fears over litigation risk around the now-withdrawn Zantac heartburn drug. Zantac is the subject of a number of personal injury lawsuits in the US claiming an increased cancer risk. The prospect of litigation has now been known about for a few years but came sharply into focus following the publication of Haleon's prospectus on its demerger from GSK.

Manager's Investment Report (continued)

Fund Review (continued)

TI Fluid Systems (-28%), a provider of highly engineered automotive fluid storage, has suffered from a slowdown in global vehicle production as the industry has been affected by microchip shortages and supply chain problems. In the first half of the year, global light vehicle production contracted 1.8%, and TI Fluid Systems saw sales fall 2.4%. In Q3, the global car market recovered by 28% as supply chain problems eased, but TI Fluid Systems lagged the recovery, with sales rising 20% year-on-year in constant currency terms. Growth was constrained by low participation in the Chinese battery electrical vehicle market, which was dominated by domestic suppliers. Investors were also disappointed that TI Fluid Systems' pass-through of input cost increases to customers has only been partial, with further adjustments needed to mitigate margin pressures.

** Source: Financial Express, bid to bid basis, total return, net of fees, income reinvested, 30/11/2022. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

Portfolio Changes

Ideagen and **CareTech** were both sold ahead of completion of their respective takeovers.

We took advantage of share price weakness to add handful of new smaller company positions: **Team17**, **Midwich** and **Focusrite**.

Team17 is a developer and publisher of video games, acting as a games label and creative partner for third party independent developers as well as creating and developing own-IP games. It is held under the investment process on the strength of its intellectual property (IP). The group prides itself on a tried-and-tested process for 'funnelling' high calibre third party games to work on, while in its own-IP stable it has a keen focus on the importance of the longevity and durability of games titles. Its most famous games are from the "Worms" franchise, which was first released over 25 years ago.

Midwich is a specialist on-trade audio-visual equipment distributor. It has diverse end markets, with around 30% sold into education and a further 5% apiece into healthcare and public sector. The stock is held due to the strength of its distribution network. Midwich operates in a very fragmented market, and its scale and domain expertise provides it with a significant advantage when it comes to distributing a wide range of specialist branded products into a broad network of customers. The company employs over 900 people across 26 offices around the world.

Focusrite is an audio products group that develops hardware and software for the high-quality production of recorded and live sound. Its products – including audio interfaces, synthesizers and loudspeakers – target a wide range of customers from the amateur hobbyist through to the professional musician. We believe Focusrite has key intangible asset strengths in the form of its intellectual property and distribution network. The core of its IP strength is know-how and many years of accumulated technological and product expertise. The company typically spends 6-7% of revenue on research and development and has a strong focus on innovation, with multiple new product launches each year. It has steadily built out a truly global distribution network, with offices in four continents and a distribution network covering 240 territories.

The Fund also received shares in **Haleon**, **GSK's** consumer healthcare business which was spun-out during the period.

Outlook

Clearly, most companies will be vulnerable to share price falls if economic conditions worsen considerably, but we would expect the pain to be more acutely felt amongst those more cyclical businesses with low barriers to competition, poor pricing power and weaker balance sheets.

Inevitably, markets use a very broad brush when reacting to economic developments and do not differentiate between different companies until later in the cycle when the successful ones are able to show, by their delivered results, their superiority. We believe that the Fund is invested in companies which are dependable, consistent businesses in possession of barriers to competition which given them pricing power. This pricing power is likely to prove critical in dealing with cost pressures that look set to persist for some time.

Manager's Investment Report (continued)

Outlook (continued)

We have been trying to view bouts of equity market weakness as periods of disruption which could present investment opportunities. We will be alert to opportunities to initiate or top-up positions in high quality, strong businesses with Economic Advantage characteristics at attractive valuations. Furthermore, market weakness may also lead to more interest from corporate acquirers. One of the features of the Economic Advantage investment process is the frequency with which its holdings have proven attractive to acquirers.

Anthony Cross, Julian Fosh, Victoria Stevens, Matt Tonge, Alex Wedge and Natalie Bell

Fund Managers

December 2022

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

Midwich
Future
Focusrite
Team 17
Impax Asset Management
RWS
Big Technologies
Coats
Alpha
Moonpig

Sales

EMIS
CareTech
BP
Ideagen
Shell
RELX
Diageo
GlaxoSmithKline
Compass
Sage

Authorised Status

The Fund is an authorised unit trust scheme ("the Scheme") under Section 243 of the Financial Services and Markets Act 2000 (authorisation orders) and the Financial Conduct Authority's Collective Investment Schemes Sourcebook and is categorised as a UCITS scheme.

