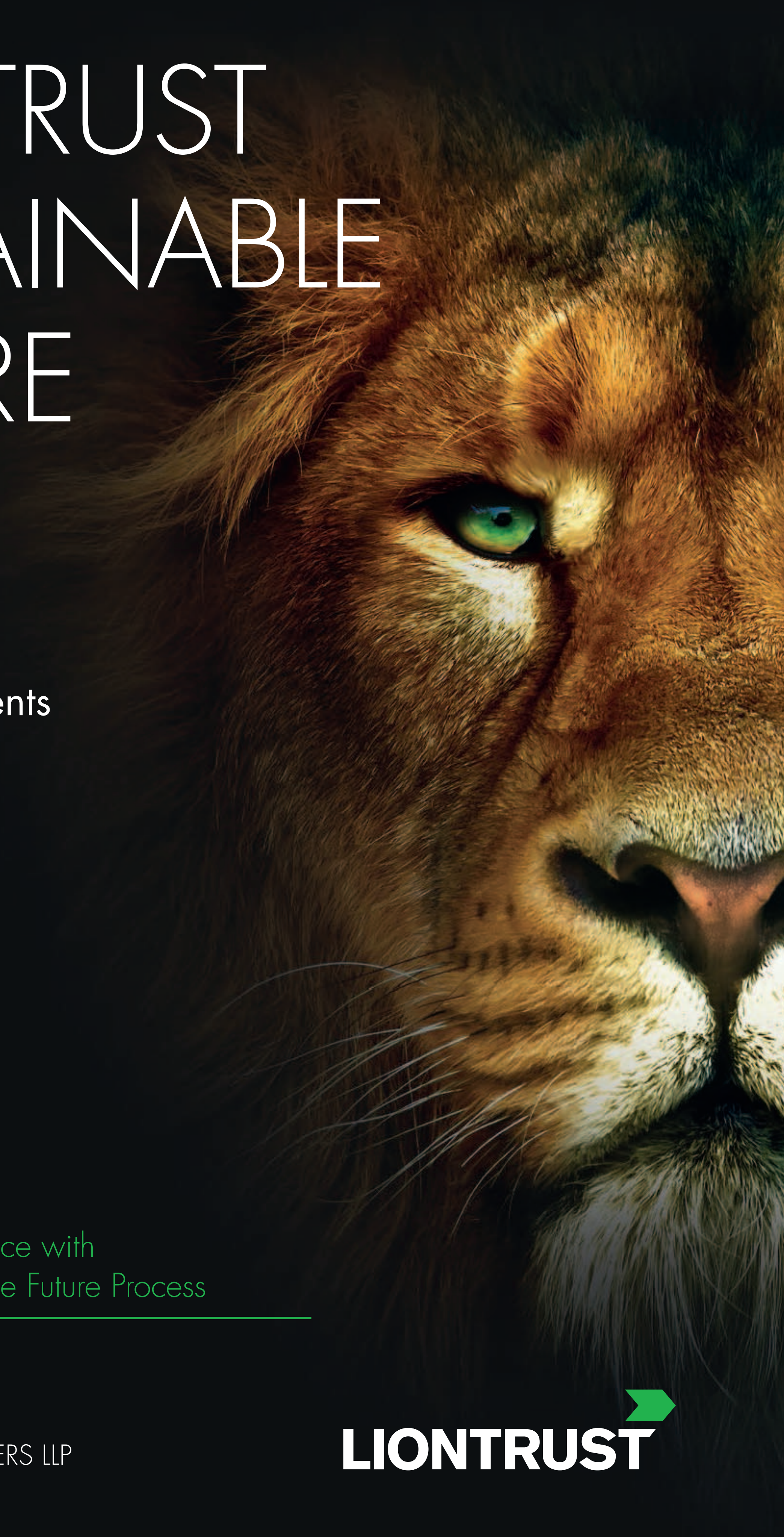
LIONTRUST SUSTAINABLE FUTURE ICVC



Annual Report & Financial Statements

For the period:
1 February 2020
to
31 January 2021

Managed in accordance with
The Liontrust Sustainable Future Process

LIONTRUST FUND PARTNERS LLP

LIONTRUST

LIONTRUST SUSTAINABLE FUTURE ICVC

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* Collectively these comprise the Authorised Corporate Director's Report (herein referred to as the ACDs 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.

Depositary

The Bank of New York Mellon (International) Limited
1 Canada Square
London E14 5AL

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
1 Canada Square
London
E14 5AL

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

* Please refer to page 4 for changes to the Company.

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 year 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 European Growth Fund, the Liontrust Sustainable Future Managed Fund, the Liontrust Sustainable Future UK Growth Fund and the Liontrust UK Ethical Fund (the "Sub-funds").

Remuneration policy

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

The table below provides an overview of the following for the year ended 31 March 2020:

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

	Headcount	Total Remuneration (£'000)
ACD UK Staff[1]	**59**	**8,076**
of which		
Fixed remuneration	59	5,168
Variable remuneration	59	2,908
UCITS Aggregate Remuneration Code Staff[1,2]	**9**	**5,847**
of which		
Senior Management	2	1,216
Other control functions:		
Other code staff/risk takers	7	4,631

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

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

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

Management and Administration (continued)

Remuneration policy (continued)

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

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

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

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

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

Scope of the policy

By entity

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

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

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

By individual

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

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

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

Approach to the remuneration

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

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

Management and Administration (continued)

Approach to the remuneration (continued)

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

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

Securities Financing Transactions Regulation

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) or total return swaps will be required on all reports & accounts published after 13 January 2017.

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 Funds and the other UK-domiciled funds managed by Liontrust will be conducted as at 31 August each year. The assessment of value report can be viewed on the Liontrust website www.liontrust.co.uk/assessment-of-value.

Changes to the Prospectus

During the period to 31 January 2021, changes were made to the Company and therefore the following changes were reflected in the Prospectus and/or Instrument of Incorporation of the Company.

- Effective 8 February 2021 the minimum initial subscription amount for investors seeking to purchase Class 3, Class 7 or Class Z shares have increased from £200,000,000 to £500,000,000. In addition the minimum holdings for these classes has increased from £150,000,000 to £450,000,000. Note that there is no impact for any existing investors already in these classes.

Changes to the Company

The following changes took effect during the year to 31 January 2021:

- Change of Independent Auditor of the Company from PriceWaterhouseCoopers LLP to KPMG LLP in December 2020.

Holdings in Other Funds of the Company

As at 31 January 2021, 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	7,647,358	9,071
Liontrust Sustainable Future Defensive Managed Fund	Liontrust Sustainable Future Corporate Bond Fund	17,443,144	20,689

Management and Administration (continued)

Statement of the Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

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

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

Report of the ACD to the Shareholders

The ACD, as sole director, presents its report and the audited financial statements of the Company for the year from 1 February 2020 to 31 January 2021.

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

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

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

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

Management and Administration (continued)

Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist asset manager with £29.4 billion in assets under management (AUM) as at 31 December 2020 and which 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 Luxembourg and Edinburgh.
- 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 six fund management teams: three that invest in UK, European, Asian and Global equities, a Global Fixed Income team, a Sustainable Investment team and one team that manages Multi-Asset portfolios.
- 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 buying stocks 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 Multi-Asset 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.

The outbreak of the Coronavirus (COVID-19) caused disruption to businesses and economic activity which has been reflected in fluctuations in global stock markets. The ACD monitors developments relating to COVID-19 and is co-ordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice.

Management and Administration (continued)

Member's Statement

In accordance with COLL 4.5.8BR, we hereby certify the Annual report and the financial statements were approved by the management committee of members of the ACD and authorised for issue on .

Antony Morrison

Member

24 May 2021

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

To the Shareholders of Liontrust Sustainable Future ICVC (“the Company”) for the year ended 31 January 2021.

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

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

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

The Depositary must ensure that:

- the Company’s cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company’s assets is remitted to the Company within the usual time limits;
- the Company’s income is applied in accordance with the Regulations; and
- the instructions of the Authorised Corporate Director (“the ACD”) are carried out (unless they conflict with the Regulations).

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

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

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

24 May 2021

Independent Auditor's Report to the Shareholders of Liontrust Sustainable Future ICVC (the "Company")

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Company for the year ended 31 January 2021 which comprise the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's sub-funds listed on page 2 and the accounting polices set out on pages 13 to 15.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of each of the sub-funds as at 31 January 2021 and of the net revenue/net expense and the net capital gains/net capital losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

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

Our conclusions based on this work:

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company or its Sub-funds will continue in operation.

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

Report on the audit of the financial statements (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We substantively tested all material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the ACD and the Administrator, no further high-risk journal entries or other adjustments were identified.

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

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

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

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

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

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

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

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

Report on the audit of the financial statements (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

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

Other information

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

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

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

Matters on which we are required to report by exception

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

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

Authorised Corporate Director's responsibilities

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

Auditor's responsibilities

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

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

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

Report on the audit of the financial statements (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Archer

Grant Archer

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

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

24 May 2021

Notes applicable to the financial statements of all Sub-funds

for the year ended 31 January 2021

1 Accounting Policies

a) Basis of accounting

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

The ACD has made an assessment of the Company and its Sub-funds' ability to continue as a going concern and is satisfied it has the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment considers liquidity, declines in global capital markets, known redemption levels, expense projections, key service provider's operational resilience, and the impact of COVID-19.

b) Valuation of investments

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

For Collective Investment Schemes (CIS) managed by other management groups, investments are valued at the bid price for dual priced Funds and at the single price for single priced Funds. Valuations should take into account any agreed rate of redemption charge.

c) Revenue

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

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

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

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

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

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

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

Dividends received from UK REITs are split into PID (Property Income Distributions) and Non-PID components for tax purposes. Revenue arising from UK REITs tax-exempt rental business is colloquially known as PID revenue and is taxable in the hands of the Sub-fund. A UK REIT may also carry out other activities that give rise to taxable profits and gains, it is from these that the REIT will make a non-PID distribution, these are treated for tax purposes in the same way as dividends from normal UK companies.

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

for the year ended 31 January 2021

1 Accounting Policies (continued)

c) Revenue (continued)

US REIT dividend revenue is accounted for partly as revenue and partly as capital, depending on the underlying REIT distribution. All US REIT dividend revenue is recognised on an accruals basis and the allocation between income and capital is estimated when the security goes ex-dividend. US REITs issue information on the revenue/capital split of these dividends on an annual basis based on the calendar year. When this information is received, then the estimated allocation is adjusted accordingly.

d) Rebates of ACD fees

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

e) Expenses

Expenses are recognised on an accruals basis.

The operating expenses of the fund are paid out of the Fixed Rate Administration fee by the ACD.

f) Allocation of income and expenses

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

g) Taxation

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

h) Exchange rates

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

i) Financial instruments

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

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

for the year ended 31 January 2021

1 Accounting Policies (continued)

i) Financial instruments (continued)

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

1.1 Distribution Policies

j) Basis of distribution

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

The Liontrust Sustainable Future Corporate Bond Fund distributes on a coupon basis where the coupon basis is higher than effective yield basis. The revenue within the financial statements is calculated on an effective yield basis.

The ACD's fees and expenses are charged against income in respect of all the Sub-funds except for Liontrust Sustainable Future Cautious Managed Fund and Liontrust Sustainable Future Defensive Managed Fund where the ACD's fees and expenses are charged against capital.

k) Equalisation

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

l) Special dividends

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

m) Functional currency

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

Sustainable Future Cautious Managed Fund

Report for the year from 1 February 2020 to 31 January 2021

Investment Objective

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

Investment Policy

The Sub-fund will invest globally. 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

Fund review

The Sustainable Future Cautious Managed Fund delivered 10.8% (Class 2 Net Income) over the 12 months under review, compared with the IA Mixed Investment 40-85% Shares sector average of 5.3%* (which is the comparator benchmark).

In performance terms, our global ex-UK equity portfolio was key over the period while our UK equity portfolio was solid on a relative basis although the market has been among the harder hit. On our bond exposure, the duration short has been a detractor as the prospect of interest rate rises diminished but the quality of issuers remains a positive given that our focus is on lending to the economy of the future; overall, performance of our bond portfolio was in line with expectations.

From an asset allocation perspective, we came into 2020 feeling more positive about markets and had therefore moved overweight equities and underweight cash and gilts. As the serious nature of Coronavirus became clear, our asset allocation committee met in early February and we made the call to reduce equities to neutral and allow cash to build up, while remaining overweight corporate bonds. As we approached the end of Q1, the committee met again and concluded the long-term opportunity for equities is increasingly compelling, so we began to deploy cash, bringing that level down and adding slowly to equities.

We have remained overweight equities, infrastructure and credit and underweight cash and gilts for the rest of the review period, with both contributing to returns into the end of 2020 during a strong period for markets. Our AA committee met in mid-October and increased our pro-risk stance given that we expected encouraging news on vaccines at some point over winter. On the fixed income side, our portfolio continues to perform well from a credit point of view but faces a headwind of lower interest rates and quantitative easing. We remain short duration on the expectation gilt yields will rise in the coming years.

The portfolio continues to target companies that can grow as the global economy becomes more efficient, offer a higher quality of life and provide a more resilient global economy.

As the impact of the pandemic became clear in the first quarter and markets lurched rapidly into bear territory, we took the opportunity to revisit every holding in the portfolio and ask two key questions: first, have the prospects changed five and ten years from now and second, how were companies positioned for the next six to 12 months in terms of cash position and ability to flex down cost base and access debt facilities? In the majority of cases, we remained confident in the long-term prospects across the Sub-fund.

Cineworld was the exception – we felt its balance sheet was not appropriate for the challenges that lay ahead so we exited this position. The difference with Cineworld versus other holdings where we remained confident in their prospects is that the company had recently made a large acquisition in the US by gearing up its balance sheet and was preparing to make a similar purchase in Canada before Covid-19 forced a rethink. A period of no revenues left the business struggling to finance these borrowing costs and, in hindsight, we should have seen the excess leverage as more of a red flag.

Crises often super-charge societal shifts and this is currently happening across many areas, with decades of development squeezed into weeks. Over recent months, we have seen a particular acceleration in themes such as *Connecting people* and *Enhancing digital security* and our holdings in these have been among our stronger names.

More recently, we saw something of a correction in technology stocks in September, which hit some of our names that had benefited most from the post-Covid working environment. We remain confident in these stocks despite the selloff: while positioning in the tech sector is heavily concentrated, we continue to focus on the long-term potential of each of our businesses and the four elements we seek in all investments, thematic drivers, sustainable credentials, good fundamentals and attractive valuation.

Another accelerating trend is digital payments (under our *Increasing financial resilience theme*), with a huge rise in online shopping and a growing reluctance to accept cash in the current environment. PayPal has been among our top performers and our thesis is largely based around engagement, the number of customers that sign up and how frequently they use the system when making a purchase The fact so many people trust PayPal to process and store their details is what makes this company so well positioned for growth.

Elsewhere, DocuSign also remains among our best holdings, with the company creating a unique product that digitalises the final signature part of the document creation process. At this point, a document traditionally needs to be printed several times, then sent via

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Fund review (continued)

mail, which is both time-consuming and costly. The company has a 70% market share for e-signatures globally but its addressable market is around 10 times larger than current sales figures, given it is effectively competing with paper. The growth rate has understandably accelerated in the Covid-19 world and we see this stock, held under our *Increasing waste treatment and recycling* theme, as an excellent example of a solution that makes the world more efficient.

Another strong contribution has come from among the smallest investments in the Sub-fund by market cap, with US pet insurer Trupanion exposed to our theme of *Insuring a sustainable economy*. Pet insurance in the US is growing at 20-30% a year from a very low base of just 1.5-2% coverage and has decades of growth ahead. The reason for such low penetration lies in the history of the industry, with products very prescriptive and insurance companies capping the amount they would cover per procedure.

Trupanion does things differently and has spent the last 20 years disrupting the industry: it has a monthly subscription model that stops when you cancel or your pet dies rather than annual policies that require rebuying every year, and no caps on coverage. Our theme is about providing financial resilience to individuals and covering them against unexpected shocks. Trupanion does exactly this in a manner we think is not only responsible but provides the business with advantages that are difficult to replicate.

Another top performer was Autodesk, which saw its shares rising again after a weaker second quarter, during which sentiment was hit by relatively cautious guidance from management. Autodesk services the construction industry, with software technology that makes its customers more efficient, cutting costs and improving profitability. The company's growth rate is largely structural but its customers clearly sit in a cyclical industry and improving news on vaccines point towards better economic conditions in 2021 and beyond.

A number of semiconductor names are among the best contributors, with Cadence Design Systems continuing to broaden its chip design software offering to new customers, as the likes of Amazon, Google and even Tesla invest in design teams. Cadence's software offering is essential to this and demand from these businesses, as well as more traditional chip manufacturing customers, will drive growth over the short and long term. This type of innovation delivers better efficiency, which is key to our *Improving the efficiency of energy use* theme.

Other long-term semiconductor holdings, Infineon and ASML, have also posted solid results over recent months. Infineon CEO Reinhard Ploss said some of the company's target markets, especially the automotive sector, have recovered better than expected since summer and the structural transformation towards electro mobility is accelerating, particularly in Europe, which remains a key part of our thesis.

In our UK portfolio, Abcam remains a strong performer as it continues to benefit from a re-rating given the recent focus on life sciences while speciality chemicals company Croda International has also had a strong 12 months, making key ingredients for life sciences and healthcare, personal care products and seed coatings, as well as lubricants and adhesives. The majority of its raw materials are natural and the company is a recognised leader in green chemistry, benefiting from ongoing demand for its products.

Although among our weaker holdings over the full year, financial names such as Legal & General and Paragon Banking Group, linked to our themes of *Insuring a sustainable future and Increasing financial resilience*, enjoyed a much stronger end to 2020. Showcasing the kind of financials we tend to own, Paragon Banking Group provides long-term mortgages to professional landlords, supporting the growing provision of homes for rent in the UK. It announced solid results for the year to 30 September, highlighting strong capital and liquidity, an increasingly diversified business and growing momentum in new lending activities.

Elsewhere, names such as Trainline also saw share price growth towards the end of the period on the back of a vaccine-improved outlook. Looking at Trainline, the company had been struggling this year, as would be expected for a travel business during a period of lockdown. Our thesis is that growth will return for this highly profitable business with an undemanding valuation, with safe, efficient mass transport the only way to reduce congestion and emissions in our cities.

We see a similar story with holdings such as Italian fitness equipment manufacturer Technogym, also among our weaker names over the year but enjoying better fortunes in Q4. Technogym is a leader in the global fitness equipment market with a 6% market share and the number-one brand in Europe, as the only company in the sector to provide a full solution from fitness equipment to gym management. The business has excellent fundamentals, with a return on invested capital (ROIC) well in excess of 30% and annual compound Earnings per share (EPS) growth of 22% over the past five years as well as a net-cash balance sheet.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Fund review (continued)

In terms of trading, we implemented a phased, average in strategy to avoid having to call the market bottom, with the first stage in late March and the second in early April. We have researched a number of high-quality companies over the years that are benefiting from thematic growth, strong sustainability management and attractive fundamentals but did not meet the fourth aspect of our process – an attractive valuation resulting in 10% annualised upside on a five-year horizon. Indiscriminate selling in March gave us the opportunity to add a few select companies that did this valuation target after share price falls.

We initiated a position in Ansys for example, a global leader in simulation software. Its products help customers get their own products to market quicker, reducing risks around defects and generally improving innovation. Revenues are tied to research and development (R&D) budgets for clients, which we feel are much less cyclical than other areas in which businesses tend to invest. As an example of what we outlined above, we initially looked at the stock in December 2019 but it did not our valuation criteria at that time. After falling over 40% from its highs in February, the stock did now meet our target, even after adjusting for the lower revenues due to the current crisis.

We also added Intuitive Surgical, a global leader in robotic-assisted surgery, which helps reduce errors and therefore costs for hospitals.

In Q3, we started a new position in Evotec, a global leader in providing outsourcing solutions to the pharma and biotech sectors for drug discovery and development. Its solutions enable R&D investment to be more effective and we see this as another key name for *our Enabling innovation in healthcare sector*.

Adyen was another addition, a beneficiary of our *Increasing financial resilience* theme through making the shift to digital payments safer and more efficient. A further financial added in Q3 was Sweden's leading investment platform Avanza (held under our *Saving for the future theme*), which is disrupting the market with superior technology and customer service.

Finally, in the last part of the year, we bought Spotify under our newest Encouraging sustainable leisure theme, the world's dominant audio platform with close to 300 million monthly active users (138 million paying a monthly subscription) in more than 70 countries. The company is adding users at a faster pace than closest rivals Apple and Amazon and keeping them more engaged: while launched as a music streaming service, it is moving into podcasts and its own content and we are excited to watch the business expand into audiobooks, live gigs and other areas as it takes advantage of its leading position.

We also started a position in US healthcare business Illumina, a global leader in sequencing and array-based solutions for genetic analysis. This is another name for our *Enabling innovation in healthcare theme*, with the company's ability to read and interpret a patient's DNA a core first step in the shift towards more personalised and efficacious medicines.

Elsewhere, we sold two stocks that had neared our long-term valuation calculation after a very strong 2020, Salesforce.Com and Eli Lilly.

**Source: FE Analytics, primary share class, total return, net of fees and income & interest reinvested, 31.01.20-31.01.21*

Market review

Markets started 2020 buoyant with positive news of a potential trade deal between the US and China and some clarity on Brexit negotiations, two issues that had dominated headlines and sentiment for the previous few years. At this point, there were only rumblings of a viral outbreak in China but for whatever reason, the risk this would spread to the West was far from most investors' minds.

Twelve months later, a huge amount has changed as a result of the Covid-19 health crisis, with the global economy put on hold for several months as countries all over the world went into lockdown, moving back towards some sense of normality over summer and then falling back into shutdown in the face of a second wave of the virus.

After huge market declines in March, the second quarter saw equities retrace a large portion of these losses on the belief that policymakers' 'whatever it takes' attitude would be enough to prevent a serious recession. Governments and central banks were unified

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Market review (continued)
in their reaction with substantial monetary and fiscal stimulus, learning the lessons of 2008. These measures helped ease some of the impact of lost earnings, supported jobs and provided markets with liquidity and reassurance – but also had the effect of massively expanding already bloated government balance sheets.

Markets overall had a slower third quarter as concerns around renewed lockdowns persisted but positive news on vaccines in November drove a strong recovery after a weaker October. This optimism was further buoyed by Joe Biden's victory in the US Presidential election and we also saw an end to more than four years of Brexit negotiations, with the UK and EU unveiling a deal on Christmas Eve that should help markets start 2021 on firmer footing and allow companies to plan ahead.

While concerns about Covid-19 remain, with many countries forced back into lockdown amid worries about the virus mutating, broad market outperformance continued to the end of the year on the back of expectations of a better 2021. While we welcome the recovery in more cyclical names, we avoid trying to predict how the macro picture will develop and focus on backing companies benefiting from the structural shift towards a more sustainable economy and generating high returns. Covid-19 does not change our view that companies exposed to sustainable themes will see strong growth and many of these areas will accelerate as the world recovers.

As always, we continue to stress that whatever macro events are unfolding in the background, the underlying business fundamentals for the areas of the global market in which we invest remain strong. Our themes are structural in nature and therefore less transient than cyclical drivers, which can change constantly. The key factor behind all our themes is the conviction that, over time, the global economy will become more sustainable.

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, investments can result in a total loss of capital.

Material portfolio changes by value

Purchases	Sales
United Kingdom Gilt 1.625% 22/10/2028	United Kingdom Gilt 1.625% 22/10/2028
Compass	Eli Lilly
Trainline	Salesforce.com
London Stock Exchange	Trupanion
3i	Brookfield Renewable Partners
Lloyds Bank 2.707% 3/12/2035	DocuSign
Abcam	Kingspan
Smurfit Kappa	Legal & General 5.125% 14/11/2048
GlaxoSmithKline	Roper Technologies
Stichting AK Rabobank Certificaten 6.5% 29/3/2169	HBOS Capital Funding 6.85% 23/6/2169

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.

Typically lower rewards, lower risk | Typically higher rewards, higher risk

1	2	3	4	5	6	7

- 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 4 primarily because of its exposure to a diversified portfolio of equities and debt instruments.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Fund;
  - any company which has high overseas earnings may carry a higher currency risk;
  - 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.
- Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Sub-fund. If long term interest rates rise, the value of your shares is likely to fall.
- The Sub-fund can invest in derivatives. Derivatives are used to protect against currencies, credit and interests rates move 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 has holdings which are denominated in currencies other than Sterling and may be affected by movements in exchange rates. Consequently the value of an investment may rise or fall in line with the exchange rates.
- Investments in emerging markets may involve a higher element of risk due to less well regulated markets and political and economic instability.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.

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)

Portfolio Statement
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (52.54%)	**358,403**	**54.86**
	AUSTRALIA (0.87%)	**4,434**	**0.68**
29,207	CSL	4,434	0.68
	CZECH REPUBLIC (0.00%)	**2,380**	**0.36**
504,031	Avast	2,380	0.36
	DENMARK (0.71%)	**3,841**	**0.59**
59,911	Ringkjoebing Landbobank	3,841	0.59
	GERMANY (1.36%)	**13,189**	**2.02**
89,794	Evotec	2,599	0.40
61,509	Hella	2,745	0.42
117,019	Infineon Technologies	3,425	0.52
61,868	Puma	4,420	0.68
	IRELAND (3.13%)	**17,872**	**2.73**
40,898	Kerry	4,049	0.62
96,537	Kingspan	4,779	0.73
258,704	Smurfit Kappa	9,044	1.38
	ITALY (0.80%)	**4,161**	**0.64**
111,642	Banca Generali	2,529	0.39
218,545	Technogym	1,632	0.25
	JAPAN (2.84%)	**14,270**	**2.18**
4,567	Canadian Solar Infrastructure Fund	4,133	0.63
26,600	Daikin Industries	4,079	0.62
9,000	Keyence	3,513	0.54
45,800	TechnoPro	2,545	0.39
	NETHERLANDS (1.01%)	**7,793**	**1.20**
1,750	Adyen	2,662	0.41
13,198	ASML	5,131	0.79
	SPAIN (0.67%)	**3,092**	**0.47**
72,368	Cellnex Telecom	3,092	0.47

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	SWEDEN (0.43%)	**7,508**	**1.15**
239,199	Avanza Bank	4,755	0.73
12,000	Spotify Technology	2,753	0.42
	SWITZERLAND (0.64%)	**2,611**	**0.40**
10,384	Roche	2,611	0.40
	UNITED KINGDOM (22.25%)	**162,703**	**24.93**
833,851	3i	9,264	1.42
489,955	Abcam	8,119	1.24
395,991	AJ Bell	1,705	0.26
586,140	Compass	7,678	1.18
902,854	Countryside Properties	3,893	0.60
1,067,663	Crest Nicholson	3,453	0.53
132,811	Croda International	8,346	1.28
1,309,835	DFS Furniture	2,816	0.43
3,141,886	Downing Renewables & Infrastructure Trust	3,079	0.47
525,950	GB	4,502	0.69
455,822	GlaxoSmithKline	6,185	0.95
43,920	GW Pharmaceuticals	4,859	0.74
675,828	Gym	1,423	0.22
150,866	Halma	3,723	0.57
342,444	Hargreaves Lansdown	5,849	0.90
1,919,420	Helios Towers	3,056	0.47
3,190,707	Home REIT	3,414	0.52
117,255	Intertek	6,468	0.99
3,974,847	IP	3,772	0.58
849,039	John Laing	2,690	0.41
2,304,272	Legal & General	5,622	0.86
92,338	London Stock Exchange	8,020	1.23
1,005,927	National Express	2,515	0.38
498,811	Oxford Biomedica	4,893	0.75
1,022,132	Paragon Banking	4,636	0.71
214,225	Porvair	1,157	0.18
2,402,038	PRS REIT	2,018	0.31
509,062	Prudential	5,969	0.91
5,217,984	SDCL Energy Efficiency Income Trust	5,583	0.85
410,127	Softcat	6,193	0.95

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
616,004	St James's Place	7,226	1.11
1,795,309	Trainline	7,318	1.12
2,946,984	Triple Point Energy Efficiency Infrastructure	2,976	0.46
101,011	Unilever	4,283	0.66
	UNITED STATES OF AMERICA (17.83%)	**114,549**	**17.51**
9,900	Adobe	3,305	0.51
43,600	Alexion Pharmaceuticals	4,866	0.74
4,600	Alphabet	6,137	0.94
27,000	American Tower	4,470	0.68
12,100	Ansys	3,118	0.48
26,000	Autodesk	5,248	0.80
62,700	Cadence Design Systems	5,946	0.91
157,106	Charles Schwab	5,892	0.90
13,400	DocuSign	2,273	0.35
39,200	Ecolab	5,831	0.89
8,628	Equinix	4,641	0.71
50,149	First Republic Bank	5,293	0.81
15,900	Illumina	4,930	0.75
15,000	Intuit	3,942	0.60
6,100	Intuitive Surgical	3,317	0.51
39,800	IQVIA	5,151	0.79
32,700	Nasdaq	3,216	0.49
16,400	Palo Alto Networks	4,200	0.64
24,700	PayPal	4,213	0.64
38,000	PerkinElmer	4,070	0.62
16,900	Rockwell Automation	3,056	0.47
18,900	Splunk	2,271	0.35
14,875	Thermo Fisher Scientific	5,516	0.84
18,600	Trupanion	1,516	0.23
26,800	VeriSign	3,785	0.58
35,800	Visa 'A'	5,040	0.77
46,100	Waste Connections	3,306	0.51

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (24.10%)	**216,316**	**33.11**
	UNITED KINGDOM GOVERNMENT BONDS (5.91%)	**36,326**	**5.56**
£ 27,810,000	United Kingdom Gilt 1.625% 22/10/2028	30,897	4.73
£ 5,310,000	United Kingdom Gilt 3.75% 7/9/2021	5,429	0.83
	UK STERLING DEBT SECURITIES (17.38%)	**146,156**	**22.39**
£ 300,000	3i 5.75% 3/12/2032	415	0.06
£ 2,500,000	Annington Funding 3.184% 12/7/2029	2,805	0.43
£ 3,000,000	Aroundtown 3.25% 18/7/2027	3,325	0.51
£ 1,350,000	Assicurazioni Generali 6.269% 16/6/2169	1,522	0.23
£ 2,200,000	AT&T 7% 30/4/2040	3,652	0.56
£ 2,500,000	Aviva 4% 3/6/2055	2,828	0.43
£ 2,600,000	Aviva 5.125% 4/6/2050	3,118	0.48
£ 1,200,000	AXA 5.453% 4/3/2169	1,388	0.21
£ 776,000	AXA 6.6862% 6/7/2169	952	0.15
£ 1,900,000	Banco Santander 1.75% 17/2/2027	1,942	0.30
£ 3,000,000	British Telecommunications 3.125% 21/11/2031	3,401	0.52
£ 2,095,000	Bunzl Finance 1.5% 30/10/2030	2,139	0.33
£ 1,083,000	Bunzl Finance 2.25% 11/6/2025	1,151	0.18
£ 1,300,000	Cadent Finance 2.125% 22/9/2028	1,392	0.21
£ 152,000	Clarion Funding 2.625% 18/1/2029	170	0.03
£ 550,000	Compass 2% 5/9/2025	585	0.09
£ 1,650,000	Cooperatieve Rabobank UA 4.625% 23/5/2029	2,016	0.31
£ 1,300,000	Coventry Building Society 6.875% 18/9/2169	1,433	0.22
£ 700,000	CPUK Finance 3.69% 28/2/2047	770	0.12
£ 1,750,000	Deutsche Telekom International Finance 8.875% 27/11/2028	2,770	0.42
£ 2,200,000	Direct Line Insurance 4% 5/6/2032	2,521	0.39
£ 1,869,000	DWR Cymru Financing UK 1.625% 31/3/2026	1,906	0.29
£ 750,000	DWR Cymru Financing UK 2.5% 31/3/2036	892	0.14
£ 1,350,000	GlaxoSmithKline Capital 5.25% 19/12/2033	2,001	0.31
£ 3,200,000	HSBC 7% 7/4/2038	4,958	0.76
£ 2,050,000	InterContinental Hotels 3.75% 14/8/2025	2,225	0.34
£ 1,400,000	Investec Bank 4.25% 24/7/2028	1,448	0.22
£ 1,900,000	Legal & General 4.5% 1/11/2050	2,160	0.33
£ 1,450,000	Legal & General 5.5% 27/6/2064	1,876	0.29
£ 1,600,000	Liberty Living Finance 3.375% 28/11/2029	1,758	0.27
£ 3,228,000	Lloyds Bank 2.707% 3/12/2035	3,342	0.51
£ 2,000,000	Lloyds Bank 2.707% 3/12/2035	2,071	0.32
£ 2,450,000	Logicor 2019-1 UK 1.875% 17/11/2026	2,596	0.40

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (continued)		
£ 1,500,000	London & Quadrant Housing Trust 2% 20/10/2038	1,556	0.24
£ 1,400,000	M&G 5.625% 20/10/2051	1,684	0.26
£ 1,854,000	Motability Operations 1.5% 20/1/2041	1,845	0.28
£ 1,000,000	Motability Operations 1.75% 3/7/2029	1,068	0.16
£ 2,165,000	National Express 2.375% 20/11/2028	2,250	0.34
£ 500,000	National Express 4.25% 26/2/2169	512	0.08
£ 2,686,000	National Grid Gas 1.125% 14/1/2033	2,642	0.40
£ 1,300,000	Nationwide Building Society 5.875% 20/12/2169	1,415	0.22
£ 1,150,000	Natwest 3.125% 28/3/2027	1,252	0.19
£ 1,950,000	Natwest 3.622% 14/8/2030	2,103	0.32
£ 2,400,000	Next 3.625% 18/5/2028	2,656	0.41
£ 2,650,000	NGG Finance 5.625% 18/6/2073	3,015	0.46
£ 4,000,000	Optivo Finance 2.857% 7/10/2035	4,671	0.71
£ 2,000,000	Orange 8.125% 20/11/2028	3,051	0.47
£ 2,250,000	Orsted 2.125% 17/5/2027	2,423	0.37
£ 1,000,000	Pension Insurance 3.625% 21/10/2032	1,074	0.16
£ 2,650,000	Pension Insurance 5.625% 20/9/2030	3,289	0.50
£ 150,000	Pension Insurance 8% 23/11/2026	196	0.03
£ 3,250,000	Phoenix 5.625% 28/4/2031	3,957	0.61
£ 300,000	Places for People Homes 5.875% 23/5/2031	419	0.06
£ 1,650,000	Rothesay Life 5.5% 17/9/2029	1,835	0.28
£ 1,950,000	Rothesay Life 8% 30/10/2025	2,458	0.38
£ 2,450,000	Segro 2.375% 11/10/2029	2,725	0.42
£ 1,408,000	Severn Trent Utilities Finance 2% 2/6/2040	1,482	0.23
£ 600,000	Severn Trent Utilities Finance 6.25% 7/6/2029	849	0.13
£ 2,500,000	Southern Gas Networks 1.25% 2/12/2031	2,474	0.38
£ 1,700,000	SP Transmission 2% 13/11/2031	1,836	0.28
£ 2,178,000	SSE 3.74% 14/4/2169	2,306	0.35
£ 2,000,000	Standard Chartered 5.125% 6/6/2034	2,527	0.39
£ 1,034,000	Student Finance 2.6663% 30/9/2029	1,041	0.16
£ 3,000,000	Telefonica Emisiones 5.375% 2/2/2026	3,630	0.56
£ 300,000	UNITE 3.5% 15/10/2028	335	0.05
£ 2,286,000	United Utilities Water Finance 0.875% 28/10/2029	2,266	0.35
£ 3,000,000	Verizon Communications 3.375% 27/10/2036	3,659	0.56
£ 2,000,000	Vodafone 5.9% 26/11/2032	2,954	0.45
£ 1,775,000	Western Power Distribution 3.5% 16/10/2026	1,970	0.30
£ 480,000	Wm Morrison Supermarkets 4.75% 4/7/2029	608	0.09

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (continued)		
£ 1,850,000	Yorkshire Building Society 3.375% 13/9/2028	2,006	0.31
£ 450,000	Yorkshire Water Finance 6.454% 28/5/2027	589	0.09
	EURO DEBT SECURITIES (0.00%)	**7,230**	**1.11**
€ 4,546,400	Stichting AK Rabobank Certificaten 6.5% 29/3/2169	5,269	0.81
€ 1,500,000	Telecom Italia Finance 7.75% 24/1/2033	1,961	0.30
	US DOLLAR DEBT SECURITIES (0.81%)	**26,604**	**4.05**
$ 1,500,000	AXA 6.379% 14/6/2169	1,524	0.23
$ 3,500,000	Barclays 3.564% 23/9/2035	2,672	0.41
$ 1,600,000	BNP Paribas 7.195% 25/12/2169	1,278	0.19
$ 1,500,000	Cloverie for Zurich Insurance 5.625% 24/6/2046	1,262	0.19
$ 7,500,000	HSBC Bank 0.75% 19/12/2169	4,847	0.74
$ 3,000,000	Lloyds Bank 0.4375% 21/2/2169	2,032	0.31
$ 1,730,000	National Westminster Bank 0.5% 27/2/2169	1,183	0.18
$ 1,500,000	Natwest 0.5625% 11/6/2169	1,025	0.16
$ 1,500,000	Natwest 2.57388% 31/3/2169	1,073	0.16
$ 6,200,000	Societe Generale 0.335% 26/5/2169	4,146	0.63
$ 2,000,000	Swiss Re Finance Luxembourg 5% 2/4/2049	1,682	0.26
$ 5,342,000	Zurich Finance Ireland Designated Activity 3% 19/4/2051	3,880	0.59
	COLLECTIVE INVESTMENT SCHEMES (8.36%)	**26,388**	**4.04**
	GUERNSEY (1.28%)	**3,983**	**0.61**
3,136,103	Renewables Infrastructure	3,983	0.61
	JERSEY (0.48%)	**0**	**0.00**
	UNITED KINGDOM (6.60%)	**22,405**	**3.43**
4,077,001	Aquila European Renewables Income Fund	3,823	0.58
2,756,177	Greencoat UK Wind	3,770	0.58
2,788,040	JLEN Environmental Assets	3,192	0.49

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	COLLECTIVE INVESTMENT SCHEMES (continued)		
	UNITED KINGDOM (continued)		
7,647,358	Liontrust Sustainable Future Corporate Bond Fund+	9,071	1.39
3,301,619	US Solar Fund	2,549	0.39
	Portfolio of investments	**601,107**	**92.01**
	Net other assets	**52,169**	**7.99**
	Total net assets	**653,276**	**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 2020.

Stocks shown as REITs represent Real Estate Investment Trust.

\+ Managed by Liontrust Fund Partners LLP.

Sustainable Future Cautious Managed Fund (continued)

Comparative Tables
for the year ended 31 January 2021

Class 2 Net Income Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	145.22	127.03	128.32
Return before operating charges	15.83	22.34	2.80
Operating charges	(1.33)	(1.28)	(1.19)
Return after operating charges	14.50	21.06	1.61
Distributions	(2.22)	(2.87)	(2.90)
Closing net asset value per share	**157.50**	**145.22**	**127.03**
After direct transaction costs of*	(0.29)	(0.31)	(0.27)
Performance			
Return after charges	9.98%	16.58%	1.25%
Other information			
Closing net asset value (£000's)	610,100	188,415	46,752
Closing number of shares	387,369,418	129,748,163	36,804,399
Operating charges**	0.90%	0.92%	0.92%
Direct transaction costs*	0.20%	0.22%	0.21%
Prices			
Highest share price	164.24	149.10	133.90
Lowest share price	122.04	127.60	123.30

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

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

Sustainable Future Cautious Managed Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2021

Class 3 Net Income **Accounting year ended**	**31 January 2021** **per share (p)**	**31 January 2020** **per share (p)**	**31 January 2019** **per share (p)**
Change in net assets per share			
Opening net asset value per share	147.70	128.84	129.74
Return before operating charges	16.04	22.58	2.73
Operating charges	(0.83)	(0.80)	(0.69)
Return after operating charges	15.21	21.78	2.04
Distributions	(2.26)	(2.92)	(2.94)
Closing net asset value per share	**160.65**	**147.70**	**128.84**
After direct transaction costs of*	(0.30)	(0.32)	(0.27)
Performance			
Return after charges	10.30%	16.90%	1.57%
Other information			
Closing net asset value (£000's)	43,176	21,206	8,383
Closing number of shares	26,875,087	14,357,468	6,506,361
Operating charges**	0.55%	0.57%	0.53%
Direct transaction costs*	0.20%	0.22%	0.21%
Prices			
Highest share price	167.50	151.60	135.60
Lowest share price	124.18	129.40	124.80

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

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

Sustainable Future Cautious Managed Fund (continued)

Statement of Total Return

for the year ended 31 January 2021

	Notes	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Income					
Net capital gains	2		40,585		14,969
Revenue	3	6,085		2,598	
Expenses	4	(3,335)		(1,058)	
Interest payable and similar charges	6	–		(1)	
Net revenue before taxation		2,750		1,539	
Taxation	5	(112)		(74)	
Net revenue after taxation			2,638		1,465
Total return before distributions			**43,223**		**16,434**
Distributions	7		(5,356)		(2,313)
Change in net assets attributable to shareholders from investment activities			**37,867**		**14,121**

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 January 2021

	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Opening net assets attributable to shareholders		**209,621**		**55,136**
Amounts received on issue of shares	408,151		141,902	
Amounts paid on cancellation of shares	(2,362)		(1,538)	
		405,789		140,364
Dilution adjustment		(1)		–
Change in net assets attributable to shareholders from investment activities		37,867		14,121
Closing net assets attributable to shareholders		**653,276**		**209,621**

Sustainable Future Cautious Managed Fund (continued)

Balance Sheet
as at 31 January 2021

	Notes	31.1.2021 (£'000)	31.1.2020 (£'000)
Assets			
Fixed assets			
Investments		601,107	178,171
Current assets:			
Debtors	8	25,796	3,750
Cash and bank balances	9	75,884	29,756
Total assets		**702,787**	**211,677**
Liabilities			
Creditors:			
Bank overdrafts		(6)	–
Distribution payable		(4,291)	(1,883)
Other creditors	10	(45,214)	(170)
Provision for liabilities	11	–	(3)
Total liabilities		**(49,511)**	**(2,056)**
Net assets attributable to shareholders		**653,276**	**209,621**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements
for the year ended 31 January 2021

1 Accounting policies

The accounting policies for the sub-fund are set out on pages 13 to 15.

2 Net capital gains

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
The net capital gains comprise:		
Non-derivative securities	40,659	15,005
Foreign currency losses	(74)	(36)
Net capital gains	**40,585**	**14,969**

3 Revenue

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Bank interest	21	1
Equity distributions on CIS holdings	–	15
Interest distributions on CIS holdings	–	247
Interest from overseas fixed income securities	820	197
Interest from UK fixed income securities	2,094	679
Management fee rebates on CIS	26	22
Overseas dividends	900	507
Overseas REIT dividends	153	74
Stock lending income	5	–
Taxable overseas dividends	34	–
UK dividends	1,925	809
UK REIT dividends	–	8
US REIT dividends	107	39
Total revenue	**6,085**	**2,598**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

4 Expenses

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	2,755	856
General administration charges	580	202
	3,335	**1,058**
Total expenses	**3,335**	**1,058**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

5 Taxation

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
a) Analysis of charge in year		
Corporation tax	–	37
Less: Double taxation relief	–	(17)
Overseas tax	108	52
Deferred tax movement [see note(c)]	(3)	2
Corporation tax prior year adjustment	7	–
Total tax charge [see note(b)]	**112**	**74**

b) Factors affecting tax charge for the year

The taxation assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Net revenue before taxation	2,750	1,539
Corporation tax at 20% (2020 - 20%)	550	308
Effects of:		
Double taxation relief	3	(19)
Movement in unrecognised tax losses	16	–
Overseas tax	108	52
Prior year adjustment	8	–
Relief on overseas tax expensed	(8)	–
Revenue not subject to tax	(565)	(267)
Total tax charge [see note(a)]	**112**	**74**

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

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

5 Taxation (continued)

c) Deferred tax

At the year end there is a potential deferred tax asset of £16,000 (2020: £Nil) due to tax losses of £86,000 (2020: £Nil). It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Opening deferred tax balance	3	1
Deferred tax movement for the year (see note 5a)	(3)	2
Closing deferred tax	**–**	**3**

6 Interest payable and similar charges

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Overdraft interest	–	1
Total interest payable and similar charges	**–**	**1**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

7 Distributions

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Interim distribution	2,838	1,288
Final distribution	4,291	1,883
	7,129	**3,171**
Amounts deducted on cancellation of shares	9	11
Amounts received on issue of shares	(1,782)	(869)
Distributions	**5,356**	**2,313**
The distributable amount has been calculated as follows:		
Net revenue after taxation	2,638	1,465
Less: Tax relief on capitalised expenses	(617)	(211)
Add: ACD expenses reimbursed by capital	2,755	856
Add: Other expenses reimbursed by capital	580	203
Distributions	**5,356**	**2,313**

The distribution per share is set out in the tables on page 50.

8 Debtors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Accrued revenue	2,761	819
Amounts receivable for issue of shares	9,955	2,848
Currency sales awaiting settlement	12,804	–
Overseas withholding tax	80	29
Sales awaiting settlement	196	54
Total debtors	**25,796**	**3,750**

9 Cash and bank balances

	31.1.2021 (£'000)	31.1.2020 (£'000)
Cash and bank balances	75,884	29,756
Total cash and bank balances	**75,884**	**29,756**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

10 Creditors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Other Creditors		
Accrued expenses	76	150
Accrued ACD's charge	398	–
Amounts payable for cancellation of shares	22	–
Corporation tax	–	20
Currency purchases awaiting settlement	12,811	–
Purchases awaiting settlement	31,907	–
Total other creditors	**45,214**	**170**

11 Provision for liabilities

	31.1.2021 (£'000)	31.1.2020 (£'000)
Deferred tax	–	3
Total provision for liabilities	**–**	**3**

12 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2020: £nil).

13 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are include within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £474,000 (2020: £150,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £3,335,000 (2020: £1,062,000).

14 Securities lending

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

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

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Securities lending (continued)

behalf of the Sub-fund. Collateral received is segregated from the assets belonging to the Sub-fund's Depositary or the Stock Lending Agent. All operational costs are borne out of the Stock Lending Agent's share of income earned.

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

		31 January 2021		31 January 2020	
Counterparty	Counterparty's country of establishment	Securities on loan (£'000)	Collateral received (£'000)	Securities on loan (£'000)	Collateral received (£'000)
Citigroup Global Markets Limited	UK	31,798	32,566	–	–
Credit Suisse International	Switzerland	565	696	–	–
Credit Suisse Securities (Europe) Limited	UK	215	247	–	–
The Bank of Nova Scotia	Canada	9,288	10,246	–	–
UBS AG	Switzerland	280	327	–	–
Total		**42,146**	**44,082**	**–**	**–**

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

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. As at 31 January 2021 all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange. There was no non-cash collateral received by the Sub-fund as at 31 January 2020.

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

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies

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

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

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

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

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

Market price risk

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

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

As at 31 January 2021 and 31 January 2020 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

Market price risk (continued)

previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2021, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 8.4%.

As at 31 January 2020, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 8.5%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

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

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

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

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

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

Currency risk

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

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

Currency risk (continued)

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

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

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

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

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

At 31 January 2021 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	4,434	4,434
Danish Krone	8	3,841	3,849
Euro	50	48,117	48,167
Japanese Yen	117	14,270	14,387
Norwegian Krone	10	–	10
Swedish Krona	–	4,755	4,755
Swiss Franc	–	2,611	2,611
United States Dollar	173	151,101	151,274
	358	**229,129**	**229,487**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

Currency risk (continued)

At 31 January 2020 the Sub-fund's currency exposure was as shown in the table below:*

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	1,831	1,831
Danish Krone	3	1,485	1,488
Euro	9	12,499	12,508
Japanese Yen	51	5,957	6,008
Norwegian Krone	10	–	10
Swedish Krona	(1)	912	911
Swiss Franc	–	1,341	1,341
United States Dollar	53	44,067	44,120
	125	**68,092**	**68,217**

If the exchange rate at 31 January 2021 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.35%/(0.35)% respectively.

If the exchange rate at 31 January 2020 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.33%/(0.33)% respectively.

*Presentation of prior year disclosure has been updated to include debtors/creditors in line with current year.

Interest rate risk

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

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

Between 10% and 60% (typically 25%) of the Sub-fund's financial assets will be in interest bearing financial assets and liabilities. As a result the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates. The ACD may from time to time enter into contracts on behalf of the Sub-fund that seeks to mitigate the effects of these movements.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

Interest rate risk (continued)

The interest rate risk profile of financial assets and liabilities at 31 January 2021 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	14,306	202,010	384,791	601,107
Investment liabilities	–	–	–	–

The interest rate risk profile of financial assets and liabilities at 31 January 2020 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	3,437	47,068	127,666	178,171
Investment liabilities	–	–	–	–

At 31 January 2021, if interest rates had strengthened/weakened by 1% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 3.10%.

At 31 January 2020, if interest rates had strengthened/weakened by 1% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 1.90%.

Liquidity risk

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

If a Sub-Fund is primarily exposed to smaller companies there may be liquidity constraints 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. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria and can make it difficult to establish accurate estimates of fundamental value. The lack of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD's ability to execute substantial deals.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

Liquidity risk (continued)

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

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

Counterparty credit risk

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

The table below summarises the credit quality of the Sub-fund debt portfolio as at 31 January 2021 and 31 January 2020.

Summary of Credit ratings	31.1.2021 (£'000)	31.1.2020 (£'000)
Investment grade	177,900	46,438
Below Investment grade	17,613	3,135
Not Rated	20,803	932
Total	**216,316**	**50,505**

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

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

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

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

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2021 was A (Standard & Poor's rating).

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

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

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

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

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

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

Valuation of financial investments

31.1.2021	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	408,854	–
Level 2: Observable market data	192,253	–
	601,107	**–**

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	118,647	–
Level 2: Observable market data	59,524	–
	178,171	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.

16 Share movement
For the year ending 31 January 2021

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Income	129,748,163	257,692,063	(70,808)	–	387,369,418
Class 3 Net Income	14,357,468	14,112,436	(1,594,817)	–	26,875,087

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

17 Portfolio transaction costs
for the year ending 31 January 2021

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	253,565	91	0.04	618	0.24
Debt instruments (direct)	194,273	–	–	–	–
Collective investment schemes	11,708	6	0.05	27	0.23
Total purchases	**459,546**	**97**		**645**	
Total purchases including transaction costs	**460,288**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	43,997	18	0.04	1	–
Debt instruments (direct)	30,260	–	–	–	–
Collective investment schemes	2,487	2	0.08	–	–
Total sales	**76,744**	**20**		**1**	
Total sales net of transaction costs	**76,723**				

Total transaction costs		**117**		**646**	
Total transaction costs as a % of average net assets		**0.03%**		**0.17%**	

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

17 Portfolio transaction costs (continued)
for the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	84,861	30	0.04	221	0.26
Debt instruments (direct)	42,547	–	–	–	–
Collective investment schemes	11,313	3	0.03	11	0.10
Total purchases	**138,721**	**33**		**232**	
Total purchases including transaction costs	**138,986**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	16,430	7	0.04	1	0.01
Debt instruments (direct)	9,755	–	–	–	–
Collective investment schemes	33	–	–	–	–
Total sales	**26,218**	**7**		**1**	
Total sales net of transaction costs	**26,210**				
Total transaction costs		**40**		**233**	
Total transaction costs as a % of average net assets		**0.03%**		**0.19%**	

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

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

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.37% (2020: 0.27%).

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

18 Post balance sheet events

Since the year-end, markets have continued to be disrupted by the COVID-19 pandemic. Since the year-end, the NAV per share of the Class 2 Net Income share class has increased by 2.27% to 17 May 2021. The other share classes in the Sub-fund have moved by a similar magnitude. Contingency plans at the ACD and key service providers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

Sustainable Future Cautious Managed Fund (continued)

Distribution Tables
for the year ended 31 January 2021

Final distribution

Group 1 - Shares purchased prior to 1 August 2020

Group 2 - Shares purchased 1 August 2020 to 31 January 2021

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2021 Pence per share	Distribution paid 31.3.2020 Pence per share
Class 2 Net Income - Group 1	1.0345	–	1.0345	1.3042
Class 2 Net Income - Group 2	0.4144	0.6201	1.0345	1.3042
Class 3 Net Income - Group 1	1.0544	–	1.0544	1.3255
Class 3 Net Income - Group 2	0.4183	0.6361	1.0544	1.3255

Interim distribution

Group 1 - Shares purchased prior to 1 February 2020

Group 2 - Shares purchased 1 February 2020 to 31 July 2020

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2020 Pence per share	Distribution paid 30.9.2019 Pence per share
Class 2 Net Income - Group 1	1.1842	–	1.1842	1.5668
Class 2 Net Income - Group 2	0.4670	0.7172	1.1842	1.5668
Class 3 Net Income - Group 1	1.2055	–	1.2055	1.5904
Class 3 Net Income - Group 2	0.5261	0.6794	1.2055	1.5904

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

Sustainable Future Corporate Bond Fund

Report for the year from 1 February 2020 to 31 January 2021

Investment Objective

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

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. 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

Fund review

The SF Corporate Bond Fund returned 4.0% (Class 2 Gross Income) over the period under review compared with the IA Sterling Corporate Bond sector average of 4.5% and the iBoxx Sterling Corporate Index's 4.5% (both of which are comparator benchmarks)*.

Our overweight position in credit was a positive over the 12 months, despite the aggressive selloff during the first quarter of 2020, with a strong recovery for risk assets over most of the rest of the period, including corporate bonds. Credit markets have seen spreads tighten amid a broadly risk-on tone, further supported by continued strong technicals including low levels of issuance, enhanced monetary and fiscal support packages and rising demand for yield. Against such a constructive backdrop, stock selection has been a positive contributor, particularly in our long-term favoured areas of banks, insurance and telecoms.

Over the full period, the positive effect of our overweight credit was offset by the drag from our short duration position versus the Index, which has remained a detractor during a fairly volatile time for government bond yields.