Certification of Financial Statements by Partners of the Manager

We certify that this Manager's Report has been prepared in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook.



Martin Kearney

Partner, Chief Compliance Officer



Antony Morrison

Partner, Head of Finance

Liontrust Fund Partners LLP
24 January 2023

Performance Tables (unaudited)

as at 30 November 2022

Net asset value

Period end	Units in Issue	Net Asset Value (£'000)	Net Asset Value per unit (p)
30 November 2022			
Advised Income	1,840,815	8,705	472.88
B Income	11,207,865	11,667	104.10
Institutional Accumulation	875,435,042	1,054,133	120.41
Institutional Income	795,139,722	3,781,552	475.58
Mandate Income	198,715,992	224,978	113.22
Retail Income	29,466,951	138,248	469.16
31 May 2022			
Advised Income	1,898,615	8,891	468.31
B Income	11,139,871	11,497	103.20
Institutional Accumulation	916,348,610	1,091,276	119.09
Institutional Income	838,967,440	3,946,399	470.39
Mandate Income	250,819,357	280,703	111.91
Retail Income	29,599,816	138,045	466.37
31 May 2021			
Advised Income	1,850,136	8,989	485.86
B Income+	7,945,397	8,511	107.11
Institutional Accumulation	794,674,830	966,583	121.63
Institutional Income	917,188,637	4,476,068	488.02
Mandate Income	308,556,627	358,267	116.11
Retail Income	34,400,361	166,354	483.58
31 May 2020			
Advised Income	2,099,721	8,440	401.95
Institutional Accumulation	491,905,245	489,505	99.51
Institutional Income	1,004,494,278	4,053,733	403.56
Mandate Income	676,120,763	649,030	95.99
Retail Income	42,724,758	171,000	400.24

+ Launched on 3 February 2021.

Portfolio Statement (unaudited)

as at 30 November 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (96.45%)	4,916,621	94.20
	UNITED KINGDOM (93.86%)	4,751,029	91.03
	Advertising (1.54%)	78,669	1.51
6,293,071	Next Fifteen Communications+	65,825	1.26
15,110,732	Pebble+	12,844	0.25
	Auto Parts & Equipment (1.52%)	58,015	1.11
45,753,119	TI Fluid Systems	58,015	1.11
	Beverages (3.82%)	176,198	3.38
4,627,052	Diageo	176,198	3.38
	Commercial Services (14.66%)	725,821	13.90
2,158,704	Intertek	87,298	1.67
31,572,309	Pagegroup	149,590	2.87
7,742,917	RELX	179,016	3.43
6,408,627	Robert Walters	37,298	0.71
31,322,418	RWS+	103,552	1.98
11,110,177	Savills	105,047	2.01
6,739,001	YouGov+	64,020	1.23
	Computers (1.30%)	108,761	2.08
5,760,651	Kainos	91,882	1.76
3,925,380	Midwich+	16,879	0.32
	Cosmetics & Personal Care (2.77%)	191,425	3.66
11,113,246	Haleon	31,573	0.60
3,857,443	Unilever	159,852	3.06
	Distribution & Wholesale (1.27%)	76,665	1.47
2,515,251	Bunzl	76,665	1.47
	Diversified Financial Services (8.87%)	529,023	10.13
11,536,985	AJ Bell	41,810	0.80
3,143,912	Alpha+	66,651	1.28
1,423,426	Brooks Macdonald+	29,465	0.56
10,933,939	Hargreaves Lansdown	92,239	1.77
7,915,470	Impax Asset Management+	61,187	1.17