Looking at 2020 overall, the first half of the year was very much a period of two halves, albeit dominated throughout by Coronavirus: over the first quarter, rising concerns about the pandemic resulted in significant declines in valuations across global financial markets, with many economies effectively shutting down as cities went into lockdown. This overshadowed a strong start to the year after initial signs suggested the global growth outlook was turning more positive, with apparent breakthroughs on both the US/China trade war and Brexit.

Q2 was a huge contrast, at least in terms of financial markets, as central banks and governments responded swiftly and in coordinated fashion to the threat posed by the virus. They provided enormous amounts of stimulus to support economies both domestic and economy and the combination of slowing infection rates, easing lockdown measures and early signs of a rebound in data contributed to positive returns from markets.

Our overweight credit beta was negative over the first quarter as corporate bonds sold off aggressively amid rising concerns about the effects of widespread economic shutdowns on corporate profitability. These moves were further exacerbated by liquidity concerns arising from record fund outflows from the asset class and investment banks unwilling to take risk on their balance sheets, which resulted in indiscriminate selling of corporate bonds across all sectors. Our favoured areas, including banks, insurance and telecommunications, were all hit by selling pressure over the period. In banks, bonds across all parts of the capital structure fell amid indiscriminate weakness, with our higher-beta subordinated holdings particularly badly impacted. Insurers, meanwhile, saw widespread selling based on the perception they are more exposed to the financial impact of the virus than we believe is actually the case, while telecommunications took a hit as a higher-beta, liquid sector, with our longer-dated and US dollar bonds underperforming.

This weakness was partially offset by more defensive positions within the portfolio, particularly our long-standing short position to US and European high yield markets, exposure to UK gilts and an overweight allocation to securitised names. In addition, the portfolio benefited from being underweight a number of sectors that suffered as a result of the twin Coronavirus and oil price shocks. There was also positive contribution from our underweight to autos, as the much-maligned sector's malaise deepened in the face of virus fallout.

Over the second quarter, corporate bonds rebounded strongly and outperformed government bonds, supported by stronger risk appetite and favourable technicals. High yield performed particularly well, led by the European market, while investment grade was not far behind. The Sub-fund's overweight credit position was a positive amid this rebound, with stock selection the primary driver behind returns, particularly within favoured insurance and telecommunication sectors. Banks also saw a solid rally, as fears of a repeat of the financial crisis were dispelled over the period. All this far outweighed the drag from more defensive positions, primarily our gilt allocation and short in high yield.

Markets continued their recovery in Q3, supported by a strong technical backdrop and ongoing economic improvement. Credit also remained remarkably resilient towards the end of the period despite being faced with a combination of both rising political uncertainty and infection rates.

Stock selection again proved strong, especially within banks, insurance and telecommunications, where higher-beta subordinated and cross-market US dollar-denominated holdings continued to recover against a constructive backdrop for risk assets. This was supported

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Fund review (continued)

by a positive contribution from sector allocation, notably our overweight to financials but also underweights to cyclical non-financials including industrials and consumer discretionary, which continued to suffer as a result of ramifications from Covid-19.

Coming into the last part of the year, November's vaccine announcements were the principal driver for markets, as inoculations developed by Pfizer-BioNTech, Moderna and Oxford-AstraZeneca proved effective in providing protection against Covid-19. In the meantime, the situation has deteriorated further, as Covid-19 cases have accelerated once more, reaching record highs since the start of the pandemic and ICU occupancy following suit. This has been attributed to new strains of the virus, notably in the UK, with the mutations seemingly more contagious although not believed to be more dangerous. These developments compelled governments to impose stricter lockdown measures in order to slow the spread, which will likely see economic activity suffer into Q1 2021.

In the US, investor sentiment was further boosted following Joe Biden's victory in the presidential election, with a less combative tenure than that of his predecessor widely anticipated. Biden's victory also paved the way for congress to approve a much needed $900 billion stimulus package, extending and expanding many of the programmes introduced earlier during the pandemic and providing additional support for economic recovery. Meanwhile, the Fed reiterated its commitment to supportive monetary policy, keeping interest rates unchanged and continuing with its quantitative easing (QE) programme until sufficient progress has been made towards employment and price stability goals.

The Bank of England also kept interest rates on hold, although rumours of a potential move to negative rates continued throughout the period. The central bank was another to expand its asset purchase program by a further £150 billion, to £875 billion in total, to support recovery, with additional support in the shape of fiscal stimulus measures, again extending and expanding existing Covid response programmes.

Despite much posturing from both sides in the build up to the 31 December deadline, the UK and Europe finally agreed a Brexit trade deal on Christmas Eve, which should allow markets and sterling to start 2021 on firmer footing and companies to plan ahead and invest for the future.

Elsewhere, European leaders finally agreed an unprecedented €1.8 trillion support package, including the €750 billion recovery fund, which had been the stumbling block in previous discussions. Monetary policy remains highly supportive, with the European Central Bank deciding to maintain interest rates and expand the Pandemic Emergency Purchase Program to €1.85 trillion and extend it until at least March 2022, as well as boosting several other Covid support measures, including TLTRO.

In the portfolio, the Sub-fund's overweight credit position delivered strong returns, as corporate bonds outperformed government counterparts in a risk-on final part of the review period for the asset class. We had a particularly strong contribution from our exposure to the banking sector, as our subordinated holdings benefited from the risk-on environment: our USD-denominated holdings from the combination of positive vaccine news and Joe Biden's presidential election victory, and our UK banks from news of a Brexit deal.

While banks proved the major factor in returns, our overweight position in the insurance sector was also positive, particularly allocations to subordinated bonds, which performed well for the reasons outlined above. Vaccine news also resulted in particularly strong returns from some of our more Covid-exposed names, which we had added/topped-up on weakness earlier this year, such as student accommodation provider Unite Group and transport provider National Express. These contributions more than offset the drag from our more defensive allocation to gilts, as well as underweights to more cyclical sectors such as industrials, which obviously also performed well amid vaccine-fuelled optimism, as well as our underweight to utilities.

Bringing things right up to date, the Sub-fund performed well in January through a combination of the short duration position, with government bond yields rising across UK, US and Germany, as well as the overweight credit, notably banks and insurers. We also benefited from being underweight Covid-sensitive cyclical sectors like industrials and retail given the extended lockdowns and rising infections.

**Source: FE Analytics, primary share class, total return, net of fees and interest reinvested, 31.01.20-31.01.21*

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Portfolio activity

Over the first quarter of 2020, our main additions were within sectors and holdings we believed had been oversold but remained well placed to be resilient throughout the anticipated economic downturn. We added to our bank exposure, through Lloyds Banking Group, Nationwide Building Society and Coventry Building Society, which were among the worst-hit holdings in the portfolio.

We also felt the financial impact of Coronavirus on insurance companies would be significantly lower than the market was pricing in so boosted our exposure to this sector. We added Pension Insurance Corporation, which offered strong credit fundamentals at attractive valuation levels.

Against these additions, we reduced our holding size across names that had proved more resilient during the initial sell-off, such as GlaxoSmithKline and Deutsche Telekom.

New issuance picked up over the second quarter as corporates sought to bolster near-term liquidity concerns and this was well absorbed by government purchasing and rising risk appetite. The portfolio took part in new issues from SSE, Severn Trent and RBS at attractive valuations. We continued to selectively add exposure to names where valuations had been heavily impacted by the pandemic over the near-term.

One example was Unite Group, the UK's largest purpose-built student accommodation provider. We topped up our existing position, with the company set to continue benefitting from favourable market dynamics such as a growing demand/supply imbalance and low reletting risk with 56% of the portfolio under nomination agreements.

Over Q2, we reduced exposure to subordinated financials that had performed particularly well during the rally, such as the Nationwide and Coventry Building Societies. Following an unsatisfactory engagement response, we also decided to exit our position in Notting Hill Housing Trust on sustainability grounds, with the company failing to deliver on its proposed environmental, social and corporate governance (ESG) strategy and timeline. We reinvested the proceeds in industry-leading peers in terms of sustainability, Clarion Housing Group and Optivo, which were trading at similar valuations and offering a more attractive opportunity.

We took advantage of the underperformance in US dollar credit in the initial stages of the crisis, rotating out of some of our sterling-denominated telecommunications bonds into duration-matched USD equivalents. The spread and yield pick-up on offer had reached all-time wides in some cases, despite the same level of credit risk. Examples included Deutsche Telekom, Verizon and Telefonica.

On the duration side, we closed our longstanding short early in the review period, moving the Sub-fund to neutral relative to its benchmark Index. We took advantage of the sharp rise in government bond yields in mid-March, following the announcements of fiscal and monetary stimulus packages, to close the short and add protection against any renewed spell of bad news and dampen volatility. We reinstated the position at 1.5 years short relative to the index during the second quarter, after 10-year UK gilt yields fell to all-time lows, fully expressed via the UK market.

Coming into the second half of the year, new issuance was relatively subdued over summer, in contrast to record levels during Q2. As a result, our activity predominantly revolved around adding exposure at the margin across a number of preferred names, particularly within the insurance, telecommunications and banks sectors following strong portfolio inflows.

Elsewhere, there were also a couple of relative value switches during the period. We rotated within Tier 2 holdings in Natwest, switching into a slightly longer-dated bond with low extension risk for a significant pick-up in spread and yield. We also moved up the capital structure in Swiss Re, rotating out of holding company subordinated bonds into operating company subordinated bonds for only a modest reduction in spread.

Over Q2, we had added a 5% short position to the US high yield market, where we anticipated a sharp spike in defaults. Through the third quarter, the acceleration in high yield defaults had slowed given better-than-expected corporate earnings and the number of weaker companies that had already defaulted. Further to this, we felt surviving companies are likely to fare better in a recovering market so elected to close our short position to US high yield in line with our favourable disposition towards credit at present.

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Portfolio activity (continued)

While we maintained the portfolio's duration short at 1.5 years relative to its benchmark in Q3, we opted to rotate 0.5 years of the position out of the UK and into the German market. This was primarily because there was less political risk in Europe, whereas the UK was still subject to Brexit uncertainty and volatility in the US was expected to pick up in the build up towards the election.

There was moderate portfolio activity over the last part of the review period and while new issuance levels remained relatively low, we took advantage of a number of attractive opportunities. We participated in a hybrid issue from National Express for example, which offered an attractive yield pick-up versus the company's senior bonds.

Elsewhere, we added two names through participating in new issues from European towers companies Cellnex and Inwit. We like these companies from a sustainability perspective as their infrastructure assets enable telecom operators to offer telecommunication services, connecting people and enabling the digital economy, with the Covid pandemic exemplifying how invaluable these assets are to modern society.

We also increased exposure to existing favoured issuers within the portfolio, Bunzl and London & Quadrant Housing Trust, both of which brought new issues to the market at attractive valuations. We added to our position in student accommodation provider Student Finance PLC, taking advantage of recent weakness to increase exposure to a name and industry we believe to be robust over the long term.

Outside of new issues, activity was largely limited to risk reduction trades as we looked to capitalise on recent strong performance. We reduced exposure to subordinated bonds from Coventry and Nationwide Building Societies following particularly strong returns, re-investing in bonds higher up the capital structure by topping up an existing holding in Yorkshire Building Society. We also rotated out of our holding in Direct Line RT1 bonds, again recycling the proceeds into bonds higher up the structure in favoured insurance names such as Legal & General on relative value grounds.

On duration, we maintained the short at 1.5 years relative to the benchmark but opted to rotate 0.5 years out of Germany and back into the UK following the move lower in yields on Brexit uncertainty and tightening lockdown measures, with yields having trended back down to the lower end of our expected 0.2%-0.8% range.

Many of the challenges of 2020 are clearly continuing into 2021, with the re-introduction of national lockdowns hampering global economic recovery. However, markets continue to look through near-term volatility, with companies better prepared to manage these difficulties and vaccine rollouts taking shape, alongside reduced political headwinds following the US presidential election and confirmation of a Brexit trade agreement.

We remain constructive on investment grade credit, as we expect company focus to continue shifting towards improving fundamentals. Corporate fundamentals have deteriorated further, fuelled by the collapse in earnings combined with growing debt issuance, but within investment grade, issuance has predominantly been defensive in nature to bolster liquidity buffers. This is reflected in high levels of cash on company balance sheets, keeping net leverage levels broadly flat, while we saw issuance drop off towards the end of the year as expected, with liquidity now at robust levels.

While further deterioration is likely in the near term as more periods of depressed earnings are factored into leverage calculations, we continue to expect that, having weathered the initial storm, focus will shift towards creditor-friendly debt reduction and balance sheet repair, supported by a rebound in corporate earnings. Credit should also continue to be supported by strong technicals, with expanded central bank corporate bond purchase programs, low supply given robust liquidity, extended fiscal support measures and rising demand for corporate bonds as a rare source of yield for investors.

We remain committed to our high-quality portfolio, which we believe is well positioned to withstand the economic impacts as a result of the pandemic, and do not view any of our holdings as exposed to a credit event. From a sector perspective, we continue to favour insurance, telecoms and banks, with cyclical non-financials generally over-owned, expensive and/or more heavily exposed to Covid-related uncertainty.

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Portfolio activity (continued)

Our outlook regarding interest rates also remains relatively unchanged, with government bonds still vulnerable to unprecedented supply and reflation risks. Moreover, with government bond yields continuing to be close to zero (or below in several countries, including Germany), they offer limited ability to dampen portfolio volatility and actually provide meaningful downside risk during bouts of market weakness or volatility, supporting our longstanding short duration position.

To reiterate our view, we believe 10-year gilt yields will remain in a relatively tight trading range of between 0.2% and 0.8%, as the Bank of England continues to use QE to limit any rises in gilt yields while remaining reluctant to introduce negative rates in the near-term. Given 10-year gilt yields are currently languishing towards the lower end of this range, we believe there is scope for them to rise modestly as the magnitude of fiscal impact on gilt issuance hits the market, and we will look to increase duration in the portfolio as yields trend towards the higher end of our range.

Longer term, we believe there is a risk gilt yields rise and/or the curve steepens without continued buying from the Bank of England purchase program, combined with rising inflation and strengthening economic recovery, again supporting our preference to retain a short position.

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, investments can result in a total loss of capital.

Material portfolio changes by value

Purchases	Sales
United Kingdom Gilt 1.5% 22/7/2026	United Kingdom Gilt 1.5% 22/7/2026
Verizon Communications 5.25% 16/3/2037	Orange 8.125% 20/11/2028
Natwest 3.622% 14/8/2030	Verizon Communications 3.375% 27/10/2036
HSBC 6% 29/3/2040	Argentum 5.75% 15/08/2050
Legal & General 5.5% 27/6/2064	Legal & General 5.125% 14/11/2048
Pension Insurance 5.625% 20/9/2030	M&G 5.625% 20/10/2051
Lloyds Bank 2.707% 3/12/2035	BPCE 5.25% 16/4/2029
DWR Cymru Financing UK 1.625% 31/3/2026	HSBC 3% 22/7/2028
Phoenix 5.625% 28/4/2031	Natwest 6.1% 10/6/2023
National Grid Gas 1.125% 14/1/2033	Telefonica Emisiones 5.375% 2/2/2026

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.

Typically lower rewards, lower risk — Typically higher rewards, higher risk

1	2	3	**4**	5	6	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund is categorised 4 primarily for its exposure to a diversified portfolio of debt instruments along with a number of derivative positions.
- The SRRI may not fully take into account the following risks:
  - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result.
  - The creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Sub-fund can invest in derivatives. Derivatives are used to protect against currencies, credit and interests rates move 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 value of these securities will fall if the issuer is unable to repay their debt or has their credit rating reduced. Generally, the higher perceived credit risk of the issuer, the higher the rate of interest.
- Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Sub-fund. If long term interest rates rise, the value of your shares is likely to fall.

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)

Portfolio Statement
as at 31 January 2021

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UNITED KINGDOM GOVERNMENT BONDS (4.03%)	**24,420**	**3.33**
£16,800,000	United Kingdom Gilt 1.5% 22/7/2026	18,152	2.48
£6,100,000	United Kingdom Gilt 8% 7/6/2021	6,268	0.85
	UK STERLING DENOMINATED DEBT SECURITIES (83.32%)	**596,872**	**81.41**
£4,600,000	3i 5.75% 3/12/2032	6,371	0.87
£5,550,000	Aegon 6.625% 16/12/2039	9,970	1.36
£7,500,000	Annington Funding 3.184% 12/7/2029	8,416	1.15
£7,000,000	Aroundtown 3.25% 18/7/2027	7,757	1.06
£10,700,000	Assicurazioni Generali 6.269% 16/6/2169 Perpetual	12,064	1.65
£11,400,000	AT&T 7% 30/4/2040	18,922	2.58
£10,500,000	Aviva 5.125% 4/6/2050	12,593	1.72
£3,000,000	Aviva 4% 3/6/2055	3,394	0.46
£9,500,000	AXA 5.453% 4/3/2169 Perpetual	10,990	1.50
£8,005,000	British Telecommunications 3.125% 21/11/2031	9,074	1.24
£2,933,000	British Telecommunications 5.75% 7/12/2028	3,850	0.52
£5,000,000	Bunzl Finance 2.25% 11/6/2025	5,312	0.72
£8,376,000	Bunzl Finance 1.5% 30/10/2030	8,551	1.17
£6,200,000	Cadent Finance 2.125% 22/9/2028	6,638	0.91
£4,000,000	Cardiff University 3% 7/12/2055	5,410	0.74
£1,514,000	Clarion Funding 2.625% 18/1/2029	1,698	0.23
£4,500,000	Close Brothers 4.25% 24/1/2027	4,626	0.63
£5,100,000	Compass 3.85% 26/6/2026	5,988	0.82
£9,450,000	Cooperatieve Rabobank UA 4.625% 23/5/2029	11,547	1.57
£6,000,000	Coventry Building Society 6.875% 18/9/2169 Perpetual	6,615	0.90
£5,750,000	CPUK Finance 3.588% 28/2/2042	6,159	0.84
£5,500,000	DWR Cymru Financing UK 2.5% 31/3/2036	6,544	0.89
£9,281,000	DWR Cymru Financing UK 1.625% 31/3/2026	9,467	1.29
£5,250,000	Eversholt Funding 3.529% 7/8/2042	6,135	0.84
£2,350,000	GlaxoSmithKline Capital 5.25% 19/12/2033	3,483	0.47
£6,476,930	Greater Gabbard OFTO 4.137% 29/11/2032	7,723	1.05
£3,500,000	Hammerson 3.5% 27/10/2025	3,450	0.47
£7,500,000	HSBC 7% 7/4/2038	11,621	1.58
£9,500,000	HSBC 6% 29/3/2040	13,631	1.86
£5,850,000	InterContinental Hotels 3.75% 14/8/2025	6,350	0.87
£1,500,000	Lambay Capital 6.25% 16/6/2169 Perpetual+	25	0.00
£10,000,000	Legal & General 5.5% 27/6/2064	12,938	1.76
£6,400,000	Legal & General 4.5% 1/11/2050	7,277	0.99
£7,812,000	Liberty Living Finance 3.375% 28/11/2029	8,581	1.17
£3,200,000	Lloyds Bank 2.707% 3/12/2035	3,313	0.45

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UK STERLING DENOMINATED DEBT SECURITIES (continued)		
£6,000,000	Lloyds Bank 2.707% 3/12/2035	6,212	0.85
£6,000,000	Logicor 2019-1 UK 1.875% 17/11/2026	6,357	0.87
£4,500,000	London & Quadrant Housing Trust 2.625% 28/2/2028	4,962	0.68
£5,250,000	London & Quadrant Housing Trust 2% 20/10/2038	5,447	0.74
£6,200,000	M&G 5.625% 20/10/2051	7,459	1.02
£3,000,000	Mitchells & Butlers Finance 6.469% 15/9/2032	3,061	0.42
£6,889,000	Motability Operations 3.625% 10/3/2036	9,028	1.23
£3,710,000	Motability Operations 1.5% 20/1/2041	3,692	0.50
£5,000,000	National Express 2.5% 11/11/2023	5,210	0.71
£6,583,000	National Express 2.375% 20/11/2028	6,840	0.93
£7,438,000	National Express 4.25% 26/2/2169 Perpetual	7,624	1.04
£9,174,000	National Grid Gas 1.125% 14/1/2033	9,023	1.23
£6,000,000	Nationwide Building Society 5.875% 20/12/2169 Perpetual	6,533	0.89
£2,500,000	Natwest 3.125% 28/3/2027	2,723	0.37
£16,300,000	Natwest 3.622% 14/8/2030	17,577	2.40
£3,500,000	Next 3.625% 18/5/2028	3,873	0.53
£6,650,000	NGG Finance 5.625% 18/6/2073	7,566	1.03
£1,714,000	Optivo Finance 2.857% 7/10/2035	2,001	0.27
£6,500,000	Orsted 2.125% 17/5/2027	6,999	0.95
£8,600,000	Pension Insurance 5.625% 20/9/2030	10,672	1.46
£8,100,000	Phoenix 5.625% 28/4/2031	9,862	1.35
£5,318,000	Places for People Homes 5.875% 23/5/2031	7,427	1.01
£3,100,000	Porterbrook Rail Finance 4.625% 4/4/2029	3,717	0.51
£6,798,000	Rothesay Life 5.5% 17/9/2029	7,562	1.03
£9,000,000	Segro 2.375% 11/10/2029	10,010	1.37
£4,240,000	Severn Trent Utilities Finance 6.25% 7/6/2029	5,999	0.82
£6,132,000	Severn Trent Utilities Finance 2% 2/6/2040	6,453	0.88
£3,743,000	South Eastern Power Networks 6.375% 12/11/2031	5,689	0.78
£6,000,000	Southern Gas Networks 3.1% 15/9/2036	7,167	0.98
£6,056,000	SP Transmission 2% 13/11/2031	6,541	0.89
£4,250,000	SSE 8.375% 20/11/2028	6,503	0.89
£7,573,000	SSE 3.74% 14/4/2169 Perpetual	8,018	1.09
£4,400,000	Stagecoach 4% 29/9/2025	4,685	0.64
£17,200,000	Standard Chartered 5.125% 6/6/2034	21,729	2.96
£7,000,000	Student Finance 2.6663% 30/9/2029	7,045	0.96
£5,659,000	Transport for London 2.125% 24/4/2025	6,050	0.83
£4,400,000	Travis Perkins 4.5% 7/9/2023	4,703	0.64
£4,500,000	UNITE 3.5% 15/10/2028	5,026	0.69
£3,857,000	United Utilities Water Finance 0.875% 28/10/2029	3,823	0.52

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UK STERLING DENOMINATED DEBT SECURITIES (continued)		
£3,850,000	University of Liverpool 3.375% 25/6/2055	5,785	0.79
£11,000,000	Vodafone 5.9% 26/11/2032	16,249	2.22
£6,000,000	Western Power Distribution West Midlands 6% 9/5/2025	7,319	1.00
£6,294,000	Wm Morrison Supermarkets 4.75% 4/7/2029	7,967	1.09
£9,500,000	Yorkshire Building Society 3.375% 13/9/2028	10,301	1.40
£5,552,000	Yorkshire Water Finance 6.454% 28/5/2027	7,262	0.99
£4,000,000	Yorkshire Water Finance 2.75% 18/4/2041	4,638	0.63
	UK STERLING DENOMINATED FORWARD EXCHANGE CONTRACTS (0.06%)		
	UK STERLING DENOMINATED OPEN FUTURES CONTRACTS (0.06%)	**(2)**	**0.00**
(10)	Long Gilt March 2021	(2)	0.00
	EURO DENOMINATED DEBT SECURITIES (0.68%)	**19,020**	**2.60**
€7,900,000	Cellnex Telecom 1.75% 23/10/2030	6,957	0.95
€1,500,000	Hellas Telecommunications Luxembourg II 0.00000% 15/1/2015 +	0	0.00
€7,900,000	Infrastrutture Wireless Italiane 1.625% 21/10/2028	7,161	0.98
€3,750,000	Telecom Italia Finance 7.75% 24/1/2033	4,902	0.67
	EURO DENOMINATED FORWARD EXCHANGE CONTRACTS (0.00%)	**295**	**0.04**
€19,502,007	UK sterling 19,502,007 Vs Euro 21,700,000 - 3/3/2021	295	0.04
	EURO DENOMINATED OPEN FUTURES CONTRACTS ((0.09)%)	**118**	**0.01**
(65)	Euro-Bund March 2021	14	0.00
(85)	Euro-Buxl March 2021	104	0.01
	US DOLLAR DENOMINATED DEBT SECURITIES (10.07%)	**82,572**	**11.26**
$7,000,000	AXA 6.379% 14/6/2169 Perpetual	7,112	0.97
$3,500,000	BNP Paribas 7.195% 25/12/2169 Perpetual	2,795	0.38
$9,000,000	Cloverie for Zurich Insurance 5.625% 24/6/2046	7,571	1.03
$6,000,000	Deutsche Telekom International Finance 8.75% 15/6/2030	6,793	0.93
$9,100,000	Deutsche Telekom International Finance 9.25% 1/6/2032	11,206	1.53
$13,420,000	HSBC Bank 0.75% 19/12/2169 Perpetual	8,673	1.18
$10,610,000	Natwest 0.5625% 11/6/2169 Perpetual	7,253	0.99
$7,600,000	Swiss Re Finance Luxembourg 5% 2/4/2049	6,392	0.87
$2,800,000	Telefonica Europe 8.25% 15/9/2030	3,085	0.42

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	US DOLLAR DENOMINATED DEBT SECURITIES (continued)		
$15,500,000	Verizon Communications 5.25% 16/3/2037	14,934	2.04
$9,305,000	Zurich Finance Ireland Designated Activity 3% 19/4/2051	6,758	0.92
	US DOLLAR DENOMINATED FORWARD EXCHANGE CONTRACTS ((0.07)%)	**1,650**	**0.23**
$80,612,146	UK sterling 80,612,146 Vs US dollar 108,300,000 - 3/3/2021	1,755	0.24
$9,500,000	US dollar 9,500,000 Vs UK sterling 7,074,137 - 3/3/2021	(157)	(0.02)
$5,134,717	UK sterling 5,134,717 Vs US dollar 7,000,000 - 3/3/2021	38	0.01
$3,300,000	US dollar 3,300,000 Vs UK sterling 2,408,803 - 3/3/2021	(6)	0.00
$3,950,458	UK sterling 3,950,458 Vs US dollar 5,400,000 - 3/3/2021	19	0.00
$3,496,453	UK sterling 3,496,453 Vs US dollar 4,800,000 - 3/3/2021	1	0.00
	US DOLLAR DENOMINATED OPEN FUTURES CONTRACTS ((0.13)%)	**1,277**	**0.18**
(350)	US 10 Year Ultra March 2021	783	0.11
(110)	US Long Bond (CBT) March 2021	494	0.07
	Portfolio of investments	**726,222**	**99.06**
	Net other assets	**6,910**	**0.94**
	Total net assets	**733,132**	**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 shown in brackets relate to 31 January 2020.

+ Delisted securities.

Sustainable Future Corporate Bond Fund (continued)

Comparative Tables
for the year ended 31 January 2021

Class 2 Gross Income Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	87.37	80.84	85.08
Return before operating charges	3.85	10.12	(0.61)
Operating charges	(0.52)	(0.53)	(0.51)
Return after operating charges	3.33	9.59	(1.12)
Distributions	(2.78)	(3.06)	(3.12)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**87.92**	**87.37**	**80.84**
After direct transaction costs of*	–	(0.01)	(0.01)
Performance			
Return after charges	3.81%	11.86%	(1.32%)
Other information			
Closing net asset value (£000's)	279,039	199,448	150,365
Closing number of shares	317,367,716	228,289,358	185,999,417
Operating charges**	0.60%	0.63%	0.62%
Direct transaction costs*	–	0.01%	0.01%
Prices			
Highest share price	89.73	88.68	84.54
Lowest share price	74.66	81.06	79.30

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

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

Sustainable Future Corporate Bond Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2021

Class 3 Gross Income Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	116.45	107.75	113.40
Return before operating charges	5.14	13.50	(0.81)
Operating charges	(0.40)	(0.40)	(0.36)
Return after operating charges	4.74	13.10	(1.17)
Distributions	(3.99)	(4.40)	(4.48)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**117.20**	**116.45**	**107.75**
After direct transaction costs of*	–	(0.01)	(0.01)
Performance			
Return after charges	4.07%	12.16%	(1.03%)
Other information			
Closing net asset value (£000's)	358,508	343,561	344,634
Closing number of shares	305,906,898	295,023,518	319,841,382
Operating charges**	0.35%	0.35%	0.33%
Direct transaction costs*	–	0.01%	0.01%
Prices			
Highest share price	119.66	118.30	112.70
Lowest share price	99.55	108.10	105.70

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

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

Sustainable Future Corporate Bond Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2021

Class 6 Gross Accumulation Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	147.98	132.12	133.87
Return before operating charges	6.70	16.73	(0.93)
Operating charges	(0.89)	(0.87)	(0.82)
Return after operating charges	5.81	15.86	(1.75)
Distributions	(4.76)	(5.08)	(4.99)
Retained distributions on accumulation shares	4.76	5.08	4.99
Closing net asset value per share	**153.79**	**147.98**	**132.12**
After direct transaction costs of*	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	3.93%	12.00%	(1.31%)
Other information			
Closing net asset value (£000's)	95,585	67,818	4,942
Closing number of shares	62,153,279	45,829,721	3,740,594
Operating charges**	0.60%	0.62%	0.62%
Direct transaction costs*	–	0.01%	0.01%
Prices			
Highest share price	155.81	149.00	133.00
Lowest share price	126.44	132.50	128.40

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

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

Sustainable Future Corporate Bond Fund (continued)

Statement of Total Return
for the year ended 31 January 2021

	Notes	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Income					
Net capital gains	2		8,610		46,628
Revenue	3	21,536		20,650	
Expenses	4	(3,066)		(2,482)	
Interest payable and similar charges	6	(143)		(194)	
Net revenue before taxation		18,327		17,974	
Taxation	5	–		–	
Net revenue after taxation			18,327		17,974
Total return before distributions			**26,937**		**64,602**
Distributions	7		(21,867)		(21,239)
Change in net assets attributable to shareholders from investment activities			**5,070**		**43,363**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2021

	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Opening net assets attributable to shareholders		**610,827**		**499,941**
Amounts received on issue of shares	153,234		167,028	
Amounts paid on cancellation of shares	(38,713)		(100,283)	
		114,521		66,745
Dilution adjustment		6		1
Change in net assets attributable to shareholders from investment activities		5,070		43,363
Retained distributions on accumulation shares		2,708		775
Unclaimed distributions		–		2
Closing net assets attributable to shareholders		**733,132**		**610,827**

Sustainable Future Corporate Bond Fund (continued)

Balance Sheet
as at 31 January 2021

	Notes	31.1.2021 (£'000)	31.1.2020 (£'000)
Assets			
Fixed assets			
Investments		726,387	600,001
Current assets:			
Debtors	8	20,098	9,708
Cash and bank balances	9	1,310	8,714
Total assets		**747,795**	**618,423**
Liabilities			
Investment liabilities		(165)	(1,803)
Creditors:			
Amounts due to future clearing houses and brokers		(1,082)	(325)
Bank overdrafts		(1,211)	–
Distribution payable		(4,920)	(4,824)
Other creditors	10	(7,285)	(644)
Total liabilities		**(14,663)**	**(7,596)**
Net assets attributable to shareholders		**733,132**	**610,827**

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements
for the year ended 31 January 2021

1 Accounting policies

The accounting policies for the sub-fund are set out on pages 13 to 15.

2 Net capital gains

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
The net capital gains comprise:		
Non-derivative securities	7,060	53,286
Derivative contracts	(2,180)	(5,986)
Forward currency contracts	5,257	(930)
Currency (losses)/gains	(1,527)	258
Net capital gains	**8,610**	**46,628**

3 Revenue

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Bank interest	8	33
Interest from overseas fixed income securities	7,078	6,268
Interest from UK fixed income securities	14,421	14,116
Returns from bond futures	27	233
Stock lending income	2	–
Total revenue	**21,536**	**20,650**

4 Expenses

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	2,577	2,056
General administration charges	489	426
	3,066	**2,482**
Total expenses	**3,066**	**2,482**

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

5 Taxation

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)

a) Analysis of charge in year
There is no corporation tax charge in the current period or prior period.

b) Factors affecting tax charge for the year
The taxation assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Net revenue before taxation	18,327	17,974
Corporation tax at 20% (2020 - 20%)	3,665	3,595
Effects of:		
Tax deductible interest distributions	(4,374)	(4,248)
Transfer to capital re amortisation/accretion	709	653
Total tax charge [see note(a)]	**–**	**–**

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

6 Interest payable and similar charges

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Overdraft interest	53	146
Return from bond futures	90	48
Total interest payable and similar charges	**143**	**194**

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

7 Distributions

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
First Interim	5,446	4,890
Second Interim	5,610	5,709
Third Interim	5,709	5,458
Final	5,620	5,396
	22,385	**21,453**
Amounts deducted on cancellation of shares	162	348
Amounts received on issue of shares	(680)	(562)
Distributions	**21,867**	**21,239**
The distributable amount has been calculated as follows:		
Net revenue after taxation	18,327	17,974
Add: Transfer to capital re amortisation	3,540	3,265
Distributions	**21,867**	**21,239**

The distribution per share is set out in the tables on pages 81 to 82.

8 Debtors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Accrued revenue	10,132	8,903
Amounts receivable for issue of shares	2,688	805
Currency sales awaiting settlement	3,495	–
Sales awaiting settlement	3,783	–
Total debtors	**20,098**	**9,708**

9 Cash and bank balances

	31.1.2021 (£'000)	31.1.2020 (£'000)
Amount held at futures clearing houses and brokers	45	1,154
Cash and bank balances	1,265	7,560
Total cash and bank balances	**1,310**	**8,714**

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

10 Creditors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Other Creditors		
Accrued expenses	45	39
Accrued ACD's charge	250	200
Amounts payable for cancellation of shares	–	405
Currency purchases awaiting settlement	3,497	–
Purchases awaiting settlement	3,493	–
Total other creditors	**7,285**	**644**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2020: £nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £295,000 (2020: £239,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £3,066,000 (2020: £2,482,000).

13 Securities lending

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

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

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

13 Securities lending (continued)

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

		31 January 2021		31 January 2020	
Counterparty	Counterparty's country of establishment	Securities on loan (£'000)	Collateral received (£'000)	Securities on loan (£'000)	Collateral received (£'000)
Citigroup Global Markets Limited	UK	19,563	20,010	–	–
UBS AG	Switzerland	177	189	–	–
Total		**19,740**	**20,199**	**–**	**–**

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

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. As at 31 January 2021 all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange. There was no non-cash collateral received by the Sub-fund as at 31 January 2020.

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

14 Risk management policies

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

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

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

The main risks arising from the Sub-fund's financial instruments are market price (including "emerging markets price risk"), currency, interest rate, liquidity and counterparty credit risk. The ACD's policies for managing these risks are summarised below.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

The Sub-fund, alongside an independent risk function, has used a combination of risk measurements and limits to measure and monitor portfolio risk. This is in line with the Liontrust Group's Risk Management Process.

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

Market price risk

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

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

As at 31 January 2021 and 31 January 2020 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 5%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2021, had the representative market index increased/decreased by 5.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 5.3%.

As at 31 January 2020, had the representative market index increased/decreased by 5.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 4.3%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

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

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

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

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

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

The Sub-fund did use derivatives in the year including a number of bond futures. The level of Market Exposure in the fund as at year end as measured by the Commitment Approach described above was 11.1% (2020: 13.7%).

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

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

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

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

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

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

The majority of the Sub-fund's financial assets and liabilities are denominated in the Sub-fund's functional currency. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of currency exchange rates. Therefore, no exchange rate sensitivity analysis has been prepared for these.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Interest rate risk

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

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

The majority of the Sub-fund's financial assets will be in interest bearing financial assets and liabilities. As a result the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates. The ACD may from time to time enter into contracts on behalf of the Sub-fund that seeks to mitigate the effects of these movements.

The interest rate risk profile of financial assets and liabilities at 31 January 2021 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	15,926	706,958	3,503	726,387
Investment liabilities	–	–	(165)	(165)

The interest rate risk profile of financial assets and liabilities at 31 January 2020 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	52,469	546,794	738	600,001
Investment liabilities	–	–	(1,803)	(1,803)

At 31 January 2021, if interest rates had strengthened/weakened by 1% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 6.4%.

At 31 January 2020, if interest rates had strengthened/weakened by 1% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 6.7%.

Liquidity risk

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

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

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

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Counterparty credit risk

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

The table below summarises the credit quality of the Sub-fund debt portfolio as at 31 January 2021 and 31 January 2020.

Summary of Credit ratings	31.1.2021 (£'000)	31.1.2020 (£'000)
Investment grade	606,920	533,079
Below Investment grade	77,833	60,247
Not Rated	38,131	5,937
Total	**722,884**	**599,263**

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

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

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

Counterparty exposures

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

Counterparty details Financial Derivative Transactions	Forward Foreign Exchange Contracts (£'000)	Futures (£'000)	Total Exposure (£'000)
Bank of New York Mellon International	1,945	–	**1,945**
UBS AG	–	1,393	**1,393**
Total	**1,945**	**1,393**	**3,338**

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Counterparty exposures (continued)
The counterparty exposure of financial derivative transactions at 31 January 2020 is shown below:

Counterparty details Financial Derivative Transactions	Forward Foreign Exchange Contracts (£'000)	Futures (£'000)	Total Exposure (£'000)
Bank of New York Mellon International	(41)	-	**(41)**
UBS AG	-	(1,024)	**(1,024)**
Total	**(41)**	**(1,024)**	**(1,065)**

At the balance sheet date, there were two counterparties to open derivative contracts at the balance sheet date which were Bank of New York Mellon and UBS Limited. At the year-end collateral in respect of derivatives of Nil (prior year: Nil) was received; collateral in respect of derivatives pledged was £3,598,358 (prior year: £2,840,252) and none (prior year: none) of the Sub-funds' financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2021 was A (Standard & Poor's rating).

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

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

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

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

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

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Valuation of financial investments

31.1.2021	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	1,395	(2)
Level 2: Observable market data	724,967	(163)
Level 3: Unobservable data	25	–
	726,387	**(165)**

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	365	(1,389)
Level 2: Observable market data	599,624	(414)
Level 3: Unobservable data	12	–
	600,001	**(1,803)**

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.*

*The level 3 assets have been valued at a discount to the last traded price.

15 Share movement
For the year ending 31 January 2021

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Gross Income	228,289,358	101,290,069	(14,353,318)	2,141,607	317,367,716
Class 3 Gross Income	295,023,518	27,548,549	(15,029,314)	(1,635,855)	305,906,898
Class 6 Gross Accumulation	45,829,721	23,383,207	(7,083,109)	23,460	62,153,279

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

16 Portfolio transaction costs
for the year ending 31 January 2021

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	378,919	–	–	–	–
Total purchases	**378,919**	**–**		**–**	
Total purchases including transaction costs	**378,919**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	258,854	–	–	–	–
Total sales	**258,854**	**–**		**–**	
Total sales net of transaction costs	**258,854**				
Derivative transaction costs		**24**		**–**	
Total transaction costs		**24**		**–**	
Total transaction costs as a % of average net assets		**-**		**–**	

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

16 Portfolio transaction costs (continued)
for the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	343,881	–	–	–	–
Total purchases	**343,881**	**–**		**–**	
Total purchases including transaction costs	**343,881**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	288,055	–	–	–	–
Total sales	**288,055**	**–**		**–**	
Total sales net of transaction costs	**288,055**				
Derivative transaction costs		**34**		**–**	
Total transaction costs		**34**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**–**	

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

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.77% (2020: 0.66%).

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

17 Post balance sheet events

Since the year-end, markets have continued to be disrupted by the COVID-19 pandemic. Since the year-end, the NAV per share of Class 2 Gross Income share class has decreased by 1.83% to 17 May 2021. The other share classes in the Sub-fund have moved by a similar magnitude. Contingency plans at the ACD and key service providers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

Sustainable Future Corporate Bond Fund (continued)

Distribution Tables
for the year ended 31 January 2021

Final distribution

Group 1 - Shares purchased prior to 1 November 2020

Group 2 - Shares purchased 1 November 2020 to 31 January 2021

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2021 Pence per share	Distribution paid 31.3.2020 Pence per share
Class 2 Gross Income - Group 1	0.6486	–	0.6486	0.7403
Class 2 Gross Income - Group 2	0.3186	0.3300	0.6486	0.7403
Class 3 Gross Income - Group 1	0.9356	–	0.9356	1.0623
Class 3 Gross Income - Group 2	0.5037	0.4319	0.9356	1.0623
Class 6 Gross Accumulation - Group 1	1.1259	–	1.1259	1.2489
Class 6 Gross Accumulation - Group 2	0.5464	0.5795	1.1259	1.2489

Third interim distribution

Group 1 - Shares purchased prior to 1 August 2020

Group 2 - Shares purchased 1 August 2020 to 31 October 2020

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.12.2020 Pence per share	Distribution paid 31.12.2019 Pence per share
Class 2 Gross Income - Group 1	0.6899	–	0.6899	0.7817
Class 2 Gross Income - Group 2	0.2585	0.4314	0.6899	0.7817
Class 3 Gross Income - Group 1	0.9933	–	0.9933	1.1224
Class 3 Gross Income - Group 2	0.4614	0.5319	0.9933	1.1224
Class 6 Gross Accumulation - Group 1	1.1875	–	1.1875	1.3025
Class 6 Gross Accumulation - Group 2	0.6320	0.5555	1.1875	1.3025

Sustainable Future Corporate Bond Fund (continued)

Distribution Tables (continued)
for the year ended 31 January 2021

Second interim distribution

Group 1 - Shares purchased prior to 1 May 2020

Group 2 - Shares purchased 1 May 2020 to 31 July 2020

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2020 Pence per share	Distribution paid 30.9.2019 Pence per share
Class 2 Gross Income - Group 1	0.7194	–	0.7194	0.7995
Class 2 Gross Income - Group 2	0.3082	0.4112	0.7194	0.7995
Class 3 Gross Income - Group 1	1.0331	–	1.0331	1.1477
Class 3 Gross Income - Group 2	0.4744	0.5587	1.0331	1.1477
Class 6 Gross Accumulation - Group 1	1.2289	–	1.2289	1.3186
Class 6 Gross Accumulation - Group 2	0.3860	0.8429	1.2289	1.3186

First interim distribution

Group 1 - Shares purchased prior to 1 February 2020

Group 2 - Shares purchased 1 February 2020 to 30 April 2020

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.6.2020 Pence per share	Distribution paid 30.6.2019 Pence per share
Class 2 Gross Income - Group 1	0.7181	–	0.7181	0.7392
Class 2 Gross Income - Group 2	0.3517	0.3664	0.7181	0.7392
Class 3 Gross Income - Group 1	1.0287	–	1.0287	1.0631
Class 3 Gross Income - Group 2	0.5639	0.4648	1.0287	1.0631
Class 6 Gross Accumulation - Group 1	1.2159	–	1.2159	1.2080
Class 6 Gross Accumulation - Group 2	0.5118	0.7041	1.2159	1.2080

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

Sustainable Future Defensive Managed Fund

Report for the year from 1 February 2020 to 31 January 2021

Investment Objective

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

Investment Policy

The Sub-fund will invest globally. 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

Fund review

The SF Defensive Managed fund delivered 9.2% (Class 2 Net Income) over the 12 months under review, compared with the IA Mixed Investment 20-60% Shares sector average of 3.2% (which is the comparator benchmark)*.

In performance terms, our global ex-UK equity portfolio was key over the period while our UK equity portfolio was solid on a relative basis although the market has been among the harder hit. On our bond exposure, the duration short has been a detractor as the prospect of interest rate rises diminished but the quality of issuers remains a positive given that our focus is on lending to the economy of the future; overall, performance of our bond portfolio was in line with expectations.

From an asset allocation perspective, we came into 2020 feeling more positive about markets and had therefore moved overweight equities and underweight cash and gilts. As the serious nature of Coronavirus became clear, our asset allocation committee met in early February and we made the call to reduce equities to neutral and allow cash to build up, while remaining overweight corporate bonds. As we approached the end of Q1, the committee met again and concluded the long-term opportunity for equities is increasingly compelling, so we began to deploy cash, bringing that level down and adding slowly to equities.

We have remained overweight equities, infrastructure and credit and underweight cash and gilts for the rest of the review period, with both contributing to returns into the end of 2020 during a strong period for markets. Our AA committee met in mid-October and increased our pro-risk stance given that we expected encouraging news on vaccines at some point over winter. On the fixed income side, our portfolio continues to perform well from a credit point of view but faces a headwind of lower interest rates and quantitative easing. We remain short duration on the expectation gilt yields will rise in the coming years.

The portfolio continues to target companies that can grow as the global economy becomes more efficient, offer a higher quality of life and provide a more resilient global economy.

As the impact of the pandemic became clear in the first quarter and markets lurched rapidly into bear territory, we took the opportunity to revisit every holding in the portfolio and ask two key questions: first, have the prospects changed five and ten years from now and second, how were companies positioned for the next six to 12 months in terms of cash position and ability to flex down cost base and access debt facilities? In the majority of cases, we remained confident in the long-term prospects across the Sub-fund.

Cineworld was the exception – we felt its balance sheet was not appropriate for the challenges that lay ahead so we exited this position. The difference with Cineworld versus other holdings where we remained confident in their prospects is that the company had recently made a large acquisition in the US by gearing up its balance sheet and was preparing to make a similar purchase in Canada before Covid-19 forced a rethink. A period of no revenues left the business struggling to finance these borrowing costs and, in hindsight, we should have seen the excess leverage as more of a red flag.

Crises often super-charge societal shifts and this is currently happening across many areas, with decades of development squeezed into weeks. Over recent months, we have seen a particular acceleration in themes such as Connecting people and Enhancing digital security and our holdings in these have been among our stronger names.

More recently, we saw something of a correction in technology stocks in September, which hit some of our names that had benefited most from the post-Covid working environment. We remain confident in these stocks despite the selloff: while positioning in the tech sector is heavily concentrated, we continue to focus on the long-term potential of each of our businesses and the four elements we seek in all investments, thematic drivers, sustainable credentials, good fundamentals and attractive valuation.

Another accelerating trend is digital payments (under our Increasing financial resilience theme), with a huge rise in online shopping and a growing reluctance to accept cash in the current environment. PayPal has been among our top performers and our thesis is largely based around engagement, the number of customers that sign up and how frequently they use the system when making a purchase The fact so many people trust PayPal to process and store their details is what makes this company so well positioned for growth.

Elsewhere, DocuSign also remains among our best holdings, with the company creating a unique product that digitalises the final signature part of the document creation process. At this point, a document traditionally needs to be printed several times, then sent via

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Fund review (continued)

mail, which is both time-consuming and costly. The company has a 70% market share for e-signatures globally but its addressable market is around 10 times larger than current sales figures, given it is effectively competing with paper. The growth rate has understandably accelerated in the Covid-19 world and we see this stock, held under our Increasing waste treatment and recycling theme, as an excellent example of a solution that makes the world more efficient.

Another strong contribution has come from among the smallest investments in the fund by market cap, with US pet insurer Trupanion exposed to our theme of Insuring a sustainable economy. Pet insurance is in the US is growing at 20-30% a year from a very low base of just 1.5-2% coverage and has decades of growth ahead. The reason for such low penetration lies in the history of the industry, with products very prescriptive and insurance companies capping the amount they would cover per procedure.

Trupanion does things differently and has spent the last 20 years disrupting the industry: it has a monthly subscription model that stops when you cancel or your pet dies rather than annual policies that require rebuying every year, and no caps on coverage. Our theme is about providing financial resilience to individuals and covering them against unexpected shocks. Trupanion does exactly this in a manner we think is not only responsible but provides the business with advantages that are difficult to replicate.

Another top performer was Autodesk, which saw its shares rising again after a weaker second quarter, during which sentiment was hit by relatively cautious guidance from management. Autodesk services the construction industry, with software technology that makes its customers more efficient, cutting costs and improving profitability. The company's growth rate is largely structural but its customers clearly sit in a cyclical industry and improving news on vaccines point towards better economic conditions in 2021 and beyond.

A number of semiconductor names are among the best contributors, with Cadence Design Systems continuing to broaden its chip design software offering to new customers, as the likes of Amazon, Google and even Tesla invest in design teams. Cadence's software offering is essential to this and demand from these businesses, as well as more traditional chip manufacturing customers, will drive growth over the short and long term. This type of innovation delivers better efficiency, which is key to our Improving the efficiency of energy use theme.

Other long-term semiconductor holdings, Infineon and ASML, have also posted solid results over recent months. Infineon CEO Reinhard Ploss said some of the company's target markets, especially the automotive sector, have recovered better than expected since summer and the structural transformation towards electro mobility is accelerating, particularly in Europe, which remains a key part of our thesis.

In our UK portfolio, Abcam remains a strong performer as it continues to benefit from a re-rating given the recent focus on life sciences while speciality chemicals company Croda International has also had a strong 12 months, making key ingredients for life sciences and healthcare, personal care products and seed coatings, as well as lubricants and adhesives. The majority of its raw materials are natural and the company is a recognised leader in green chemistry, benefiting from ongoing demand for its products.

Although among our weaker holdings over the full year, financial names such as Legal & General and Paragon Banking Group, linked to our themes of Insuring a sustainable future and Increasing financial resilience, enjoyed a much stronger end to 2020. Showcasing the kind of financials we tend to own, Paragon Banking Group provides long-term mortgages to professional landlords, supporting the growing provision of homes for rent in the UK. It announced solid results for the year to 30 September, highlighting strong capital and liquidity, an increasingly diversified business and growing momentum in new lending activities.

Elsewhere, names such as Trainline also saw share price growth towards the end of the period on the back of a vaccine-improved outlook. Looking at Trainline, the company had been struggling this year, as would be expected for a travel business during a period of lockdown. Our thesis is that growth will return for this highly profitable business with an undemanding valuation, with safe, efficient mass transport the only way to reduce congestion and emissions in our cities.

We see a similar story with holdings such as Italian fitness equipment manufacturer Technogym, also among our weaker names over the year but enjoying better fortunes in Q4. Technogym is a leader in the global fitness equipment market with a 6% market share and the number-one brand in Europe, as the only company in the sector to provide a full solution from fitness equipment to gym management. The business has excellent fundamentals, with a ROIC well in excess of 30% and annual compound EPS growth of 22% over the past five years as well as a net-cash balance sheet.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Fund review (continued)

In terms of trading, we implemented a phased, average in strategy to avoid having to call the market bottom, with the first stage in late March and the second in early April. We have researched a number of high-quality companies over the years that are benefiting from thematic growth, strong sustainability management and attractive fundamentals but did not meet the fourth aspect of our process – an attractive valuation resulting in 10% annualised upside on a five-year horizon. Indiscriminate selling in March gave us the opportunity to add a few select companies that did this valuation target after share price falls.

We initiated a position in Ansys for example, a global leader in simulation software. Its products help customers get their own products to market quicker, reducing risks around defects and generally improving innovation. Revenues are tied to R&D budgets for clients, which we feel are much less cyclical than other areas in which businesses tend to invest. As an example of what we outlined above, we initially looked at the stock in December 2019 but it did not our valuation criteria at that time. After falling over 40% from its highs in February, the stock did now meet our target, even after adjusting for the lower revenues due to the current crisis.

We also added Intuitive Surgical, a global leader in robotic-assisted surgery, which helps reduce errors and therefore costs for hospitals.

In Q3, we started a new position in Evotec, a global leader in providing outsourcing solutions to the pharma and biotech sectors for drug discovery and development. Its solutions enable R&D investment to be more effective and we see this as another key name for our Enabling innovation in healthcare sector.

Adyen was another addition, a beneficiary of our Increasing financial resilience theme through making the shift to digital payments safer and more efficient. A further financial added in Q3 was Sweden's leading investment platform Avanza (held under our Saving for the future theme), which is disrupting the market with superior technology and customer service.

Finally, in the last part of the year, we bought Spotify under our newest Encouraging sustainable leisure theme, the world's dominant audio platform with close to 300 million monthly active users (138 million paying a monthly subscription) in more than 70 countries. The company is adding users at a faster pace than closest rivals Apple and Amazon and keeping them more engaged: while launched as a music streaming service, it is moving into podcasts and its own content and we are excited to watch the business expand into audiobooks, live gigs and other areas as it takes advantage of its leading position.

We also started a position in US healthcare business Illumina, a global leader in sequencing and array-based solutions for genetic analysis. This is another name for our Enabling innovation in healthcare theme, with the company's ability to read and interpret a patient's DNA a core first step in the shift towards more personalised and efficacious medicines.

Elsewhere, we sold two stocks that had neared our long-term valuation calculation after a very strong 2020, Salesforce.Com and Eli Lilly.

**Source: FE Analytics, primary share class, total return, net of fees and income & interest reinvested, 31.01.20-31.01.21*

Market review

Markets started 2020 buoyant with positive news of a potential trade deal between the US and China and some clarity on Brexit negotiations, two issues that had had dominated headlines and sentiment for the previous few years. At this point, there were only rumblings of a viral outbreak in China but for whatever reason, the risk this would spread to the West was far from most investors' minds.

Twelve months later, a huge amount has changed as a result of the Covid-19 health crisis, with the global economy put on hold for several months as countries all over the world went into lockdown, moving back towards some sense of normality over summer and then falling back into shutdown in the face of a second wave of the virus.

After huge market declines in March, the second quarter saw equities retrace a large portion of these losses on the belief that policymakers' 'whatever it takes' attitude would be enough to prevent a serious recession. Governments and central banks were unified in their reaction with substantial monetary and fiscal stimulus, learning the lessons of 2008. These measures helped ease some of the

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Market review (continued)

impact of lost earnings, supported jobs and provided markets with liquidity and reassurance – but also had the effect of massively expanding already bloated government balance sheets.

Markets overall had a slower third quarter as concerns around renewed lockdowns persisted but positive news on vaccines in November drove a strong recovery after a weaker October. This optimism was further buoyed by Joe Biden's victory in the US Presidential election and we also saw an end to more than four years of Brexit negotiations, with the UK and EU unveiling a deal on Christmas Eve that should help markets start 2021 on firmer footing and allow companies to plan ahead.

While concerns about Covid-19 remain, with many countries forced back into lockdown amid worries about the virus mutating, broad market outperformance continued to the end of the year on the back of expectations of a better 2021. While we welcome the recovery in more cyclical names, we avoid trying to predict how the macro picture will develop and focus on backing companies benefiting from the structural shift towards a more sustainable economy and generating high returns. Covid-19 does not change our view that companies exposed to sustainable themes will see strong growth and many of these areas will accelerate as the world recovers.