Portfolio Statement (unaudited) (continued)

as at 30 November 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
EQUITIES (continued)			
UNITED KINGDOM (continued)			
Diversified Financial Services (continued)			
18,065,431	IntegraFin	52,932	1.01
4,310,245	Mortgage Advice Bureau+	24,137	0.46
6,197,667	PayPoint	33,281	0.64
72,796,714	TP ICAP	127,321	2.44
Electronics (8.22%)		453,289	8.69
2,591,941	Renishaw	95,643	1.83
44,529,900	Rotork	132,966	2.55
11,540,827	Smart Metering Systems+	92,327	1.77
4,169,926	Spectris	132,353	2.54
Engineering & Construction (1.38%)		75,331	1.44
5,588,321	IMI	75,331	1.44
Food Services (3.43%)		173,792	3.33
9,286,225	Compass	173,792	3.33
Healthcare Services (1.36%)			
Home Furnishings (0.00%)		11,732	0.22
1,448,359	Focusrite	11,732	0.22
Household Products (2.76%)		146,735	2.81
2,466,960	Reckitt Benckiser	146,735	2.81
Internet (1.98%)		82,968	1.59
10,392,281	iomart+	11,494	0.22
23,066,409	Moonpig	36,837	0.71
6,259,005	Rightmove	34,637	0.66
Machinery Construction & Mining (2.45%)		143,813	2.76
8,118,143	Weir	143,813	2.76
Machinery Diversified (1.87%)		108,463	2.08
967,984	Spirax-Sarco Engineering	108,463	2.08

Portfolio Statement (unaudited) (continued)

as at 30 November 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Media (0.68%)	38,916	0.75
2,769,827	Future	38,916	0.75
	Oil & Gas Producers (8.21%)	372,732	7.14
38,183,385	BP	189,962	3.64
7,479,844	Shell	182,770	3.50
	Oil & Gas Services (1.99%)	59,449	1.14
45,589,433	John Wood	59,449	1.14
	Pharmaceuticals (7.25%)	300,340	5.76
1,569,653	AstraZeneca	175,267	3.36
8,890,596	GlaxoSmithKline	125,073	2.40
	Retail (2.37%)	110,655	2.12
38,663,582	Domino's Pizza	110,655	2.12
	Software (9.08%)	440,910	8.46
22,060,694	Big Technologies+	57,578	1.10
3,198,932	Craneware+	67,178	1.29
29,285,045	dotdigital+	28,260	0.54
460,376	EMIS+	8,637	0.17
52,774,006	Learning Technologies+	68,659	1.32
24,679,251	Sage	196,545	3.77
3,179,379	Team 17+	14,053	0.27
	Telecommunications (3.38%)	189,487	3.63
8,416,315	Gamma Communications+	92,074	1.76
8,117,734	GlobalData+	97,413	1.87
	Textiles (1.70%)	97,840	1.87
147,349,029	Coats	97,840	1.87

Portfolio Statement (unaudited) (continued)

as at 30 November 2022

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	IRELAND (1.28%)	88,091	1.69
	Computers (1.28%)	88,091	1.69
2,990,188	Keywords Studios+	88,091	1.69
	JERSEY (1.31%)	77,501	1.48
	Diversified Financial Services (1.31%)	77,501	1.48
9,760,785	JTC	77,501	1.48
	COLLECTIVE INVESTMENT SCHEMES (4.24%)	332,392	6.37
	IRELAND (2.12%)	166,196	3.18
166,195,708	HSBC Sterling Liquidity Fund	166,196	3.18
	LUXEMBOURG (2.12%)	166,196	3.19
166,195,707	JP Morgan Liquidity Fund	166,196	3.19
	Portfolio of investments	5,249,013	100.57
	Net other liabilities	(29,730)	(0.57)
	Total net assets	5,219,283	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 May 2022.

+ AIM listed.

Financial Statements (unaudited)

Statement of Total Return (unaudited)

for the period ended 30 November 2022

	(£'000)	1.6.2022 to 30.11.2022 (£'000)	(£'000)	1.6.2021 to 30.11.2021 (£'000)
Income				
Net capital (losses)/gains		(10,883)		158,167
Revenue	62,196		62,926	
Expenses	(21,157)		(26,519)	
Interest payable and similar charges	(2)		–	
Net revenue before taxation	41,037		36,407	
Taxation	–		–	
Net revenue after taxation		41,037		36,407
Total return before distributions		30,154		194,574
Distributions		(522)		(376)
Change in net assets attributable to unitholders from investment activities		29,632		194,198

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

for the period ended 30 November 2022

	(£'000)	1.6.2022 to 30.11.2022 (£'000)	(£'000)	1.6.2021 to 30.11.2021 (£'000)
Opening net assets attributable to unitholders		5,476,811		5,984,772
Amounts received on issue of units	580,707		692,041	
Amounts paid on cancellation of units	(867,867)		(714,239)	
		(287,160)		(22,198)
Change in net assets attributable to unitholders from investment activities		29,632		194,198
Closing net assets attributable to unitholders		5,219,283		6,156,772