As always, we continue to stress that whatever macro events are unfolding in the background, the underlying business fundamentals for the areas of the global market in which we invest remain strong. Our themes are structural in nature and therefore less transient than cyclical drivers, which can change constantly. The key factor behind all our themes is the conviction that, over time, the global economy will become more sustainable.

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, investments can result in a total loss of capital.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
United Kingdom Gilt 1.625% 22/10/2028	United Kingdom Gilt 1.625% 22/10/2028
United Kingdom Gilt 3.75% 7/9/2021	Brookfield Renewable Partners
HSBC Bank 0.75% 19/12/2169	Salesforce.com
Compass	Legal & General 5.125% 14/11/2048
Trainline	HBOS Capital Funding 6.85% 23/6/2169
Zurich Finance Ireland Designated Activity 3% 19/4/2051	Eli Lilly
Stichting AK Rabobank Certificaten 6.5% 29/3/2169	DocuSign
Societe Generale 0.335% 26/5/2169	Lloyds Bank 13% 21/07/2169
HSBC 7% 7/4/2038	Kingspan
GlaxoSmithKline	PayPal

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.

Typically lower rewards, lower risk — Typically higher rewards, higher risk

1	2	3	**4**	5	6	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund is categorised 4 because funds of this type have experienced medium to high rises and falls in value in the past.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-fund;
  - any company which has high overseas earnings may carry a higher currency risk;
  - 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.
- Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Sub-fund. If long-term interest rates rise, the value of your shares is likely to fall.
- The Sub-fund can invest in derivatives. Derivatives are used to protect against currencies, credit and interests rates move 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 has holdings which are denominated in currencies other than Sterling and may be affected by movements in exchange rates. Consequently the value of an investment may rise or fall in line with the exchange rates.
- Investments in emerging markets may involve a higher element of risk due to less well regulated markets and political and economic instability.

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)

Portfolio Statement
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (39.61%)	**327,730**	**44.51**
	AUSTRALIA (0.58%)	**4,807**	**0.65**
31,661	CSL	4,807	0.65
	CZECH REPUBLIC (0.00%)	**2,083**	**0.28**
441,042	Avast	2,083	0.28
	DENMARK (0.59%)	**3,677**	**0.50**
57,351	Ringkjoebing Landbobank	3,677	0.50
	GERMANY (0.93%)	**11,760**	**1.60**
89,598	Evotec	2,593	0.35
61,956	Hella	2,765	0.38
100,421	Infineon Technologies	2,939	0.40
48,470	Puma	3,463	0.47
	IRELAND (2.32%)	**16,348**	**2.23**
36,311	Kerry	3,595	0.49
100,574	Kingspan	4,978	0.68
222,401	Smurfit Kappa	7,775	1.06
	ITALY (0.50%)	**3,248**	**0.44**
75,634	Banca Generali	1,713	0.23
205,577	Technogym	1,535	0.21
	JAPAN (2.30%)	**13,103**	**1.78**
4,739	Canadian Solar Infrastructure Fund	4,289	0.58
20,000	Daikin Industries	3,067	0.42
8,600	Keyence	3,357	0.46
43,000	TechnoPro	2,390	0.32
	NETHERLANDS (0.78%)	**7,194**	**0.98**
1,919	Adyen	2,919	0.40
10,995	ASML	4,275	0.58
	SPAIN (0.62%)	**3,683**	**0.50**
86,181	Cellnex Telecom	3,683	0.50

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	SWEDEN (0.40%)	**4,036**	**0.55**
203,029	Avanza Bank	4,036	0.55
	SWITZERLAND (0.42%)	**1,790**	**0.24**
7,117	Roche	1,790	0.24
	UNITED KINGDOM (16.53%)	**150,414**	**20.42**
723,686	3i	8,040	1.09
437,844	Abcam	7,255	0.99
357,191	AJ Bell	1,538	0.21
555,067	Compass	7,271	0.99
726,212	Countryside Properties	3,131	0.43
904,899	Crest Nicholson	2,926	0.40
108,906	Croda International	6,844	0.93
1,327,585	DFS Furniture	2,854	0.39
3,569,255	Downing Renewables & Infrastructure Trust	3,498	0.47
476,951	GB	4,083	0.55
440,469	GlaxoSmithKline	5,976	0.81
37,046	GW Pharmaceuticals	4,099	0.56
729,339	Gym	1,535	0.21
156,298	Halma	3,857	0.52
308,631	Hargreaves Lansdown	5,271	0.72
1,739,159	Helios Towers	2,769	0.38
3,071,930	Home REIT	3,287	0.45
100,731	Intertek	5,556	0.75
3,593,411	IP	3,410	0.46
880,808	John Laing	2,790	0.38
2,026,394	Legal & General	4,944	0.67
77,918	London Stock Exchange	6,768	0.92
1,163,435	National Express	2,909	0.39
442,237	Oxford Biomedica	4,338	0.59
965,016	Paragon Banking	4,377	0.59
201,090	Porvair	1,086	0.15
2,259,649	PRS REIT	1,898	0.26
459,193	Prudential	5,384	0.73
6,287,841	SDCL Energy Efficiency Income Trust	6,728	0.91
347,032	Softcat	5,240	0.71
554,659	St James's Place	6,506	0.88

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
1,732,688	Trainline	7,062	0.96
3,288,739	Triple Point Energy Efficiency Infrastructure	3,322	0.45
91,092	Unilever	3,862	0.52
	UNITED STATES OF AMERICA (13.64%)	**105,587**	**14.34**
7,000	Adobe	2,337	0.32
26,900	Alexion Pharmaceuticals	3,002	0.41
5,100	Alphabet 'A'	6,776	0.92
26,900	American Tower	4,454	0.60
11,800	Ansys	3,041	0.41
25,600	Autodesk	5,168	0.70
70,800	Cadence Design Systems	6,714	0.91
150,836	Charles Schwab	5,657	0.77
12,900	DocuSign	2,189	0.30
37,400	Ecolab	5,563	0.76
7,121	Equinix	3,830	0.52
45,814	First Republic Bank	4,836	0.66
12,100	Illumina	3,752	0.51
12,000	Intuit	3,154	0.43
5,900	Intuitive Surgical	3,208	0.44
41,100	IQVIA	5,320	0.72
26,900	Nasdaq	2,646	0.36
14,000	Palo Alto Networks	3,585	0.49
23,900	PayPal	4,076	0.55
33,200	PerkinElmer	3,556	0.48
17,500	Rockwell Automation	3,164	0.43
18,600	Splunk	2,235	0.30
12,677	Thermo Fisher Scientific	4,701	0.64
20,700	Trupanion	1,687	0.23
26,000	VeriSign	3,672	0.50
32,600	Visa 'A'	4,589	0.62
37,300	Waste Connections	2,675	0.36

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (34.95%)	**309,105**	**41.99**
	UNITED KINGDOM GOVERNMENT BONDS (12.93%)	**78,796**	**10.70**
£ 60,000,000	United Kingdom Gilt 1.625% 22/10/2028	66,659	9.05
£ 11,870,000	United Kingdom Gilt 3.75% 7/9/2021	12,137	1.65
	UK STERLING DEBT SECURITIES (20.95%)	**185,964**	**25.25**
£ 400,000	3i 5.75% 3/12/2032	554	0.08
£ 3,400,000	Annington Funding 3.184% 12/7/2029	3,815	0.52
£ 3,600,000	Aroundtown 3.25% 18/7/2027	3,989	0.54
£ 1,700,000	Assicurazioni Generali 6.269% 16/6/2169	1,917	0.26
£ 2,500,000	AT&T 7% 30/4/2040	4,150	0.56
£ 3,000,000	Aviva 4% 3/6/2055	3,393	0.46
£ 3,700,000	Aviva 5.125% 4/6/2050	4,438	0.60
£ 1,800,000	AXA 5.453% 4/3/2169	2,082	0.28
£ 1,062,000	AXA 6.6862% 6/7/2169	1,302	0.18
£ 3,700,000	Banco Santander 1.75% 17/2/2027	3,781	0.51
£ 3,600,000	British Telecommunications 5.75% 7/12/2028	4,726	0.64
£ 2,094,000	Bunzl Finance 1.5% 30/10/2030	2,138	0.29
£ 1,617,000	Bunzl Finance 2.25% 11/6/2025	1,718	0.23
£ 2,250,000	Cadent Finance 2.125% 22/9/2028	2,409	0.33
£ 121,000	Clarion Funding 2.625% 18/1/2029	136	0.02
£ 1,650,000	Compass 2% 5/9/2025	1,755	0.24
£ 2,700,000	Cooperatieve Rabobank UA 4.625% 23/5/2029	3,299	0.45
£ 2,600,000	Coventry Building Society 6.875% 18/9/2169	2,866	0.39
£ 500,000	CPUK Finance 3.69% 28/2/2047	550	0.08
£ 2,900,000	Deutsche Telekom International Finance 8.875% 27/11/2028	4,591	0.62
£ 3,100,000	Direct Line Insurance 4% 5/6/2032	3,553	0.48
£ 2,369,000	DWR Cymru Financing UK 1.625% 31/3/2026	2,416	0.33
£ 1,200,000	DWR Cymru Financing UK 2.5% 31/3/2036	1,428	0.19
£ 1,700,000	GlaxoSmithKline Capital 5.25% 19/12/2033	2,520	0.34
£ 4,850,000	HSBC 7% 7/4/2038	7,515	1.02
£ 1,850,000	InterContinental Hotels 3.75% 14/8/2025	2,008	0.27
£ 1,350,000	Investec Bank 4.25% 24/7/2028	1,397	0.19
£ 3,200,000	Legal & General 4.5% 1/11/2050	3,638	0.49
£ 1,150,000	Legal & General 5.5% 27/6/2064	1,488	0.20
£ 2,500,000	Liberty Living Finance 3.375% 28/11/2029	2,746	0.37
£ 2,142,000	Lloyds Bank 2.707% 3/12/2035	2,218	0.30
£ 2,000,000	Lloyds Bank 2.707% 3/12/2035	2,071	0.28
£ 1,850,000	Logicor 2019-1 UK 1.875% 17/11/2026	1,960	0.27

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (continued)		
£ 2,250,000	London & Quadrant Housing Trust 2% 20/10/2038	2,335	0.32
£ 2,350,000	M&G 5.625% 20/10/2051	2,827	0.38
£ 2,226,000	Motability Operations 1.5% 20/1/2041	2,215	0.30
£ 1,500,000	Motability Operations 1.75% 3/7/2029	1,602	0.22
£ 2,115,000	National Express 2.375% 20/11/2028	2,198	0.30
£ 500,000	National Express 4.25% 26/2/2169	512	0.07
£ 2,685,000	National Grid Gas 1.125% 14/1/2033	2,641	0.36
£ 1,800,000	Nationwide Building Society 5.875% 20/12/2169	1,960	0.27
£ 1,200,000	Natwest 3.125% 28/3/2027	1,307	0.18
£ 4,700,000	Natwest 3.622% 14/8/2030	5,068	0.69
£ 1,700,000	Next 3.625% 18/5/2028	1,881	0.26
£ 2,700,000	NGG Finance 5.625% 18/6/2073	3,072	0.42
£ 3,105,000	Optivo Finance 2.857% 7/10/2035	3,625	0.49
£ 2,500,000	Orange 8.125% 20/11/2028	3,814	0.52
£ 2,650,000	Orsted 2.125% 17/5/2027	2,854	0.39
£ 1,000,000	Pension Insurance 3.625% 21/10/2032	1,074	0.15
£ 2,900,000	Pension Insurance 5.625% 20/9/2030	3,599	0.49
£ 350,000	Pension Insurance 8% 23/11/2026	458	0.06
£ 3,700,000	Phoenix 5.625% 28/4/2031	4,505	0.61
£ 700,000	Places for People Homes 5.875% 23/5/2031	978	0.13
£ 1,900,000	Rothesay Life 5.5% 17/9/2029	2,114	0.29
£ 1,750,000	Rothesay Life 8% 30/10/2025	2,205	0.30
£ 2,981,000	Segro 2.375% 11/10/2029	3,315	0.45
£ 1,772,000	Severn Trent Utilities Finance 2% 2/6/2040	1,865	0.25
£ 800,000	Severn Trent Utilities Finance 6.25% 7/6/2029	1,132	0.15
£ 2,750,000	Southern Gas Networks 1.25% 2/12/2031	2,721	0.37
£ 2,900,000	SP Transmission 2% 13/11/2031	3,132	0.43
£ 2,495,000	SSE 3.74% 14/4/2169	2,642	0.36
£ 3,200,000	Standard Chartered 5.125% 6/6/2034	4,043	0.55
£ 1,584,000	Student Finance 2.6663% 30/9/2029	1,594	0.22
£ 4,000,000	Telefonica Emisiones 5.375% 2/2/2026	4,839	0.66
£ 392,000	UNITE 3.5% 15/10/2028	438	0.06
£ 2,286,000	United Utilities Water Finance 0.875% 28/10/2029	2,266	0.31
£ 3,700,000	Verizon Communications 3.375% 27/10/2036	4,512	0.61
£ 3,000,000	Vodafone 5.9% 26/11/2032	4,432	0.60
£ 2,350,000	Western Power Distribution 3.5% 16/10/2026	2,608	0.35
£ 710,000	Wm Morrison Supermarkets 4.75% 4/7/2029	899	0.12

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (continued)		
£ 2,950,000	Yorkshire Building Society 3.375% 13/9/2028	3,199	0.43
£ 700,000	Yorkshire Water Finance 6.454% 28/5/2027	916	0.12
	EURO DEBT SECURITIES (0.09%)	**7,584**	**1.03**
€ 4,626,225	Stichting AK Rabobank Certificaten 6.5% 29/3/2169	5,362	0.73
€ 1,700,000	Telecom Italia Finance 7.75% 24/1/2033	2,222	0.30
	US DOLLAR DEBT SECURITIES (0.98%)	**36,761**	**5.01**
$ 2,500,000	AXA 6.379% 14/6/2169	2,540	0.35
$ 5,000,000	Barclays 3.564% 23/9/2035	3,817	0.52
$ 3,000,000	BNP Paribas 7.195% 25/12/2169	2,396	0.33
$ 2,100,000	Cloverie for Zurich Insurance 5.625% 24/6/2046	1,767	0.24
$ 10,500,000	HSBC Bank 0.75% 19/12/2169	6,786	0.92
$ 4,000,000	Lloyds Bank 0.4375% 21/2/2169	2,709	0.37
$ 2,000,000	National Westminster Bank 0.5% 27/2/2169	1,367	0.19
$ 1,500,000	Natwest 0.5625% 11/6/2169	1,025	0.14
$ 2,000,000	Natwest 2.57388% 31/3/2169	1,431	0.19
$ 8,220,000	Societe Generale 0.335% 26/5/2169	5,497	0.75
$ 2,800,000	Swiss Re Finance Luxembourg 5% 2/4/2049	2,355	0.32
$ 6,983,000	Zurich Finance Ireland Designated Activity 3% 19/4/2051	5,071	0.69
	COLLECTIVE INVESTMENT SCHEMES (11.25%)	**40,698**	**5.53**
	GUERNSEY (1.35%)	**4,217**	**0.57**
3,320,246	Renewables Infrastructure	4,217	0.57
	JERSEY (0.40%)	**0**	**0.00**
	UNITED KINGDOM (9.50%)	**36,481**	**4.96**
4,629,257	Aquila European Renewables Income Fund	4,341	0.59
3,726,801	Greencoat UK Wind	5,098	0.69
3,114,347	JLEN Environmental Assets	3,566	0.49

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	COLLECTIVE INVESTMENT SCHEMES (continued)		
	UNITED KINGDOM (continued)		
17,443,144	Liontrust Sustainable Future Corporate Bond Fund	20,689	2.81
3,609,783	US Solar Fund	2,787	0.38
	Portfolio of investments	**677,533**	**92.03**
	Net other assets	**58,666**	**7.97**
	Total net assets	**736,199**	**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 2020.

Stocks shown as REITs represent Real Estate Investment Trust.

Sustainable Future Defensive Managed Fund (continued)

Comparative Tables
for the year ended 31 January 2021

Class 2 Net Income Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	138.56	123.03	124.65
Return before operating charges	13.00	19.46	2.26
Operating charges	(1.23)	(1.23)	(1.15)
Return after operating charges	11.77	18.23	1.11
Distributions	(2.21)	(2.70)	(2.73)
Closing net asset value per share	**148.12**	**138.56**	**123.03**
After direct transaction costs of*	(0.19)	(0.23)	(0.25)
Performance			
Return after charges	8.50%	14.82%	0.89%
Other information			
Closing net asset value (£000's)	675,800	260,225	69,858
Closing number of shares	456,260,987	187,801,666	56,781,521
Operating charges**	0.87%	0.92%	0.92%
Direct transaction costs*	0.13%	0.18%	0.20%
Prices			
Highest share price	153.79	141.80	129.10
Lowest share price	119.04	123.50	120.40

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

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

Sustainable Future Defensive Managed Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2021

Class 3 Net Income Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	140.96	124.81	126.06
Return before operating charges	13.18	19.66	2.19
Operating charges	(0.79)	(0.77)	(0.67)
Return after operating charges	12.39	18.89	1.52
Distributions	(2.25)	(2.74)	(2.77)
Closing net asset value per share	**151.10**	**140.96**	**124.81**
After direct transaction costs of*	(0.19)	(0.24)	(0.26)
Performance			
Return after charges	8.79%	15.14%	1.21%
Other information			
Closing net asset value (£000's)	60,399	33,951	12,068
Closing number of shares	39,973,592	24,085,661	9,668,796
Operating charges**	0.55%	0.57%	0.53%
Direct transaction costs*	0.13%	0.18%	0.20%
Prices			
Highest share price	156.86	144.20	130.80
Lowest share price	121.15	125.30	121.90

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

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

Sustainable Future Defensive Managed Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2021

Class Z Net Income Accounting year ended	31 January 2020+ per share (p)	31 January 2019 per share (p)
Change in net assets per share		
Opening net asset value per share	126.40	127.08
Return before operating charges	9.79	1.91
Operating charges	(0.17)	(0.20)
Return after operating charges	9.62	1.71
Distributions	–	(2.39)
Closing net asset value per share	**136.02**	**126.40**
After direct transaction costs of*	(0.07)	(0.26)
Performance		
Return after charges	7.61%	1.35%
Other information		
Closing net asset value (£000's)	–	1
Closing number of shares	–	1,000
Operating charges**	0.43%	0.16%
Direct transaction costs*	0.18%	0.20%
Prices		
Highest share price	136.00	132.00
Lowest share price	126.90	122.90

\+ Closed on 22 May 2019

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

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

Sustainable Future Defensive Managed Fund (continued)

Statement of Total Return
for the year ended 31 January 2021

	Notes	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Income					
Net capital gains	2		42,752		18,949
Revenue	3	8,457		3,744	
Expenses	4	(4,235)		(1,497)	
Interest payable and similar charges	6	(1)		(2)	
Net revenue before taxation		4,221		2,245	
Taxation	5	(299)		(187)	
Net revenue after taxation			3,922		2,058
Total return before distributions			**46,674**		**21,007**
Distributions	7		(7,310)		(3,258)
Change in net assets attributable to shareholders from investment activities			**39,364**		**17,749**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2021

	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Opening net assets attributable to shareholders		**294,176**		**81,927**
Amounts received on issue of shares	416,847		197,272	
Amounts paid on cancellation of shares	(14,218)		(2,799)	
		402,629		194,473
Dilution adjustment		30		27
Change in net assets attributable to shareholders from investment activities		39,364		17,749
Closing net assets attributable to shareholders		**736,199**		**294,176**

Sustainable Future Defensive Managed Fund (continued)

Balance Sheet
as at 31 January 2021

	Notes	31.1.2021 (£'000)	31.1.2020 (£'000)
Assets			
Fixed assets			
Investments		677,533	252,429
Current assets:			
Debtors	8	25,274	5,682
Cash and bank balances	9	84,406	39,138
Total assets		**787,213**	**297,249**
Liabilities			
Creditors:			
Bank overdrafts		(6)	–
Distribution payable		(5,188)	(2,728)
Other creditors	10	(45,809)	(345)
Provision for liabilities	11	(11)	–
Total liabilities		**(51,014)**	**(3,073)**
Net assets attributable to shareholders		**736,199**	**294,176**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements
for the year ended 31 January 2021

1 Accounting policies

The accounting policies for the sub-fund are set out on pages 13 to 15.

2 Net capital gains

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
The net capital gains comprise:		
Non-derivative securities	42,735	18,985
Currency gains/(losses)	17	(36)
Net capital gains	**42,752**	**18,949**

3 Revenue

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Bank interest	28	–
Equity distributions on CIS holdings	–	21
Interest distributions on CIS holdings	–	478
Interest from overseas fixed income securities	1,371	392
Interest from UK fixed income securities	3,565	1,166
Management fee rebates on CIS	60	45
Overseas dividends	975	604
Stock lending income	10	–
Taxable overseas dividends	217	100
UK dividends	2,123	889
UK REIT dividends	–	10
US REIT dividends	108	39
Total revenue	**8,457**	**3,744**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

4 Expenses

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	3,503	1,209
General administration charges	732	288
	4,235	**1,497**
Total expenses	**4,235**	**1,497**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

5 Taxation

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
a) Analysis of charge in year		
Corporation tax	200	148
Less: Double taxation relief	(20)	(14)
Overseas tax	108	54
Deferred tax movement [see note(c)]	11	(1)
Total tax charge [see note(b)]	**299**	**187**

b) Factors affecting tax charge for the year
The taxation assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Net revenue before taxation	4,221	2,245
Corporation tax at 20% (2020 - 20%)	844	449
Effects of:		
Double taxation relief	(34)	(14)
Overseas tax	108	54
Revenue not subject to tax	(619)	(302)
Total tax charge [see note(a)]	**299**	**187**

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

c) Deferred tax

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Opening deferred tax balance	–	1
Deferred tax movement for the year (see note 5a)	11	(1)
Closing deferred tax	**11**	**–**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

6 Interest payable and similar charges

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Overdraft interest	1	2
Total interest payable and similar charges	**1**	**2**

7 Distributions

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Interim distribution	3,964	1,717
Final distribution	5,188	2,728
	9,152	**4,445**
Amounts deducted on cancellation of shares	64	19
Amounts received on issue of shares	(1,906)	(1,206)
Distributions	**7,310**	**3,258**
The distributable amount has been calculated as follows:		
Net revenue after taxation	3,922	2,058
Less: Tax relief on capitalised expenses	(847)	(300)
Add: ACD expenses reimbursed by capital	4,235	1,500
Distributions	**7,310**	**3,258**

The distribution per share is set out in the tables on page 118.

8 Debtors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Accrued Management fee rebates on CIS	10	5
Accrued revenue	3,724	1,447
Amounts receivable for issue of shares	8,828	4,138
Currency sales awaiting settlement	12,422	–
Overseas withholding tax	75	25
Sales awaiting settlement	215	67
Total debtors	**25,274**	**5,682**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

9 Cash and bank balances

	31.1.2021 (£'000)	31.1.2020 (£'000)
Cash and bank balances	84,406	39,138
Total cash and bank balances	**84,406**	**39,138**

10 Creditors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Other Creditors		
Accrued expenses	87	39
Accrued ACD's charge	452	172
Corporation tax	61	134
Currency purchases awaiting settlement	12,429	–
Purchases awaiting settlement	32,780	–
Total other creditors	**45,809**	**345**

11 Provision for liabilities

	31.1.2021 (£'000)	31.1.2020 (£'000)
Deferred tax	11	–
Total provision for liabilities	**11**	**–**

12 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2020: £nil).

13 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are include within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £539,000 (2020: £211,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £4,235,000 (2020: £1,501,000).

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Securities lending

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

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

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

		31 January 2021		31 January 2020	
Counterparty	Counterparty's country of establishment	Securities on loan (£'000)	Collateral received (£'000)	Securities on loan (£'000)	Collateral received (£'000)
Citigroup Global Markets Limited	UK	72,749	74,499	–	–
Credit Suisse International	Switzerland	2,559	3,039	–	–
Credit Suisse Securities (Europe) Limited	UK	73	78	–	–
J.P. Morgan Securities Plc	UK	4,803	5,319	–	–
Merrill Lynch International	UK	77	84	–	–
UBS AG	Switzerland	4,568	5,326	–	–
Total		**84,829**	**88,345**	**–**	**–**

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

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. As at 31 January 2021 all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange. There was no non-cash collateral received by the Sub-fund as at 31 January 2020.

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

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies

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

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

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

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

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

Market price risk

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

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

As at 31 January 2021 and 31 January 2020 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

Market price risk (continued)

previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2021, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 8.9%.

As at 31 January 2020, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.3%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

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

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

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

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

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

Currency risk

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

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

Currency risk (continued)

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

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

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

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

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

At 31 January 2021 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	4,807	4,807
Danish Krone	9	3,677	3,686
Euro	52	46,384	46,436
Japanese Yen	124	13,103	13,227
Norwegian Krone	9	–	9
Swedish Krona	–	4,036	4,036
Swiss Franc	–	1,790	1,790
United States Dollar	103	149,231	149,334
	297	**223,028**	**223,325**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

Currency risk (continued)
At 31 January 2020 the Sub-fund's currency exposure was as shown in the table below:*

Currency Profile

Currency	Net Foreign Currency Assets Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	(1)	1,716	1,715
Danish Krone	4	1,725	1,729
Euro	11	13,572	13,583
Japanese Yen	68	6,763	6,831
Norwegian Krone	9	–	9
Swedish Krona	–	1,180	1,180
Swiss Franc	–	1,247	1,247
United States Dollar	85	50,431	50,516
	176	**76,634**	**76,810**

If the exchange rate at 31 January 2021 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.30%/(0.30%) respectively.

If the exchange rate at 31 January 2020 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.26/(0.26%) respectively.

* Presentation of prior year disclosure has been updated to include debtors/creditors in line with current year.

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

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

Between 10% and 60% (typically 25%) of the Sub-fund's financial assets will be in interest bearing financial assets and liabilities. As a result the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates. The ACD may from time to time enter into contracts on behalf of the Sub-fund that seeks to mitigate the effects of these movements.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

Interest rate risk (continued)
The interest rate risk profile of financial assets and liabilities at 31 January 2021 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	18,815	290,290	368,428	677,533
Investment liabilities	–	–	–	–

The interest rate risk profile of financial assets and liabilities at 31 January 2020 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	7,295	95,506	149,628	252,429
Investment liabilities	–	–	–	–

At 31 January 2021, if interest rates had strengthened/weakened by 1% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 3.8%.

At 31 January 2020, if interest rates had strengthened/weakened by 1% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 2.7%.

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

If a Sub-Fund is primarily exposed to smaller companies there may be liquidity constraints 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. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria and can make it difficult to establish accurate estimates of fundamental value. The lack of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD's ability to execute substantial deals.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

Liquidity risk (continued)

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

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

Counterparty credit risk

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

The table below summarises the credit quality of the Sub-fund debt portfolio as at 31 January 2021 and 31 January 2020.

Summary of Credit ratings	31.1.2021 (£'000)	31.1.2020 (£'000)
Investment grade	261,656	94,860
Below Investment grade	24,817	5,583
Not Rated	22,632	2,358
Total	**309,105**	**102,801**

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

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

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

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

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2021 was A (Standard & Poor's rating).

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

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

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

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

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

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

Valuation of financial investments

31.1.2021	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	422,969	–
Level 2: Observable market data	254,564	–
	677,533	**–**

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	129,057	–
Level 2: Observable market data	123,372	–
	252,429	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.

16 Share movement
For the year ending 31 January 2021

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Income	187,801,666	275,479,896	(7,020,575)	–	456,260,987
Class 3 Net Income	24,085,661	18,713,072	(2,825,141)	–	39,973,592

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

17 Portfolio transaction costs
for the year ending 31 January 2021

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	215,411	77	0.04	529	0.25
Debt instruments (direct)	241,854	–	–	–	–
Collective investment schemes	11,379	5	0.04	26	0.23
Total purchases	**468,644**	**82**		**555**	
Total purchases including transaction costs	**469,281**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	42,649	17	0.04	1	–
Debt instruments (direct)	38,750	–	–	–	–
Collective investment schemes	3,333	2	0.06	–	–
Total sales	**84,732**	**19**		**1**	
Total sales net of transaction costs	**84,712**				

Total transaction costs		**101**		**556**	
Total transaction costs as a % of average net assets		**0.02%**		**0.11%**	

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

17 Portfolio transaction costs (continued)
for the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	90,741	33	0.04	234	0.26
Debt instruments (direct)	84,825	–	–	–	–
Collective investment schemes	24,678	4	0.02	17	0.07
Total purchases	**200,244**	**37**		**251**	
Total purchases including transaction costs	**200,532**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	23,293	10	0.04	1	-
Debt instruments (direct)	18,883	–	–	–	–
Collective investment schemes	78	–	–	–	–
Total sales	**42,254**	**10**		**1**	
Total sales net of transaction costs	**42,243**				
Total transaction costs		**47**		**252**	
Total transaction costs as a % of average net assets		**0.03%**		**0.15%**	

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

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

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.39% (2020: 0.29%).

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

18 Post balance sheet events

Since the year-end, markets have continued to be disrupted by the COVID-19 pandemic. Since the year-end, the NAV per share of Class 2 Net Income share class has increased by 1.53% to 17 May 2021. The other share classes in the Sub-fund have moved by a similar magnitude. Contingency plans at the ACD and key service providers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

Sustainable Future Defensive Managed Fund (continued)

Distribution Tables
for the year ended 31 January 2021

Final distribution

Group 1 - Shares purchased prior to 1 August 2020

Group 2 - Shares purchased 1 August 2020 to 31 January 2021

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2021 Pence per share	Distribution paid 31.3.2020 Pence per share
Class 2 Net Income - Group 1	1.0438	–	1.0438	1.2851
Class 2 Net Income - Group 2	0.4207	0.6231	1.0438	1.2851
Class 3 Net Income - Group 1	1.0640	–	1.0640	1.3064
Class 3 Net Income - Group 2	0.4792	0.5848	1.0640	1.3064

Interim distribution

Group 1 - Shares purchased prior to 1 February 2020

Group 2 - Shares purchased 1 February 2020 to 31 July 2020

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2020 Pence per share	Distribution paid 30.9.2019 Pence per share
Class 2 Net Income - Group 1	1.1676	–	1.1676	1.4111
Class 2 Net Income - Group 2	0.4764	0.6912	1.1676	1.4111
Class 3 Net Income - Group 1	1.1887	–	1.1887	1.4325
Class 3 Net Income - Group 2	0.4859	0.7028	1.1887	1.4325

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

Sustainable Future European Growth Fund

Report for the year from 1 February 2020 to 31 January 2021

Investment Objective

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

Investment Policy

The Sub-fund will invest in companies which are incorporated, domiciled, listed or conduct significant business in the EEA or Switzerland.

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

Fund review

The SF European Growth Fund returned 20.5% (Class 2 Net Accumulation) over the 12 months under review, outperforming the MSCI Europe ex-UK Index's 6.8% and the IA Europe ex-UK sector's 9.9%* (both of which are comparator benchmarks).

Our investment process continues to find well-managed companies with superior growth and fundamentals, driven by positive sustainability themes. Structural shifts such as energy efficiency, healthier eating and education provide our companies with reliable growth opportunities to compound value over the long term.

As the impact of Covid-19 became clear, we took the opportunity to revisit every holding in the portfolio and ask two key questions: first, have the prospects changed five and ten years from now and second, how are companies positioned for the next six to 12 months in terms of cash position and ability to flex down the cost base and access debt facilities?

Basic-Fit is a good example: Europe's largest low-cost gym operator faced a period of zero revenues with countries in lockdown but looking longer-term, we felt demand for low-cost fitness is undiminished and may even be bolstered as people need to reduce their expenditure. Basic-Fit took several measures to cut costs and adapt its service to provide fitness instruction at home for members. The company entered this crisis with a strong cash position and a winning business model and, as a consequence, we believe it can emerge stronger than small independent peers or even large highly levered competitors, ultimately taking market share as the low-cost model becomes dominant.

This thinking has already borne fruit, with stocks such as Basic-Fit and CTS Eventim among our best positions in the latter part of the review period, rewarding our adds to these bruised companies in the third quarter. Basic-Fit was up around 50% over November alone for example, while CTS Eventim also registered strong gains, with these stocks, and many others, rallying as vaccine news has allowed the market to look beyond temporarily depressed demand for their goods or services.

CTS is Europe's largest ticketing company for music and sports, and we were happy to buy on weakness in Q1 2020 as we felt the market fundamentally misunderstood the ultimate Covid impact on the business as the majority of events were postponed, not cancelled, and CTS experienced no significant cash outflows. Live music has experienced strong growth over the last few decades as people want to see their favourite artists in the flesh and musicians tour more as this has become their main source of income. Over the next five to 10 years, we believe the increase in demand and supply for live events will recover, seeing growth in absolute terms through the global financial crisis, for example, despite a dramatic fall in disposable income.

Two long-term semiconductor names, ASML and Infineon, were our best holdings over the year. Dutch company ASML operates at the forefront of physics by enabling semiconductor companies to further increase computing power, benefiting from ongoing demand for its Extreme ultraviolet lithography (EUV) products. Meanwhile, Infineon CEO Reinhard Ploss said some of the company's target markets, especially the automotive sector, have recovered better than expected since summer and the structural transformation towards electro mobility is accelerating, particularly in Europe, which remains a key part of our thesis.

As might be expected given the backdrop, healthcare stocks such as Lonza Group and Roche also continue to contribute to returns. Over the year, Lonza unveiled plans to begin selling its speciality ingredients unit in the second half of 2020, exiting chemicals to focus on its faster-growing drugs business. The company is playing a leading role in the Covid-19 vaccine project, partnering with Moderna to manufacture the latter's product.

It is important to note crises often accelerate changes that have already been in action for many years and this is happening across many of our themes. Our Connecting People theme has seen a marked acceleration over recent months for example, as people work from home and stay connected with friends and family digitally. We had long recognised the growing demand for more digital communication as we become more connected as a global society, increase our data consumption, and become aware of the environmental impacts of travel. Companies such as Cellnex and TeamViewer, both among our best performers over the period, enable more seamless digital connection and remote working and we believe the increased demand for their products is not transient but the beginning of a more permanent shift in communication habits.

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Fund review (continued)

Among other outperformers, elevator and escalator provider Kone found itself in the enviable position of upgrading its business outlook for 2020 following better-than-expected development in Q3 and enjoyed share price growth as a result. Kone's new equipment sales have continued to grow, driven by a high level of activity in China, and service sales have also seen improving momentum.

Packaging provider Smurfit Kappa was another strong contributor, continuing to benefit from growing consumer demand for sustainable packaging and a shift away from plastic. Highlighting its own ESG credentials, the company completed its largest ever investment over the period, €134 million in a recovery boiler in Austria, which will reduce its CO_2 emissions by 40,000 tonnes. As a group, Smurfit has committed to the science-based targets and set a goal to be a net zero carbon business by 2030, while its products will save thousands of tonnes of carbon in reduced weight and petrochemical replacement.

We would also highlight Q3 addition Avanza among the best positions, with Sweden's leading investment platform (held under our Saving for the future theme) disrupting the market with superior technology and service. 2020 was an unusually strong year for the company – the platform added around 304,000 customers, representing a growth rate of 31%. To put this in perspective, over the 2017 to 2019 period, it added 405,000 customers. Avanza is taking over a 20% share of the net inflows in the Swedish savings market compared to its market share of around 5%. The company will benefit from a sustained period of above-market growth as its overall market share converges with share of net inflows.

Among the detractors over the year, stocks such as Svenska Handelsbanken and Banca Generali had a tough period against a generally difficult backdrop for financials but it should be noted that both were back among the positive contributors as the sector enjoyed a stronger end to 2020 and start to 2021.

We see a similar story with holdings such as Italian fitness equipment manufacturer Technogym, which is also among our weaker names over the year but enjoyed better fortunes in the latter months. Technogym is a leader in the global fitness equipment market with a 6% market share and the number-one brand in Europe, as the only company in the sector to provide a full solution from fitness equipment to gym management. The business has excellent fundamentals, with a ROIC well in excess of 30% and annual compound EPS growth of 22% over the past five years as well as a net-cash balance sheet.

Blood plasma specialist name Grifols has had a slower year despite playing a key role in the fight against Covid, with worries about potential completion for some areas of its portfolio. Meanwhile, the pandemic has meant the company is finding it harder to source plasma from people with everyone staying at home. Reinforcing the company's long-term sustainable credentials, it was recently included in the Dow Jones Sustainability Index Europe for the first time, ranking among the top five companies in its sector globally.

In terms of other buys and sells, we added Spotify under our newest Encouraging sustainable leisure theme in July. Spotify is the world's dominant audio platform with close to 300 million monthly active users in over 70 countries and is adding users at nearly twice the pace of its closest rival Apple. Other third quarter buys included Avast, which provides security services to over 400 million people, as another position under our Enhancing digital security theme. Like Spotify, the company has a freemium business model, an economic way of acquiring customers with ample opportunity to upsell other complementary services.

Adyen was a further addition, a beneficiary of our Increasing financial resilience theme through making the shift to digital payments safer and more efficient. It operates in a structurally growing market and is rapidly taking share as one of the best solutions in the industry.

Moving into the last part of 2020, we added National Express, a public transport operation with bus, coach and rail services in the UK, Continental Europe, North Africa, North America, and the Middle East. This is a long-term holding in the UK funds but we introduced it to our European portfolios on the back of good fundamentals and an attractive valuation.

Sales over the year included Danish power company Orsted, which had met our estimate of intrinsic value. The company still has three aspects of our process, namely theme, sustainability and fundamentals, but had reached our five-year target and we recycled the capital across companies with more upside. We also sold Legrand, which designs and manufactures electrical and digital equipment. Again, the company had reached our price target in Q3 so we exited the shares.

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Fund review (continued)

We exited our position in Verbund in Q4, an Austrian hydro-electric energy generator. The business has benefited from the increasing price of carbon but our analysis concluded that a sharp increase in the carbon price and overall power prices in Europe was already reflected in the valuation after a strong rally in shares. We therefore sold our position as they reflected fair value.

**Source: FE Analytics, primary share class, total return, net of fees and income reinvested, 31.01.20-31.01.21*

Market review

Markets started 2020 buoyant with positive news of a potential trade deal between the US and China and some clarity on Brexit negotiations, two issues that had had dominated headlines and sentiment for the previous few years. At this point, there were only rumblings of a viral outbreak in China but for whatever reason, the risk this would spread to the West was far from most investors' minds.

Twelve months later, a huge amount has changed as a result of the Covid-19 health crisis, with the global economy put on hold for months as countries all over the world went into lockdown, moving back towards some sense of normality over summer and then falling back into shutdown in the face of a second wave of the virus. This type of black swan event demonstrates how perilous (and we would go so far as to suggest futile) it is to make short-term market predictions.

After huge market declines in March, the second quarter saw equities retrace a large portion of these losses on the belief that policymakers' 'whatever it takes' attitude would be enough to prevent a serious recession. Governments and central banks were unified in their reaction with substantial monetary and fiscal stimulus, learning the lessons of 2008. These measures helped ease some of the impact of lost earnings, supported jobs and provided markets with liquidity and reassurance – but also had the effect of massively expanding already bloated government balance sheets.

European Central Bank President Christine Lagarde recently announced plans to extend its Pandemic emergency purchase programme (PEPP) until March 2022, for example, by which point she believes the eurozone will have achieved the herd immunity needed for the economy to operate normally.

After a strong first five months of 2020, the Sub-fund gave up some relative performance in June, as areas of the economy most vulnerable to prolonged lockdown, primarily consumer-facing cyclical sectors where we have less exposure, rallied hardest as countries began to open up. Markets overall had a slower third quarter as concerns around renewed lockdowns persisted but positive news on effective vaccines in November drove a strong recovery after a weaker October. This optimism was further buoyed by Joe Biden's victory in the US Presidential election and we saw an end to more than four years of Brexit negotiations, with the UK and EU unveiling a deal on Christmas Eve that should help markets start 2021 on firmer footing and allow companies to plan ahead.

While concerns about Covid-19 remain, with many countries forced back into lockdown amid worries about the virus mutating, broad market outperformance continued to the end of 2020 and beyond on the back of expectations of a better 2021. While we welcome the recovery in our more cyclical names, we avoid trying to predict how the macro picture will develop and focus on backing companies benefiting from the structural shift towards a more sustainable economy and generating high returns. Covid-19 does not change our view that companies exposed to sustainable themes will see strong growth and many of these areas will accelerate as the world recovers.

Overall, we are pleased with the Sub-fund's performance and satisfied with the actions our companies are taking to navigate difficult times. Periods of volatility can also allow us to increase positions in high-quality stocks with strong prospects and we remain confident the portfolio is well set for the long-term.

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, investments can result in a total loss of capital.

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
Avanza Bank	Kingspan
National Express	Roche
Spotify Technology	Orsted
Basic-Fit	Cellnex Telecom
Unifiedpost	Lonza
CTS Eventim	SAP
SAP	Verbund
Nagarro	Henkel
Svenska Handelsbanken	ASML
DNB	InterXion

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.

Typically lower rewards, lower risk — Typically higher rewards, higher risk

1	2	3	4	5	**6**	7

- 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;
  - Any company which has high overseas earnings may carry a higher currency risk.
  - Any overseas investments 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, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.

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)

Portfolio Statement
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (95.91%)	**353,070**	**96.28**
	AUSTRIA (1.44%)	**0**	**0.00**
	BELGIUM (1.19%)	**13,141**	**3.59**
132,709	Umicore	5,489	1.50
411,842	Unifiedpost	7,652	2.09
	DENMARK (7.96%)	**15,888**	**4.33**
52,038	Chr Hansen	3,443	0.94
89,841	Novozymes	3,971	1.08
132,165	Ringkjoebing Landbobank	8,474	2.31
	FINLAND (1.53%)	**6,393**	**1.74**
111,135	Kone	6,393	1.74
	FRANCE (12.35%)	**39,949**	**10.89**
91,611	Air Liquide	10,938	2.98
594,651	AXA	9,626	2.62
242,605	Edenred	9,605	2.62
91,437	Schneider Electric	9,780	2.67
	GERMANY (14.08%)	**67,745**	**18.48**
195,858	CTS Eventim	8,418	2.29
139,450	Hella	6,224	1.70
358,133	Infineon Technologies	10,483	2.86
80,245	Knorr-Bremse	7,744	2.11
125,206	Nagarro	8,419	2.30
133,809	Puma	9,561	2.61
112,704	SAP	10,474	2.86
169,988	TeamViewer	6,422	1.75
	IRELAND (8.35%)	**21,784**	**5.94**
80,992	Kerry	8,018	2.19
86,139	Kingspan	4,256	1.16
271,300	Smurfit Kappa	9,510	2.59
	ITALY (3.06%)	**11,250**	**3.06**
574,018	Aquafil	2,128	0.58

Sustainable Future European Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	ITALY (continued)		
114,174	Banca Generali	2,586	0.70
875,373	Technogym	6,536	1.78
	LUXEMBOURG (1.41%)	**8,296**	**2.26**
170,809	Befesa	8,296	2.26
	NETHERLANDS (8.87%)	**36,256**	**9.89**
2,690	Adyen	4,092	1.12
46,539	ASML	18,094	4.93
319,563	Basic-Fit	7,987	2.18
142,941	Corbion	6,083	1.66
	NORWAY (3.59%)	**15,857**	**4.32**
1,110,223	DNB	15,857	4.32
	SPAIN (8.94%)	**20,441**	**5.58**
228,981	Cellnex Telecom	9,785	2.67
495,663	Grifols	10,656	2.91
	SWEDEN (5.70%)	**45,544**	**12.42**
568,519	Assa Abloy	10,297	2.81
699,228	Avanza Bank	13,900	3.79
39,400	Spotify Technology	9,040	2.46
1,680,387	Svenska Handelsbanken	12,307	3.36
	SWITZERLAND (12.97%)	**29,341**	**8.00**
14,691	Lonza	6,853	1.87
11,531	Partners	9,954	2.71
49,847	Roche	12,534	3.42

Sustainable Future European Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (4.47%)	**21,185**	**5.78**
3,851,728	National Express	9,629	2.63
272,684	Unilever	11,556	3.15
	Portfolio of investments	**353,070**	**96.28**
	Net other assets	**13,655**	**3.72**
	Total net assets	**366,725**	**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 2020 (disclosure may differ to prior year accounts as comparatives have been moved to match current year classification).

Sustainable Future European Growth Fund (continued)

Comparative Tables
for the year ended 31 January 2021

Class 2 Net Accumulation Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	247.60	202.39	232.94
Return before operating charges	52.33	47.34	(28.61)
Operating charges	(2.43)	(2.13)	(1.94)
Return after operating charges	49.90	45.21	(30.55)
Distributions	(1.34)	(3.00)	(3.53)
Retained distributions on accumulation shares	1.34	3.00	3.53
Closing net asset value per share	**297.50**	**247.60**	**202.39**
After direct transaction costs of*	(0.27)	(0.10)	(0.13)
Performance			
Return after charges	20.15%	22.34%	(13.11%)
Other information			
Closing net asset value (£000's)	206,965	111,994	77,400
Closing number of shares	69,567,707	45,231,993	38,242,053
Operating charges**	0.91%	0.92%	0.88%
Direct transaction costs*	0.10%	0.04%	0.05%
Prices			
Highest share price	315.33	255.00	235.50
Lowest share price	193.46	204.10	195.20

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

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

Sustainable Future European Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2021

Class 3 Net Accumulation Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	352.62	286.88	328.73
Return before operating charges	74.73	67.22	(40.48)
Operating charges	(1.72)	(1.48)	(1.37)
Return after operating charges	73.01	65.74	(41.85)
Distributions	(2.71)	(5.01)	(6.07)
Retained distributions on accumulation shares	2.71	5.01	6.07
Closing net asset value per share	**425.63**	**352.62**	**286.88**
After direct transaction costs of*	(0.38)	(0.14)	(0.18)
Performance			
Return after charges	20.71%	22.92%	(12.73%)
Other information			
Closing net asset value (£000's)	159,760	125,562	116,290
Closing number of shares	37,535,316	35,608,209	40,536,108
Operating charges**	0.45%	0.45%	0.44%
Direct transaction costs*	0.10%	0.04%	0.05%
Prices			
Highest share price	451.00	363.10	332.90
Lowest share price	275.68	289.40	276.50

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

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

Sustainable Future European Growth Fund (continued)

Statement of Total Return

for the year ended 31 January 2021

	Notes	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Income					
Net capital gains	2		53,112		39,613
Revenue	3	3,748		4,750	
Expenses	4	(1,968)		(1,384)	
Interest payable and similar charges	6	(13)		(33)	
Net revenue before taxation		1,767		3,333	
Taxation	5	(620)		(682)	
Net revenue after taxation			1,147		2,651
Total return before distributions			**54,259**		**42,264**
Distributions	7		(1,608)		(2,976)
Change in net assets attributable to shareholders from investment activities			**52,651**		**39,288**

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 January 2021

	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Opening net assets attributable to shareholders		**237,556**		**193,690**
Amounts received on issue of shares	94,382		29,316	
Amounts paid on cancellation of shares	(19,573)		(27,722)	
		74,809		1,594
Dilution adjustment		–		8
Change in net assets attributable to shareholders from investment activities		52,651		39,288
Retained distributions on accumulation shares		1,709		2,976
Closing net assets attributable to shareholders		**366,725**		**237,556**

Sustainable Future European Growth Fund (continued)

Balance Sheet
as at 31 January 2021

	Notes	31.1.2021 (£'000)	31.1.2020 (£'000)
Assets			
Fixed assets			
Investments		353,070	227,844
Current assets:			
Debtors	8	4,587	2,038
Cash and bank balances	9	9,359	7,844
Total assets		**367,016**	**237,726**
Liabilities			
Creditors:			
Other creditors	10	(291)	(170)
Total liabilities		**(291)**	**(170)**
Net assets attributable to shareholders		**366,725**	**237,556**

Sustainable Future European Growth Fund (continued)

Notes to the financial statements
for the year ended 31 January 2021

1 Accounting policies

The accounting policies for the sub-fund are set out on pages 13 to 15.

2 Net capital gains

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
The net capital gains comprise:		
Non-derivative securities	53,184	39,686
Foreign currency losses	(72)	(73)
Net capital gains	**53,112**	**39,613**

3 Revenue

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Bank interest	6	4
Overseas dividends	3,734	4,659
Stock lending income	8	–
UK dividends	–	87
Total revenue	**3,748**	**4,750**

4 Expenses

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	1,668	1,167
General administration charges	300	218
	1,968	**1,385**
Other expenses:		
FCA fees	–	(1)
	–	**(1)**
Total expenses	**1,968**	**1,384**

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

5 Taxation

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
a) Analysis of charge in year		
Overseas tax	620	682
Total tax charge [see note(b)]	**620**	**682**

b) Factors affecting tax charge for the year

The taxation assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Net revenue before taxation	1,767	3,333
Corporation tax at 20% (2020 - 20%)	353	667
Effects of:		
Movement in unrecognised tax losses	393	282
Overseas tax	620	682
Revenue not subject to tax	(746)	(949)
Total tax charge [see note(a)]	**620**	**682**

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

c) Deferred tax

At the year end there is a potential deferred tax asset of £2,381,000 (2020: £1,988,000) due to tax losses of £11,907,000 (2020: £9,940,000). It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Overdraft interest	13	33
Total interest payable and similar charges	**13**	**33**

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

7 Distributions

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Interim distribution	1,709	2,976
Final distribution	–	–
	1,709	**2,976**
Amounts deducted on cancellation of shares	40	–
Amounts received on issue of shares	(141)	–
Distributions	**1,608**	**2,976**
The distributable amount has been calculated as follows:		
Net revenue after taxation	1,147	2,651
Shortfall of income taken to capital	461	325
Distributions	**1,608**	**2,976**

The distribution per share is set out in the tables on page 145.

8 Debtors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Amounts receivable for issue of shares	3,368	1,029
Overseas withholding tax	1,219	1,009
Total debtors	**4,587**	**2,038**

9 Cash and bank balances

	31.1.2021 (£'000)	31.1.2020 (£'000)
Cash and bank balances	9,359	7,844
Total cash and bank balances	**9,359**	**7,844**

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

10 Creditors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Other Creditors		
Accrued expenses	34	19
Accrued ACD's charge	189	111
Amounts payable for cancellation of shares	33	5
Corporation tax	35	35
Total other creditors	**291**	**170**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2020: £nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £223,000 (2020: £130,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £1,968,000 (2020: £1,385,000).

13 Securities lending

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

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

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

13 Securities lending (continued)

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

Counterparty	Counterparty's country of establishment	31 January 2021 Securities on loan (£'000)	31 January 2021 Collateral received (£'000)	31 January 2020 Securities on loan (£'000)	31 January 2020 Collateral received (£'000)
Citigroup Global Markets Limited	UK	8,160	9,014	–	–
Credit Suisse International	Switzerland	115	141	–	–
Merrill Lynch International	UK	12,399	13,414	–	–
UBS AG	Switzerland	2,640	3,072	–	–
Total		**23,314**	**25,641**	**–**	**–**

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

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. As at 31 January 2021 all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange. There was no non-cash collateral received by the Sub-fund as at 31 January 2020.

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

14 Risk management policies

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

- equity, equity related and non-equity shares;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- short-term borrowings used to finance operational cash flows;
- units and shares in collective investment schemes;
- shareholders' funds, which represent investors' monies which are invested on their behalf from overseas investments held;
- derivative transactions for efficient portfolio management in accordance with the Sub-fund's investment policies.

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

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

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

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

Market price risk

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

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

As at 31 January 2021 and 31 January 2020 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2021, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 9.1%.

As at 31 January 2020, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 9.8%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

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

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

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

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

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

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

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

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

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

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

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

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Currency risk (continued)
At 31 January 2021 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Danish Krone	251	15,888	16,139
Euro	668	236,811	237,479
Norwegian Krone	262	15,857	16,119
Swedish Krona	37	36,504	36,541
Swiss Franc	(1)	29,341	29,340
United States Dollar	–	9,040	9,040
	1,217	**343,441**	**344,658**

At 31 January 2020 the Sub-fund's currency exposure was as shown in the table below:*

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Danish Krone	202	18,896	19,098
Euro	668	151,359	152,027
Norwegian Krone	300	8,530	8,830
Swedish Krona	–	13,538	13,538
Swiss Franc	–	30,808	30,808
United States Dollar	–	4,714	4,714
	1,170	**227,845**	**229,015**

If the exchange rate at 31 January 2021 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.94%/(0.94%) respectively.

If the exchange rate at 31 January 2020 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.96%/(0.96%) respectively.

* Presentation of prior year disclosure has been updated to include debtors/creditors in line with current year.

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

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Interest rate risk (continued)
The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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

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

If a Sub-Fund is primarily exposed to smaller companies there may be liquidity constraints 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. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria and can make it difficult to establish accurate estimates of fundamental value. The lack of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD's ability to execute substantial deals.

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

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

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

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

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

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Counterparty credit risk (continued)

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

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

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2021 was A (Standard & Poor's rating).

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

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

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

Maturity profile of financial liabilities

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

Fair value of financial assets and liabilities

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

Valuation of financial investments

31.1.2021	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	353,070	–
	353,070	**–**

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Valuation of financial investments (continued)

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	227,844	–
	227,844	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.

15 Share movement
For the year ending 31 January 2021

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	45,231,993	29,952,078	(5,623,707)	7,343	69,567,707
Class 3 Net Accumulation	35,608,209	3,225,364	(1,293,099)	(5,158)	37,535,316

16 Portfolio transaction costs
for the year ending 31 January 2021

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	168,570	60	0.04	190	0.11
Total purchases	**168,570**	**60**		**190**	
Total purchases including transaction costs	**168,820**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	96,818	39	0.04	–	–
Total sales	**96,818**	**39**		**–**	
Total sales net of transaction costs	**96,779**				

		Commissions		Taxes	
Total transaction costs		**99**		**190**	
Total transaction costs as a % of average net assets		**0.03%**		**0.07%**	

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

16 Portfolio transaction costs (continued)
for the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	59,435	16	0.03	52	0.09
Total purchases	**59,435**	**16**		**52**	
Total purchases including transaction costs	**59,503**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	60,025	20	0.03	–	–
Total sales	**60,025**	**20**		**–**	
Total sales net of transaction costs	**60,005**				

Total transaction costs		**36**		**52**	
Total transaction costs as a % of average net assets		**0.02%**		**0.02%**	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.13% (2020: 0.11%).