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

Financial Statements (unaudited) (continued)

Balance Sheet (unaudited)

as at 30 November 2022

	30.11.2022 (£'000)	31.5.2022 (£'000)
Assets		
Fixed assets		
Investments	5,249,013	5,514,836
Current assets:		
Debtors	15,389	59,785
Cash and bank balances	70	1,295
Total assets	5,264,472	5,575,916
Liabilities		
Creditors:		
Bank overdrafts	(6,574)	–
Distribution payable	–	(68,910)
Other creditors	(38,615)	(30,195)
Total liabilities	(45,189)	(99,105)
Net assets attributable to unitholders	5,219,283	5,476,811

Accounting Policies

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

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 May 2022 and are described in those financial statements.

Securities Financing Transactions (unaudited)

as at 30 November 2022

Securities Lending

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

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

Return and cost

The table below shows the net income earned by the Fund from securities lending activity during the period to 30 November 2022.

	Collective Investment Undertaking (£'000)	Manager of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	41	–	18	59
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Securities lending

The following table details the value of securities on loan as a proportion of the Funds' total lendable assets and Net Asset Value (NAV) as at 30 November 2022. The income earned from securities lending are also shown for the period ended 30 November 2022. Total lendable assets represents the aggregate value of assets forming part of the Funds' securities lending programme. This excludes any assets held by the Fund that are not considered lendable due to any market, regulatory, investment or other restriction.

	Securities on loan	
% of lendable assets	% of NAV	Income earned (£'000)
1.70	1.52	41

Securities Financing Transactions (unaudited)(continued)

as at 30 November 2022

Securities lending (continued)

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 30 November 2022.

Counterparty	Counterparty's country of establishment	Securities Lending Amount on loan (£'000)	Collateral received (£'000)
Barclays Capital Securities Limited	UK	2,932	3,103
Citigroup Global Markets Limited	UK	25,789	28,972
Goldman Sachs International	UK	331	350
J.P. Morgan Securities Plc	UK	618	728
Merrill Lynch International	UK	4,704	5,011
The Bank of Nova Scotia	Canada	33,077	36,388
UBS	Switzerland	11,155	12,006
Total		78,606	86,558

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

Collateral

The Fund engages in activities which may require collateral to be provided to a counterparty ("collateral posted") or may hold collateral received ("collateral received") from a counterparty.

The following table provides an analysis by currency of the underlying cash and non-cash collateral received / posted by way of title transfer collateral arrangement by the Fund, in respect of securities lending transactions, as at 30 November 2022.

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Securities lending transactions				
AUD	-	-	317	-
CHF	-	-	961	-
EUR	-	-	16,115	-
GBP	-	-	23,347	-
HKD	-	-	2,057	-
JPY	-	-	1,193	-
NOK	-	-	18	-
NZD	-	-	33	-
USD	-	-	42,517	-
Total	-	-	86,558	-

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

Securities Financing Transactions (unaudited)(continued)

as at 30 November 2022

Collateral (continued)

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received / posted by the Fund by way of title transfer collateral arrangement in respect of securities lending transactions, as at 30 November 2022.

Collateral type and quality	Maturity Tenor					Open transactions (£'000)	Total (£'000)
	1 - 7 days (£'000)	8 - 30 days (£'000)	31 - 90 days (£'000)	91 - 365 days (£'000)	More than 365 days (£'000)		
Collateral received - securities lending							
Fixed income							
Investment grade	–	543	330	90	24,072	–	25,035
Equities							
Recognised equity index	–	–	–	–	–	61,523	61,523
Total	–	543	330	90	24,072	61,523	86,558

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

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

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

As at 30 November 2022, all non-cash collateral received by the Fund in respect of securities lending transactions is held by the Funds' Trustee (or through its delegates).

The following table lists the top ten issuers (or all the issuers if less than ten) by value of non-cash collateral received by the Fund by way of the title transfer collateral arrangement across securities lending transactions as at 30 November 2022.

Issuer	Value (£'000)	% of the Fund's NAV
The Bank of Nova Scotia	36,388	0.70
Citigroup Global Markets Limited	28,972	0.55
UBS	12,006	0.23
Merrill Lynch International	5,011	0.10
Barclays Capital Securities Limited	3,103	0.06
J.P. Morgan Securities Plc	728	0.01
Goldman Sachs International	350	0.01
Total	86,558	1.66

Additional Information (unaudited)

Trust Deed: The Fund was established by a Trust Deed made between the Manager and the Trustee dated 5 September 2005.