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

17 Post balance sheet events

Since the year-end, markets have continued to be disrupted by the COVID-19 pandemic. Since the year-end, the NAV per share of Class 2 Net Accumulation share class has increased by 5.41% to 17 May 2021. The other share classes in the Sub-fund have moved by a similar magnitude. Contingency plans at the ACD and key service providers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

Sustainable Future European Growth Fund (continued)

Distribution Tables
for the year ended 31 January 2021

Final distribution

Group 1 - Shares purchased prior to 1 August 2020

Group 2 - Shares purchased 1 August 2020 to 31 January 2021

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2021 Pence per share	Distribution paid 31.3.2020 Pence per share
Class 2 Net Accumulation - Group 1	–	–	–	–
Class 2 Net Accumulation - Group 2	–	–	–	–
Class 3 Net Accumulation - Group 1	–	–	–	–
Class 3 Net Accumulation - Group 2	–	–	–	–

Interim distribution

Group 1 - Shares purchased prior to 1 February 2020

Group 2 - Shares purchased 1 February 2020 to 31 July 2020

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2020 Pence per share	Distribution paid 30.9.2019 Pence per share
Class 2 Net Accumulation - Group 1	1.3415	–	1.3415	3.0030
Class 2 Net Accumulation - Group 2	0.4419	0.8996	1.3415	3.0030
Class 3 Net Accumulation - Group 1	2.7128	–	2.7128	5.0068
Class 3 Net Accumulation - Group 2	1.2322	1.4806	2.7128	5.0068

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

Sustainable Future Global Growth Fund

Report for the year from 1 February 2020 to 31 January 2021

Investment Objective

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

Investment Policy

The Sub-fund will invest in companies globally. 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

Fund review

The SF Global Growth Fund returned 26.2% (Class 2 Net Accumulation) over the 12 months under review compared with the IA Global sector average of 14.8% and the MSCI World Index's 10.8% (which are both comparator benchmarks)*.

Our process targets businesses that can grow structurally, driven by the shift towards a global economy that is more efficient, provides a higher quality of life and is more resilient.

As the impact of the pandemic became clear in the first quarter and markets lurched rapidly into bear territory, we took the opportunity to revisit every holding in the portfolio and ask two key questions: first, have the prospects changed five and ten years from now and second, how were companies positioned for the next six to 12 months in terms of cash position and ability to flex down cost base and access debt facilities? In the majority of cases, we remained confident in the long-term prospects across the Sub-fund.

Stock selection has continued to drive overall performance, although crises often super-charge societal shifts and this is currently happening across many areas, with decades of development squeezed into weeks. Over recent months, we have seen a particular acceleration in themes such as Connecting people and Enhancing digital security and our holdings in these have been among our stronger names.

More recently, we saw something of a correction in technology stocks in September, which hit some of our names that had benefited most from the post-Covid working environment. We remain confident in these stocks despite the selloff: while positioning in the tech sector is heavily concentrated, we continue to focus on the long-term potential of each of our businesses and the four elements we seek in all investments, thematic drivers, sustainable credentials, good fundamentals and attractive valuation.

Another accelerating trend is digital payments (under our Increasing financial resilience theme), with a huge rise in online shopping and a growing reluctance to accept cash in the current environment. PayPal has been among our top performers and our thesis is largely based around engagement, the number of customers that sign up and how frequently they use the system when making a purchase The fact so many people trust PayPal to process and store their details is what makes this company so well positioned for growth.

Elsewhere, DocuSign also remains among our best holdings, with the company creating a unique product that digitalises the final signature part of the document creation process. At this point, a document traditionally needs to be printed several times, then sent via mail, which is both time-consuming and costly. The company has a 70% market share for e-signatures globally but its addressable market is around 10 times larger than current sales figures, given it is effectively competing with paper. The growth rate has understandably accelerated in the Covid-19 world and we see this stock, held under our Increasing waste treatment and recycling theme, as an excellent example of a solution that makes the world more efficient.

Another strong contribution has come from among the smallest investments in the Sub-fund by market cap, with US pet insurer Trupanion exposed to our theme of Insuring a sustainable economy. Pet insurance is in the US is growing at 20-30% a year from a very low base of just 1.5-2% coverage and has decades of growth ahead. The reason for such low penetration lies in the history of the industry, with products very prescriptive and insurance companies capping the amount they would cover per procedure.

Trupanion does things differently and has spent the last 20 years disrupting the industry: it has a monthly subscription model that stops when you cancel or your pet dies rather than annual policies that require rebuying every year, and no caps on coverage. Our theme is about providing financial resilience to individuals and covering them against unexpected shocks. Trupanion does exactly this in a manner we think is not only responsible but provides the business with advantages that are difficult to replicate.

Another top performer is Autodesk, which saw its shares rising again after a weaker second quarter, during which sentiment was hit by relatively cautious guidance from management. Autodesk services the construction industry, with software technology that makes its customers more efficient, cutting costs and improving profitability. The company's growth rate is largely structural but its customers clearly sit in a cyclical industry and improving news on vaccines point towards better economic conditions in 2021 and beyond.

Elsewhere, a number of semiconductor names are among the best contributors, with Cadence Design Systems continuing to broaden its chip design software offering to new customers, as the likes of Amazon, Google and even Tesla invest in design teams. Cadence's

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Fund review (continued)

software offering is essential to this and demand from these businesses, as well as more traditional chip manufacturing customers, will drive growth over the short and long term. This type of innovation delivers better efficiency, which is key to our Improving the efficiency of energy use theme.

Other long-term semiconductor holdings, Infineon and ASML, have also posted solid results over recent months. Infineon CEO Reinhard Ploss said some of the company's target markets, especially the automotive sector, have recovered better than expected since summer and the structural transformation towards electro mobility is accelerating, particularly in Europe, which remains a key part of our thesis.

As might be expected given the backdrop, our top holdings also included healthcare stocks PerkinElmer, ThermoFisher Scientific and Alexion Pharmaceuticals, with AstraZeneca agreeing to buy the latter in a multi-billion dollar deal at the end of the end of 2020 as it looks to expand in the immunology space.

Looking at the handful of detractors over the year, we sold Japanese bike parts manufacturer Shimano in Q2, which was close to our price target and we also had concerns about cycle sales in the wake of the pandemic. We also exited our position in Svenska Handelsbank, with banks struggling against a backdrop of recession and interest rates at all-time lows.

Italian fitness equipment manufacturer Technogym remains among our weaker names over the year but we would highlight stronger performance in Q4, as consumer names have benefited from positive vaccine news heading into 2021. Technogym is a leader in the global fitness equipment market with a 6% market share and the number-one brand in Europe, as the only company in the sector to provide a full solution from fitness equipment to gym management. The business has excellent fundamentals, with a ROIC well in excess of 30% and annual compound EPS growth of 22% over the past five years as well as a net-cash balance sheet.

In terms of trading, we implemented a phased, average in strategy to avoid having to call the market bottom, with the first stage in late March and the second in early April. We have researched a number of high-quality companies over the years that are benefiting from thematic growth, strong sustainability management and attractive fundamentals but did not meet the fourth aspect of our process – an attractive valuation resulting in 10% annualised upside on a five-year horizon. Indiscriminate selling in March gave us the opportunity to add a few select companies that did this valuation target after share price falls.

We initiated a position in Ansys for example, a global leader in simulation software. Its products help customers get their own products to market quicker, reducing risks around defects and generally improving innovation. Revenues are tied to R&D budgets for clients, which we feel are much less cyclical than other areas in which businesses tend to invest. As an example of what we outlined above, we initially looked at the stock in December 2019 but it did not our valuation criteria at that time. After falling over 40% from its highs in February, the stock did now meet our target, even after adjusting for the lower revenues due to the current crisis.

We also added Intuitive Surgical, a global leader in robotic-assisted surgery, which helps reduce errors and therefore costs for hospitals.

In Q3, we started a new position in Evotec, a global leader in providing outsourcing solutions to the pharma and biotech sectors for drug discovery and development. Its solutions enable R&D investment to be more effective and we see this as another key name for our Enabling innovation in healthcare sector.

Adyen was another addition, a beneficiary of our Increasing financial resilience theme through making the shift to digital payments safer and more efficient. A further financial added in Q3 was Sweden's leading investment platform Avanza (held under our Saving for the future theme), which is disrupting the market with superior technology and customer service.

Finally, in the last part of the year, we bought Spotify under our newest Encouraging sustainable leisure theme, the world's dominant audio platform with close to 300 million monthly active users (138 million paying a monthly subscription) in more than 70 countries. The company is adding users at a faster pace than closest rivals Apple and Amazon and keeping them more engaged: while launched as a music streaming service, it is moving into podcasts and its own content and we are excited to watch the business expand into audiobooks, live gigs and other areas as it takes advantage of its leading position.

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Fund review (continued)

We also started a position in US healthcare business Illumina, a global leader in sequencing and array-based solutions for genetic analysis. This is another name for our Enabling innovation in healthcare theme, with the company's ability to read and interpret a patient's DNA a core first step in the shift towards more personalised and efficacious medicines.

Elsewhere, we sold two stocks that had neared our long-term valuation calculation after a very strong 2020, Salesforce.Com and Eli Lilly.

**Source: FE Analytics, primary share class, total return, net of fees and income reinvested, 31.01.20-31.01.21*

Market review

Markets started 2020 buoyant with positive news of a potential trade deal between the US and China and some clarity on Brexit negotiations, two issues that had had dominated headlines and sentiment for the previous few years. At this point, there were only rumblings of a viral outbreak in China but for whatever reason, the risk this would spread to the West was far from most investors' minds.

Twelve months later, a huge amount has changed as a result of the Covid-19 health crisis, with the global economy put on hold for several months as countries all over the world went into lockdown, moving back towards some sense of normality over summer and then falling back into shutdown in the face of a second wave of the virus.

After huge market declines in March, the second quarter saw equities retrace a large portion of these losses on the belief that policymakers' 'whatever it takes' attitude would be enough to prevent a serious recession. Governments and central banks were unified in their reaction with substantial monetary and fiscal stimulus, learning the lessons of 2008. These measures helped ease some of the impact of lost earnings, supported jobs and provided markets with liquidity and reassurance – but also had the effect of massively expanding already bloated government balance sheets.

Markets overall had a slower third quarter as concerns around renewed lockdowns persisted but positive news on vaccines in November drove a strong recovery after a weaker October. This optimism was further buoyed by Joe Biden's victory in the US Presidential election and we also saw an end to more than four years of Brexit negotiations, with the UK and EU unveiling a deal on Christmas Eve that should help markets start 2021 on firmer footing and allow companies to plan ahead.

While concerns about Covid-19 remain, with many countries forced back into lockdown amid worries about the virus mutating, broad market outperformance continued to the end of the year on the back of expectations of a better 2021. While we welcome the recovery in more cyclical names, we avoid trying to predict how the macro picture will develop and focus on backing companies benefiting from the structural shift towards a more sustainable economy and generating high returns. Covid-19 does not change our view that companies exposed to sustainable themes will see strong growth and many of these areas will accelerate as the world recovers.

As always, we continue to stress that whatever macro events are unfolding in the background, the underlying business fundamentals for the areas of the global market in which we invest remain strong. Our themes are structural in nature and therefore less transient than cyclical drivers, which can change constantly. The key factor behind all our themes is the conviction that, over time, the global economy will become more sustainable.

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, investments can result in a total loss of capital.

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
VeriSign	Salesforce.com
Alphabet 'A'	Eli Lilly
Avanza Bank	Trupanion
Intuitive Surgical	DocuSign
Ansys	Trimble
CSL	PayPal
Charles Schwab	Brookfield Renewable Partners
Illumina	Roper Technologies
Visa 'A'	St James's Place
Ecolab	Adobe

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.

Typically lower rewards, lower risk — Typically higher rewards, higher risk

1	2	3	4	5	**6**	7

- 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 due to 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;
  - any company which has high overseas earnings may carry a higher currency risk;
  - any 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, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.

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)

Portfolio Statement
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (94.79%)	**1,120,630**	**96.12**
	AUSTRALIA (2.61%)	**24,413**	**2.09**
160,804	CSL	24,413	2.09
	DENMARK (2.01%)	**19,681**	**1.69**
306,958	Ringkjoebing Landbobank	19,681	1.69
	GERMANY (4.03%)	**85,251**	**7.31**
711,071	Evotec	20,578	1.76
428,856	Hella	19,142	1.64
775,511	Infineon Technologies	22,700	1.95
319,539	Puma	22,831	1.96
	IRELAND (4.01%)	**36,247**	**3.11**
192,858	Kerry	19,093	1.64
346,541	Kingspan	17,154	1.47
	ITALY (2.31%)	**23,017**	**1.97**
495,220	Banca Generali	11,216	0.96
1,580,437	Technogym	11,801	1.01
	JAPAN (7.28%)	**67,453**	**5.78**
148,522	Daikin Industries	22,774	1.95
68,133	Keyence	26,596	2.28
325,376	TechnoPro	18,083	1.55
	NETHERLANDS (2.80%)	**33,278**	**2.86**
7,794	Adyen	11,857	1.02
55,097	ASML	21,421	1.84
	SPAIN (2.70%)	**26,169**	**2.24**
612,388	Cellnex Telecom	26,169	2.24
	SWEDEN (1.62%)	**48,671**	**4.17**
1,501,936	Avanza Bank	29,856	2.56
82,000	Spotify Technology	18,815	1.61

Sustainable Future Global Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	SWITZERLAND (2.33%)	**15,440**	**1.32**
61,406	Roche	15,440	1.32
	UNITED KINGDOM (6.48%)	**52,836**	**4.54**
1,125,122	Abcam	18,643	1.60
1,527,196	Compass	20,006	1.72
1,210,023	Prudential	14,187	1.22
	UNITED STATES OF AMERICA (56.61%)	**688,174**	**59.04**
55,801	Adobe	18,626	1.60
256,188	Alexion Pharmaceuticals	28,591	2.45
32,348	Alphabet 'A'	42,976	3.69
140,046	American Tower	23,186	1.99
97,500	Ansys	25,126	2.15
169,649	Autodesk	34,245	2.94
343,908	Cadence Design Systems	32,615	2.80
921,137	Charles Schwab	34,546	2.96
83,638	DocuSign	14,189	1.22
198,787	Ecolab	29,568	2.54
31,795	Equinix	17,103	1.47
272,333	First Republic Bank	28,744	2.47
73,300	Illumina	22,726	1.95
70,181	Intuit	18,443	1.58
50,300	Intuitive Surgical	27,350	2.35
233,385	IQVIA	30,208	2.59
168,796	Nasdaq	16,602	1.42
79,107	Palo Alto Networks	20,258	1.74
176,392	PayPal	30,084	2.58
292,331	PerkinElmer	31,307	2.68
85,593	Rockwell Automation	15,477	1.33
104,238	Splunk	12,527	1.07
100,870	Thermo Fisher Scientific	37,404	3.21
173,741	Trupanion	14,158	1.21
215,900	VeriSign	30,492	2.62

Sustainable Future Global Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED STATES OF AMERICA (continued)		
215,496	Visa 'A'	30,338	2.60
296,827	Waste Connections	21,285	1.83
	Portfolio of investments	**1,120,630**	**96.12**
	Net other assets	**45,296**	**3.88**
	Total net assets	**1,165,926**	**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 2020 (disclosure may differ to prior year accounts as comparatives have been moved to match current year classification).

Sustainable Future Global Growth Fund (continued)

Comparative Tables
for the year ended 31 January 2021

Class 2 Net Accumulation Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	201.84	161.93	152.76
Return before operating charges	55.32	41.63	10.59
Operating charges	(2.03)	(1.72)	(1.42)
Return after operating charges	53.29	39.91	9.17
Distributions	–	(0.55)	(0.61)
Retained distributions on accumulation shares	–	0.55	0.61
Closing net asset value per share	**255.13**	**201.84**	**161.93**
After direct transaction costs of*	(0.16)	(0.10)	(0.12)
Performance			
Return after charges	26.40%	24.65%	6.00%
Other information			
Closing net asset value (£000's)	790,319	276,242	100,582
Closing number of shares	309,771,314	136,860,395	62,114,529
Operating charges**	0.89%	0.92%	0.89%
Direct transaction costs*	0.07%	0.05%	0.07%
Prices			
Highest share price	273.08	208.80	173.10
Lowest share price	165.53	163.20	144.70

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

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

Sustainable Future Global Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2021

Class 3 Net Accumulation Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	287.67	229.69	215.72
Return before operating charges	79.02	59.18	14.94
Operating charges	(1.46)	(1.20)	(0.97)
Return after operating charges	77.56	57.98	13.97
Distributions	(0.48)	(1.69)	(1.81)
Retained distributions on accumulation shares	0.48	1.69	1.81
Closing net asset value per share	**365.23**	**287.67**	**229.69**
After direct transaction costs of*	(0.23)	(0.14)	(0.17)
Performance			
Return after charges	26.96%	25.24%	6.48%
Other information			
Closing net asset value (£000's)	375,607	245,504	164,556
Closing number of shares	102,840,028	85,343,218	71,641,195
Operating charges**	0.45%	0.45%	0.43%
Direct transaction costs*	0.07%	0.05%	0.07%
Prices			
Highest share price	390.84	297.50	245.00
Lowest share price	236.05	231.40	204.40

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

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

Sustainable Future Global Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2021

Class Z Net Accumulation+ Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	139.55	111.12	103.99
Return before operating charges	10.80	28.65	7.30
Operating charges	(0.01)	(0.22)	(0.17)
Return after operating charges	10.79	28.43	7.13
Distributions	–	(1.17)	(1.26)
Retained distributions on accumulation shares	–	1.17	1.26
Closing net asset value per share	**150.34**	**139.55**	**111.12**
After direct transaction costs of*	(0.01)	(0.07)	(0.08)
Performance			
Return after charges	7.73%	25.58%	6.86%
Other information			
Closing net asset value (£000's)	–	15,144	7,900
Closing number of shares	–	10,852,511	7,109,847
Operating charges**	0.15%	0.17%	0.16%
Direct transaction costs*	0.07%	0.05%	0.07%
Prices			
Highest share price	150.54	144.30	118.40
Lowest share price	140.65	112.00	98.53

\+ Closed on 21 February 2020

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

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

Sustainable Future Global Growth Fund (continued)

Statement of Total Return
for the year ended 31 January 2021

	Notes	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Income					
Net capital gains	2		189,026		79,142
Revenue	3	4,565		4,430	
Expenses	4	(5,935)		(2,643)	
Interest payable and similar charges	6	(11)		(7)	
Net (expense)/revenue before taxation		(1,381)		1,780	
Taxation	5	(627)		(379)	
Net (expense)/revenue after taxation			(2,008)		1,401
Total return before distributions			**187,018**		**80,543**
Distributions	7		(358)		(1,706)
Change in net assets attributable to shareholders from investment activities			**186,660**		**78,837**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2021

	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Opening net assets attributable to shareholders		**536,890**		**273,038**
Amounts received on issue of shares	513,837		199,497	
In-specie transfer	(17,132)		–	
Amounts paid on cancellation of shares	(54,814)		(16,505)	
		441,891		182,992
Dilution adjustment		43		–
Change in net assets attributable to shareholders from investment activities		186,660		78,837
Retained distributions on accumulation shares		442		2,023
Closing net assets attributable to shareholders		**1,165,926**		**536,890**

Sustainable Future Global Growth Fund (continued)

Balance Sheet
as at 31 January 2021

	Notes	31.1.2021 (£'000)	31.1.2020 (£'000)
Assets			
Fixed assets			
Investments		1,120,630	508,909
Current assets:			
Debtors	8	12,028	5,701
Cash and bank balances	9	37,272	22,581
Total assets		**1,169,930**	**537,191**
Liabilities			
Creditors:			
Other creditors	10	(4,004)	(301)
Total liabilities		**(4,004)**	**(301)**
Net assets attributable to shareholders		**1,165,926**	**536,890**

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements
for the year ended 31 January 2021

1 Accounting policies

The accounting policies for the sub-fund are set out on pages 13 to 15.

2 Net capital gains

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
The net capital gains comprise:		
Non-derivative securities	188,769	79,249
Forward currency contracts	22	–
Currency gains/(losses)	235	(107)
Net capital gains	**189,026**	**79,142**

3 Revenue

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Bank interest	11	1
Overseas dividends	3,638	3,328
Stock lending income	11	–
UK dividends	346	806
US REIT dividends	559	295
Total revenue	**4,565**	**4,430**

4 Expenses

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	5,051	2,208
General administration charges	884	436
	5,935	**2,644**
Other expenses:		
FCA fees	–	(1)
	–	**(1)**
Total expenses	**5,935**	**2,643**

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

5 Taxation

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
a) Analysis of charge in year		
Overseas tax	627	379
Total tax charge [see note(b)]	**627**	**379**

b) Factors affecting tax charge for the year

The taxation assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Net (expense)/revenue before taxation	(1,381)	1,780
Corporation tax at 20% (2020 - 20%)	(276)	356
Effects of:		
Movement in unrecognised tax losses	1,102	475
Overseas tax	627	379
Prior year adjustment to unrecognised tax losses	(12)	–
Relief on overseas tax expensed	(17)	(4)
Revenue not subject to tax	(797)	(827)
Total tax charge [see note(a)]	**627**	**379**

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

c) Deferred tax

At the year end there is a potential deferred tax asset of £2,753,000 (2020: £1,651,000) due to tax losses of £13,766,000 (2020: £8,254,000). It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Overdraft interest	11	7
Total interest payable and similar charges	**11**	**7**

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

7 Distributions

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Interim distribution	442	1,735
Final distribution	–	288
	442	**2,023**
Amounts deducted on cancellation of shares	15	13
Amounts received on issue of shares	(99)	(330)
Distributions	**358**	**1,706**
The distributable amount has been calculated as follows:		
Net (expense)/revenue after taxation	(2,008)	1,401
Shortfall of income taken to capital	2,366	305
Distributions	**358**	**1,706**

The distribution per share is set out in the tables on page 174.

8 Debtors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Accrued revenue	249	219
Amounts receivable for issue of shares	9,186	5,186
Currency sales awaiting settlement	670	–
Overseas withholding tax	356	296
Sales awaiting settlement	1,567	–
Total debtors	**12,028**	**5,701**

9 Cash and bank balances

	31.1.2021 (£'000)	31.1.2020 (£'000)
Cash and bank balances	37,272	22,581
Total cash and bank balances	**37,272**	**22,581**

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

10 Creditors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Other Creditors		
Accrued expenses	105	47
Accrued ACD's charge	639	254
Amounts payable for cancellation of shares	2,592	–
Currency purchases awaiting settlement	668	–
Total other creditors	**4,004**	**301**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2020: £nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are include within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £744,000 (2020: £301,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £5,935,000 (2020: £2,644,000).

13 Securities lending

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

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

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

13 Securities lending (continued)

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

Counterparty	Counterparty's country of establishment	31 January 2021 Securities on loan (£'000)	31 January 2021 Collateral received (£'000)	31 January 2020 Securities on loan (£'000)	31 January 2020 Collateral received (£'000)
Citigroup Global Markets Limited	UK	18,072	19,958	–	–
Credit Suisse International	Switzerland	530	584	–	–
Merrill Lynch International	UK	2,458	2,659	–	–
UBS AG	Switzerland	7,219	8,416	–	–
Total		**28,279**	**31,617**	**–**	**–**

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

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. As at 31 January 2021 all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange. There was no non-cash collateral received by the Sub-fund as at 31 January 2020.

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

14 Risk management policies

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

- equity, equity related and non-equity shares;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- short-term borrowings used to finance operational cash flows;
- units and shares in collective investment schemes;
- shareholders' funds, which represent investors' monies which are invested on their behalf from overseas investments held;
- derivative transactions for efficient portfolio management in accordance with the Sub-fund's investment policies.

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

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

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

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

Market price risk

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

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

As at 31 January 2021 and 31 January 2020 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2021, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 9.6%.

As at 31 January 2020, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.0%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Market price risk (continued)

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

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

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

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

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

Currency risk

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

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

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

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

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

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

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Currency risk (continued)
At 31 January 2021 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	24,413	24,413
Danish Krone	97	19,681	19,778
Euro	72	203,961	204,033
Japanese Yen	103	67,453	67,556
Norwegian Krone	153	–	153
Swedish Krona	–	29,856	29,856
Swiss Franc	–	15,440	15,440
United States Dollar	1,078	706,989	708,067
	1,503	**1,067,793**	**1,069,296**

At 31 January 2020 the Sub-fund's currency exposure was as shown in the table below:*

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	14,005	14,005
Danish Krone	63	10,804	10,867
Euro	202	77,250	77,452
Japanese Yen	93	39,076	39,169
Norwegian Krone	148	–	148
Swedish Krona	–	8,696	8,696
Swiss Franc	–	12,489	12,489
United States Dollar	56	311,821	311,877
	562	**474,141**	**474,703**

If the exchange rate at 31 January 2021 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.92%/(0.92)% respectively.

If the exchange rate at 31 January 2020 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.88%/(0.88)% respectively.

*Presentation of prior year disclosure has been updated to include debtors/creditors in line with current year.

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Interest rate risk

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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

Liquidity risk

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

If a Sub-Fund is primarily exposed to smaller companies there may be liquidity constraints 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. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria and can make it difficult to establish accurate estimates of fundamental value. The lack of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD's ability to execute substantial deals.

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

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

Counterparty credit risk

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

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

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

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Counterparty credit risk (continued)

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

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

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2021 was A (Standard & Poor's rating).

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

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

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

Maturity profile of financial liabilities

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

Fair value of financial assets and liabilities

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

Valuation of financial investments

31.1.2021	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	1,120,630	–
	1,120,630	**–**

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Valuation of financial investments (continued)

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	508,909	–
	508,909	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.

15 Share movement
For the year ending 31 January 2021

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	136,860,395	192,594,733	(19,689,210)	5,396	309,771,314
Class 3 Net Accumulation	85,343,218	20,160,194	(2,659,593)	(3,791)	102,840,028
Class Z Net Accumulation	10,852,511	545,356	(11,397,867)	–	–

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

16 Portfolio transaction costs
for the year ending 31 January 2021

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	651,918	222	0.03	270	0.04
Total purchases	**651,918**	**222**		**270**	
Total purchases including transaction costs	**652,410**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	212,875	80	0.04	3	–
In-specie transfers	16,646	–	–	–	–
Total sales	**229,521**	**80**		**3**	
Total sales net of transaction costs	**229,438**				
Total transaction costs		**302**		**273**	
Total transaction costs as a % of average net assets		**0.04%**		**0.03%**	

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

16 Portfolio transaction costs (continued)
for the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	213,958	67	0.03	122	0.06
Total purchases	**213,958**	**67**		**122**	
Total purchases including transaction costs	**214,147**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	55,332	18	0.03	4	0.01
Total sales	**55,332**	**18**		**4**	
Total sales net of transaction costs	**55,310**				
Total transaction costs		**85**		**126**	
Total transaction costs as a % of average net assets		**0.02%**		**0.03%**	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.11% (2020: 0.07%).