Prospectus: Copies of the Fund's Prospectus are available free of charge from the Manager upon request, and from our website, www.liontrust.co.uk.

Unit type: The Fund issues income and accumulation units. Investors can elect at any time to have any income either paid out or automatically reinvested to purchase units at no initial charge.

Pricing and dealing: A buying price (the price at which you have bought the units in the Fund and being the higher) and a selling price (the price at which you can sell the units back to the Manager and being the lower) are always quoted for the Fund. The buying price includes the Manager's initial charge.

Dealing in all unit trusts operated by Liontrust Fund Partners LLP may be carried out between 09.00 and 17.00 hours on any business day. Professional investors and advisers may buy and sell units over the telephone; private investors are required to instruct the Manager in writing for initial purchases, but can deal over the telephone thereafter. Prices are quoted on a 'forward' basis. This means that all deals are based on a price that is calculated at the next valuation point (which is 12.00 hours on each business day) following receipt of instructions. Instructions received before 12.00 hours will be priced at 12.00 hours that day, whilst those deals taken later in the day will receive the next dealing price which is fixed at 12.00 hours on the following business day.

The minimum initial lump sum investment in the Fund is £1,000, the minimum additional investment is £1,000 and the amount you may sell back to the Manager at any one time is £500. Please refer to the Prospectus for more details.

A contract note in respect of any purchase will be issued the day following the dealing date. Unit certificates will not be issued. Instructions to sell your units may be required to be given by telephone and then confirmed in writing to Liontrust Fund Partners LLP at PO Box 373, Darlington, DL1 9RQ. A contract note confirming the instruction to sell will be issued the day following the dealing day. Following receipt of a correctly completed Form of Renunciation, a cheque in settlement will be sent directly to you or your bank/building society, if proof of ownership of the account has been received by us, in four business days. Liontrust does not make or accept payments to or from third parties unauthorised by the Financial Conduct Authority or other financial regulator.

Management charges and spreads: The initial charge and annual management fees per unit class are detailed below.

Initial charge	%	Ongoing charges figure*	%	Included within the OCF is the Annual Management Charge**	%
Advised Income	up to 2	Advised Income	1.06	Advised Income	1.00
B Income	up to 5	B Income	1.31	B Income	1.25
Institutional Accumulation	Nil	Institutional Accumulation	0.81	Institutional Accumulation	0.75
Institutional Income	Nil	Institutional Income	0.81	Institutional Income	0.75
Mandate Income	Nil	Mandate Income	0.71	Mandate Income	0.65
Retail Income	up to 5	Retail Income	1.81	Retail Income	1.75

* The OCF covers all aspects of operating a Fund during the course of its financial period. These include the annual charge for managing the Fund, administration and independent oversight functions, such as trustee, custody, legal and audit fees. The OCF excludes portfolio transaction costs except for an entry/exit charge paid by the Fund when buying or selling units in another Fund.

** These are the annual costs of running and managing the Fund.

Publication of prices: The price of units in the Fund is quoted on our website, www.liontrust.co.uk and other industry websites such as www.trustnet.com. Daily and historic Fund prices are available from our Dealing and Administration team on 0344 892 0349.

Capital Gains Tax: As an authorised unit trust, any capital gains made within the Fund is exempt from UK Capital Gains Tax. An individual investor is subject to capital gains tax on gains made on their investment, however an individual's first £12,300 of net gains on disposals in the 2022-2023 tax year are exempt from tax (2021-2022: £12,300).

Additional Information (unaudited) (continued)

Income Tax: UK tax resident individuals are now entitled to a new tax-free dividend allowance in place of the dividend tax credit. Consequently, all income from dividend distributions is now regarded as gross income.

UK resident individuals who are not liable to tax are not able to reclaim the tax credits from the HM Revenue and Customs. In the case of UK resident individuals who are liable to starting or basic rate tax only, the tax credit will match his or her liability on the distribution and there will be no further tax to pay and no right to claim repayments from the HM Revenue and Customs. In the case of a higher rate taxpayer, the tax credit will be set against, but not fully match, his or her tax liability on the distribution. Such people will have an additional tax liability to pay.

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

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 units 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 unit trust investment as long term.



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Liontrust Fund Partners LLP is authorised and regulated by the Financial Conduct Authority.