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

17 Post balance sheet events

Since the year-end, markets have continued to be disrupted by the COVID-19 pandemic. Since the year-end, the NAV per share of Class 2 Net Accumulation share class has increased by 2.51% to 17 May 2021. The other share classes in the Sub-fund have moved by a similar magnitude. Contingency plans at the ACD and key service providers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

Sustainable Future Global Growth Fund (continued)

Distribution Tables
for the year ended 31 January 2021

Final distribution

Group 1 - Shares purchased prior to 1 August 2020

Group 2 - Shares purchased 1 August 2020 to 31 January 2021

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2021 Pence per share	Distribution paid 31.3.2020 Pence per share
Class 2 Net Accumulation - Group 1	–	–	–	–
Class 2 Net Accumulation - Group 2	–	–	–	–
Class 3 Net Accumulation - Group 1	–	–	–	0.2946
Class 3 Net Accumulation - Group 2	–	–	–	0.2946
Class Z Net Accumulation - Group 1	–	–	–	0.3348
Class Z Net Accumulation - Group 2	–	–	–	0.3348

Interim distribution

Group 1 - Shares purchased prior to 1 February 2020

Group 2 - Shares purchased 1 February 2020 to 31 July 2020

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2020 Pence per share	Distribution paid 30.9.2019 Pence per share
Class 2 Net Accumulation - Group 1	–	–	–	0.5546
Class 2 Net Accumulation - Group 2	–	–	–	0.5546
Class 3 Net Accumulation - Group 1	0.4829	–	0.4829	1.3906
Class 3 Net Accumulation - Group 2	0.0628	0.4201	0.4829	1.3906
Class Z Net Accumulation - Group 1	–	–	–	0.8391
Class Z Net Accumulation - Group 2	–	–	–	0.8391

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

Sustainable Future Managed Fund

Report for the year from 1 February 2020 to 31 January 2021

Investment Objective

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

Investment Policy

The Sub-fund will invest globally. 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

Fund review

The SF Managed Fund returned 17.0% (Class 2 Net Income) over the 12 months under review, compared with the IA Mixed Investment 40-85% Shares sector average of 5.3% (which is the comparator benchmark)*.

In performance terms, our global ex-UK equity portfolio was key over the period while our UK equity portfolio was solid on a relative basis although the market has been among the harder hit. On our bond exposure, the duration short has been a detractor as the prospect of interest rate rises diminished but the quality of issuers remains a positive given that our focus is on lending to the economy of the future; overall, performance of our bond portfolio was in line with expectations.

From an asset allocation perspective, we came into 2020 feeling more positive about markets and had therefore moved overweight equities and underweight cash and gilts. As the serious nature of Coronavirus became clear, our asset allocation committee met in early February and we made the call to reduce equities and allow cash to build up, while remaining overweight corporate bonds. As we approached the end of Q1, the committee met again and concluded the long-term opportunity for equities is increasingly compelling, so we began to deploy cash, bringing that level down and adding slowly to equities.

We have remained overweight equities and credit and underweight cash and gilts for the rest of the review period, with both contributing to returns into the end of 2020 during a strong period for markets. Our AA committee met in mid-October and increased our pro-risk stance given that we expected encouraging news on vaccines at some point over winter. On the fixed income side, our portfolio continues to perform well from a credit point of view but faces a headwind of lower interest rates and quantitative easing. We remain short duration on the expectation gilt yields will rise in the coming years.

The portfolio continues to target companies that can grow as the global economy becomes more efficient, offer a higher quality of life and provide a more resilient global economy.

As the impact of the pandemic became clear in the first quarter and markets lurched rapidly into bear territory, we took the opportunity to revisit every holding in the portfolio and ask two key questions: first, have the prospects changed five and ten years from now and second, how were companies positioned for the next six to 12 months in terms of cash position and ability to flex down cost base and access debt facilities? In the majority of cases, we remained confident in the long-term prospects across the Sub-fund.

Cineworld was the exception – we felt its balance sheet was not appropriate for the challenges that lay ahead so we exited this position. The difference with Cineworld versus other holdings where we remained confident in their prospects is that the company had recently made a large acquisition in the US by gearing up its balance sheet and was preparing to make a similar purchase in Canada before Covid-19 forced a rethink. A period of no revenues left the business struggling to finance these borrowing costs and, in hindsight, we should have seen the excess leverage as more of a red flag.

Crises often super-charge societal shifts and this is currently happening across many areas, with decades of development squeezed into weeks. Over recent months, we have seen a particular acceleration in themes such as Connecting people and Enhancing digital security and our holdings in these have been among our stronger names.

More recently, we saw something of a correction in technology stocks in September, which hit some of our names that had benefited most from the post-Covid working environment. We remain confident in these stocks despite the selloff: while positioning in the tech sector is heavily concentrated, we continue to focus on the long-term potential of each of our businesses and the four elements we seek in all investments, thematic drivers, sustainable credentials, good fundamentals and attractive valuation.

Another accelerating trend is digital payments (under our Increasing financial resilience theme), with a huge rise in online shopping and a growing reluctance to accept cash in the current environment. PayPal has been among our top performers and our thesis is largely based around engagement, the number of customers that sign up and how frequently they use the system when making a purchase The fact so many people trust PayPal to process and store their details is what makes this company so well positioned for growth.

Elsewhere, DocuSign also remains among our best holdings, with the company creating a unique product that digitalises the final signature part of the document creation process. At this point, a document traditionally needs to be printed several times, then sent via

Sustainable Future Managed Fund (continued)

Investment review (continued)

Fund review (continued)

mail, which is both time-consuming and costly. The company has a 70% market share for e-signatures globally but its addressable market is around 10 times larger than current sales figures, given it is effectively competing with paper. The growth rate has understandably accelerated in the Covid-19 world and we see this stock, held under our Increasing waste treatment and recycling theme, as an excellent example of a solution that makes the world more efficient.

Another strong contribution has come from among the smallest investments in the fund by market cap, with US pet insurer Trupanion exposed to our theme of Insuring a sustainable economy. Pet insurance is in the US is growing at 20-30% a year from a very low base of just 1.5-2% coverage and has decades of growth ahead. The reason for such low penetration lies in the history of the industry, with products very prescriptive and insurance companies capping the amount they would cover per procedure.

Trupanion does things differently and has spent the last 20 years disrupting the industry: it has a monthly subscription model that stops when you cancel or your pet dies rather than annual policies that require rebuying every year, and no caps on coverage. Our theme is about providing financial resilience to individuals and covering them against unexpected shocks. Trupanion does exactly this in a manner we think is not only responsible but provides the business with advantages that are difficult to replicate.

Another top performer was Autodesk, which saw its shares rising again after a weaker second quarter, during which sentiment was hit by relatively cautious guidance from management. Autodesk services the construction industry, with software technology that makes its customers more efficient, cutting costs and improving profitability. The company's growth rate is largely structural but its customers clearly sit in a cyclical industry and improving news on vaccines point towards better economic conditions in 2021 and beyond.

A number of semiconductor names are among the best contributors, with Cadence Design Systems continuing to broaden its chip design software offering to new customers, as the likes of Amazon, Google and even Tesla invest in design teams. Cadence's software offering is essential to this and demand from these businesses, as well as more traditional chip manufacturing customers, will drive growth over the short and long term. This type of innovation delivers better efficiency, which is key to our Improving the efficiency of energy use theme.

Other long-term semiconductor holdings, Infineon and ASML, have also posted solid results over recent months. Infineon CEO Reinhard Ploss said some of the company's target markets, especially the automotive sector, have recovered better than expected since summer and the structural transformation towards electro mobility is accelerating, particularly in Europe, which remains a key part of our thesis.

In our UK portfolio, Abcam remains a strong performer as it continues to benefit from a re-rating given the recent focus on life sciences, while speciality chemicals company Croda International has also had a strong 12 months, making key ingredients for life sciences and healthcare, personal care products and seed coatings, as well as lubricants and adhesives. The majority of its raw materials are natural and the company is a recognised leader in green chemistry, benefiting from ongoing demand for its products.

Although among our weaker holdings over the full year, financial names such as Legal & General and Paragon Banking Group, linked to our themes of Insuring a sustainable future and Increasing financial resilience, enjoyed a much stronger end to 2020. Showcasing the kind of financials we tend to own, Paragon Banking Group provides long-term mortgages to professional landlords, supporting the growing provision of homes for rent in the UK.

Elsewhere, names such as Trainline also saw share price growth towards the end of the period on the back of a vaccine-improved outlook. Looking at Trainline, the company had been struggling this year, as would be expected for a travel business during a period of lockdown. Our thesis is that growth will return for this highly profitable business with an undemanding valuation, with safe, efficient mass transport the only way to reduce congestion and emissions in our cities.

We see a similar story with holdings such as Italian fitness equipment manufacturer Technogym, also among our weaker names over the year but enjoying better fortunes in Q4. Technogym is a leader in the global fitness equipment market with a 6% market share and the number-one brand in Europe, as the only company in the sector to provide a full solution from fitness equipment to gym management. The business has excellent fundamentals, with a ROIC well in excess of 30% and annual compound EPS growth of 22% over the past five years as well as a net-cash balance sheet.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Fund review (continued)

In terms of trading, we implemented a phased, average in strategy to avoid having to call the market bottom, with the first stage in late March and the second in early April. We have researched a number of high-quality companies over the years that are benefiting from thematic growth, strong sustainability management and attractive fundamentals but did not meet the fourth aspect of our process – an attractive valuation resulting in 10% annualised upside on a five-year horizon. Indiscriminate selling in March gave us the opportunity to add a few select companies that did this valuation target after share price falls.

We initiated a position in Ansys for example, a global leader in simulation software. Its products help customers get their own products to market quicker, reducing risks around defects and generally improving innovation. Revenues are tied to R&D budgets for clients, which we feel are much less cyclical than other areas in which businesses tend to invest. As an example of what we outlined above, we initially looked at the stock in December 2019 but it did not our valuation criteria at that time. After falling over 40% from its highs in February, the stock did now meet our target, even after adjusting for the lower revenues due to the current crisis.

We also added Intuitive Surgical, a global leader in robotic-assisted surgery, which helps reduce errors and therefore costs for hospitals.

In Q3, we started a new position in Evotec, a global leader in providing outsourcing solutions to the pharma and biotech sectors for drug discovery and development. Its solutions enable R&D investment to be more effective and we see this as another key name for our Enabling innovation in healthcare sector.

Adyen was another addition, a beneficiary of our Increasing financial resilience theme through making the shift to digital payments safer and more efficient. A further financial added in Q3 was Sweden's leading investment platform Avanza (held under our Saving for the future theme), which is disrupting the market with superior technology and customer service.

Finally, in the last part of the year, we bought Spotify under our newest Encouraging sustainable leisure theme, the world's dominant audio platform with close to 300 million monthly active users (138 million paying a monthly subscription) in more than 70 countries. The company is adding users at a faster pace than closest rivals Apple and Amazon and keeping them more engaged: while launched as a music streaming service, it is moving into podcasts and its own content and we are excited to watch the business expand into audiobooks, live gigs and other areas as it takes advantage of its leading position.

We also started a position in US healthcare business Illumina, a global leader in sequencing and array-based solutions for genetic analysis. This is another name for our Enabling innovation in healthcare theme, with the company's ability to read and interpret a patient's DNA a core first step in the shift towards more personalised and efficacious medicines.

Elsewhere, we sold two stocks that had neared our long-term valuation calculation after a very strong 2020, Salesforce.Com and Eli Lilly.

**Source: FE Analytics, primary share class, total return, net of fees and income & interest reinvested, 31.01.20-31.01.21*

Market review

Markets started 2020 buoyant with positive news of a potential trade deal between the US and China and some clarity on Brexit negotiations, two issues that had had dominated headlines and sentiment for the previous few years. At this point, there were only rumblings of a viral outbreak in China but for whatever reason, the risk this would spread to the West was far from most investors' minds.

Twelve months later, a huge amount has changed as a result of the Covid-19 health crisis, with the global economy put on hold for several months as countries all over the world went into lockdown, moving back towards some sense of normality over summer and then falling back into shutdown in the face of a second wave of the virus.

After huge market declines in March, the second quarter saw equities retrace a large portion of these losses on the belief that policymakers' 'whatever it takes' attitude would be enough to prevent a serious recession. Governments and central banks were unified in their reaction with substantial monetary and fiscal stimulus, learning the lessons of 2008. These measures helped ease some of the

Sustainable Future Managed Fund (continued)

Investment review (continued)

Market review (continued)

impact of lost earnings, supported jobs and provided markets with liquidity and reassurance – but also had the effect of massively expanding already bloated government balance sheets.

Markets overall had a slower third quarter as concerns around renewed lockdowns persisted but positive news on vaccines in November drove a strong recovery after a weaker October. This optimism was further buoyed by Joe Biden's victory in the US Presidential election and we also saw an end to more than four years of Brexit negotiations, with the UK and EU unveiling a deal on Christmas Eve that should help markets start 2021 on firmer footing and allow companies to plan ahead.

While concerns about Covid-19 remain, with many countries forced back into lockdown amid worries about the virus mutating, broad market outperformance continued to the end of the year on the back of expectations of a better 2021. While we welcome the recovery in more cyclical names, we avoid trying to predict how the macro picture will develop and focus on backing companies benefiting from the structural shift towards a more sustainable economy and generating high returns. Covid-19 does not change our view that companies exposed to sustainable themes will see strong growth and many of these areas will accelerate as the world recovers.

As always, we continue to stress that whatever macro events are unfolding in the background, the underlying business fundamentals for the areas of the global market in which we invest remain strong. Our themes are structural in nature and therefore less transient than cyclical drivers, which can change constantly. The key factor behind all our themes is the conviction that, over time, the global economy will become more sustainable.

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, investments can result in a total loss of capital.

Material portfolio changes by value

Purchases	Sales
VeriSign	Eli Lilly
Alphabet 'A'	Salesforce.com
Intuitive Surgical	DocuSign
Avanza Bank	Trupanion
Ansys	Brookfield Renewable Partners
Illumina	InterXion
Spotify Technology	Roper Technologies
CSL	PayPal
Cadence Design Systems	Trimble
Keyence	Adobe

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.

Typically lower rewards,
lower risk

Typically higher rewards,
higher risk

1	2	3	4	5	6	7

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk 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 due to its exposure to a diversified portfolio of equities and debt instruments.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-fund.
  - any company which has high overseas earnings may carry a higher currency risk.
  - any 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.
- Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Sub-fund. If long-term interest rates rise, the value of your shares is likely to fall.
- The Sub-fund can invest in derivatives. Derivatives are used to protect against currencies, credit and interests rates move 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.
- Investments in emerging markets may involve a higher element of risk due to less well regulated markets and political and economic instability.

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

Sustainable Future Managed Fund (continued)

Portfolio Statement
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (69.50%)	**1,600,221**	**72.37**
	UNITED STATES OF AMERICA (31.73%)	**765,971**	**34.64**
	Banks (1.15%)	**30,190**	**1.37**
286,025	First Republic Bank	30,190	1.37
	Biotechnology (0.74%)	**56,463**	**2.55**
289,803	Alexion Pharmaceuticals	32,342	1.46
77,800	Illumina	24,121	1.09
	Chemicals (1.65%)	**36,523**	**1.65**
245,548	Ecolab	36,523	1.65
	Commercial Services (1.28%)	**36,465**	**1.65**
213,805	PayPal	36,465	1.65
	Diversified Financial Services (3.68%)	**89,554**	**4.06**
970,695	Charles Schwab	36,405	1.65
192,156	Nasdaq	18,899	0.86
243,288	Visa 'A'	34,250	1.55
	Electricity (0.90%)		
	Electronics (2.99%)	**35,156**	**1.59**
328,275	PerkinElmer	35,156	1.59
	Environmental Control (1.01%)	**22,386**	**1.01**
312,184	Waste Connections	22,386	1.01
	Healthcare Products (1.51%)	**66,132**	**2.99**
51,400	Intuitive Surgical	27,948	1.26
102,973	Thermo Fisher Scientific	38,184	1.73
	Healthcare Services (1.93%)	**44,677**	**2.02**
345,173	IQVIA	44,677	2.02

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED STATES OF AMERICA (continued)		
	Insurance (0.92%)	**13,245**	**0.60**
162,537	Trupanion	13,245	0.60
	Internet (3.01%)	**101,959**	**4.61**
37,999	Alphabet 'A'	50,483	2.28
88,227	Palo Alto Networks	22,594	1.02
204,500	VeriSign	28,882	1.31
	Machinery Diversified (0.46%)	**17,318**	**0.78**
95,771	Rockwell Automation	17,318	0.78
	Pharmaceuticals (1.36%)		
	Real Estate Investment Trusts (2.50%)	**49,544**	**2.24**
166,786	American Tower	27,614	1.25
40,770	Equinix	21,930	0.99
	Software (6.64%)	**166,359**	**7.52**
45,333	Adobe	15,132	0.68
96,600	Ansys	24,894	1.13
210,396	Autodesk	42,470	1.92
399,560	Cadence Design Systems	37,893	1.71
77,999	DocuSign	13,232	0.60
73,503	Intuit	19,316	0.87
111,687	Splunk	13,422	0.61
	UNITED KINGDOM (20.18%)	**419,053**	**18.95**
	Alternative Energy Sources (0.00%)	**5,518**	**0.25**
1,741,734	John Laing	5,518	0.25
	Banks (0.64%)	**14,074**	**0.64**
3,102,820	Paragon Banking	14,074	0.64

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Biotechnology (1.09%)	**29,735**	**1.35**
1,370,826	Abcam	22,715	1.03
715,622	Oxford Biomedica	7,020	0.32
	Chemicals (0.95%)	**25,392**	**1.15**
404,074	Croda International	25,392	1.15
	Commercial Services (1.02%)	**19,706**	**0.89**
357,257	Intertek	19,706	0.89
	Computers (1.03%)	**29,554**	**1.34**
1,394,617	GB	11,938	0.54
1,166,618	Softcat	17,616	0.80
	Cosmetics & Personal Care (1.03%)	**13,806**	**0.62**
325,605	Unilever	13,806	0.62
	Diversified Financial Services (3.15%)	**63,440**	**2.86**
1,094,149	AJ Bell	4,710	0.21
933,806	Hargreaves Lansdown	15,949	0.72
280,634	London Stock Exchange	24,376	1.10
1,569,030	St James's Place	18,405	0.83
	Electronics (0.00%)	**7,658**	**0.35**
310,283	Halma	7,658	0.35
	Engineering & Construction (0.00%)	**8,705**	**0.39**
5,468,141	Helios Towers	8,705	0.39
	Entertainment (0.55%)		
	Food Services (1.05%)	**18,494**	**0.84**
1,411,768	Compass	18,494	0.84

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Home Builders (1.39%)	**22,815**	**1.03**
2,352,083	Countryside Properties	10,142	0.46
3,918,552	Crest Nicholson	12,673	0.57
	Insurance (2.43%)	**38,942**	**1.77**
9,200,982	Legal & General	22,450	1.02
1,406,566	Prudential	16,492	0.75
	Internet (0.48%)	**18,247**	**0.83**
4,476,732	Trainline	18,247	0.83
	Investment Companies (0.29%)	**5,621**	**0.25**
5,253,404	SDCL Energy Efficiency Income Trust	5,621	0.25
	Miscellaneous Manufacturing (0.92%)	**8,680**	**0.39**
1,607,461	Porvair	8,680	0.39
	Pharmaceuticals (2.38%)	**35,184**	**1.59**
1,357,805	GlaxoSmithKline	18,423	0.83
151,494	GW Pharmaceuticals	16,761	0.76
	Private Equity (1.49%)	**38,236**	**1.73**
2,354,973	3i	26,164	1.18
12,721,117	IP	12,072	0.55
	Real Estate Investment & Services (0.03%)	**301**	**0.01**
427,000	Ethical Property+	301	0.01
	Retail (0.26%)	**6,269**	**0.28**
2,915,611	DFS Furniture	6,269	0.28
	Transportation (0.00%)	**8,676**	**0.39**
3,470,354	National Express	8,676	0.39

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	GERMANY (2.00%)	**80,033**	**3.62**
	Apparel (0.69%)	**19,782**	**0.90**
276,861	Puma	19,782	0.90
	Auto Parts & Equipment (0.62%)	**19,111**	**0.86**
428,168	Hella	19,111	0.86
	Healthcare Services (0.00%)	**21,223**	**0.96**
733,356	Evotec	21,223	0.96
	Semiconductors (0.69%)	**19,917**	**0.90**
680,441	Infineon Technologies	19,917	0.90
	JAPAN (3.31%)	**68,673**	**3.11**
	Building Materials (1.16%)	**22,043**	**1.00**
143,751	Daikin Industries	22,043	1.00
	Commercial Services (0.95%)	**16,569**	**0.75**
298,123	TechnoPro	16,569	0.75
	Leisure Time (0.56%)		
	Machinery Diversified (0.64%)	**30,061**	**1.36**
77,010	Keyence	30,061	1.36
	IRELAND (2.86%)	**49,348**	**2.23**
	Building Materials (1.24%)	**13,525**	**0.61**
273,232	Kingspan	13,525	0.61
	Food Producers (0.55%)	**9,146**	**0.41**
92,382	Kerry	9,146	0.41
	Forest Products & Paper (1.07%)	**26,677**	**1.21**
763,065	Smurfit Kappa	26,677	1.21

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	SWEDEN (0.82%)	**49,084**	**2.22**
	Banks (0.82%)		
	Diversified Financial Services (0.00%)	**28,617**	**1.29**
1,439,570	Avanza Bank	28,617	1.29
	Internet (0.00%)	**20,467**	**0.93**
89,200	Spotify Technology	20,467	0.93
	NETHERLANDS (1.94%)	**38,481**	**1.74**
	Commercial Services (0.00%)	**13,492**	**0.61**
8,869	Adyen	13,492	0.61
	Computers (0.00%)		
	Semiconductors (0.85%)	**24,989**	**1.13**
64,274	ASML	24,989	1.13
	AUSTRALIA (1.42%)	**29,674**	**1.34**
	Biotechnology (1.42%)	**29,674**	**1.34**
195,463	CSL	29,674	1.34
	SPAIN (1.37%)	**28,506**	**1.29**
	Engineering & Construction (1.37%)	**28,506**	**1.29**
667,076	Cellnex Telecom	28,506	1.29
	DENMARK (1.35%)	**24,870**	**1.13**
	Banks (1.35%)	**24,870**	**1.13**
387,885	Ringkjoebing Landbobank	24,870	1.13
	ITALY (1.22%)	**23,643**	**1.07**
	Banks (0.81%)	**12,267**	**0.56**
541,631	Banca Generali	12,267	0.56

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	ITALY (continued)		
	Leisure Time (0.41%)	**11,376**	**0.51**
1,523,495	Technogym	11,376	0.51
	SWITZERLAND (1.30%)	**16,821**	**0.76**
	Pharmaceuticals (1.30%)	**16,821**	**0.76**
66,898	Roche	16,821	0.76
	CZECH REPUBLIC (0.00%)	**6,064**	**0.27**
	Computers (0.00%)	**6,064**	**0.27**
1,284,230	Avast	6,064	0.27
	BONDS (16.57%)	**389,426**	**17.61**
	UK STERLING DEBT SECURITIES (13.87%)	**336,799**	**15.22**
£ 5,500,000	Annington Funding 3.184% 12/7/2029	6,171	0.28
£ 6,300,000	Aroundtown 4.75% 25/6/2169	6,623	0.30
£ 5,200,000	Assicurazioni Generali 6.269% 16/6/2169	5,863	0.26
£ 3,000,000	AT&T 7% 30/4/2040	4,979	0.22
£ 8,550,000	Aviva 5.125% 4/6/2050	10,255	0.46
£ 1,000,000	Aviva 4% 3/6/2055	1,131	0.05
£ 2,700,000	AXA 5.453% 4/3/2169	3,123	0.14
£ 5,600,000	British Telecommunications 3.125% 21/11/2031	6,348	0.29
£ 5,235,000	Bunzl Finance 1.5% 30/10/2030	5,344	0.24
£ 6,600,000	Cadent Finance 2.25% 10/10/2035	6,983	0.32
£ 455,000	Clarion Funding 2.625% 18/1/2029	510	0.02
£ 3,300,000	Compass 2% 5/9/2025	3,510	0.16
£ 3,000,000	Coventry Building Society 6.875% 18/9/2169	3,307	0.15
£ 3,000,000	CPUK Finance 3.69% 28/2/2047	3,300	0.15
£ 2,800,000	Direct Line Insurance 4% 5/6/2032	3,209	0.14
£ 4,936,000	DWR Cymru Financing UK 2.5% 31/3/2036	5,873	0.27
£ 6,281,000	DWR Cymru Financing UK 1.625% 31/3/2026	6,407	0.29
£ 3,800,000	GlaxoSmithKline Capital 5.25% 19/12/2033	5,633	0.25
£ 4,800,000	HSBC 7% 7/4/2038	7,437	0.34
£ 5,000,000	HSBC 6% 29/3/2040	7,174	0.32
£ 5,500,000	Legal & General 5.5% 27/6/2064	7,116	0.32
£ 7,850,000	Legal & General 4.5% 1/11/2050	8,926	0.40

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	UK STERLING DEBT SECURITIES (continued)		
£ 6,600,000	Liberty Living Finance 3.375% 28/11/2029	7,250	0.33
£ 5,285,000	Lloyds Bank 2.707% 3/12/2035	5,472	0.25
£ 4,800,000	Logicor 2019-1 UK 1.875% 17/11/2026	5,085	0.23
£ 3,000,000	London & Quadrant Housing Trust 2% 20/10/2038	3,113	0.14
£ 5,500,000	M&G 5.625% 20/10/2051	6,617	0.30
£ 7,500,000	Motability Operations 1.75% 3/7/2029	8,008	0.36
£ 3,710,000	Motability Operations 1.5% 20/1/2041	3,692	0.17
£ 4,627,000	National Express 2.375% 20/11/2028	4,808	0.22
£ 4,355,000	National Grid Gas 1.125% 14/1/2033	4,283	0.19
£ 8,000,000	Nationwide Building Society 5.875% 20/12/2169	8,710	0.39
£ 4,300,000	Natwest 3.125% 28/3/2027	4,683	0.21
£ 8,800,000	Natwest 3.622% 14/8/2030	9,490	0.43
£ 2,185,000	Next 3.625% 18/5/2028	2,418	0.11
£ 5,400,000	NGG Finance 5.625% 18/6/2073	6,144	0.28
£ 2,578,000	Optivo Finance 2.857% 7/10/2035	3,010	0.14
£ 6,000,000	Orange 8.125% 20/11/2028	9,154	0.41
£ 500,000	Orsted 2.125% 17/5/2027	538	0.02
£ 5,900,000	Pension Insurance 5.625% 20/9/2030	7,322	0.33
£ 3,000,000	Pension Insurance 8% 23/11/2026	3,929	0.18
£ 6,200,000	Phoenix 5.625% 28/4/2031	7,549	0.34
£ 8,350,000	Rothesay Life 5.5% 17/9/2029	9,289	0.42
£ 3,750,000	Severn Trent Utilities Finance 6.25% 7/6/2029	5,305	0.24
£ 4,788,000	Severn Trent Utilities Finance 2% 2/6/2040	5,039	0.23
£ 5,500,000	Southern Gas Networks 1.25% 2/12/2031	5,442	0.25
£ 6,150,000	SP Transmission 2% 13/11/2031	6,643	0.30
£ 6,477,000	SSE 3.74% 14/4/2169	6,858	0.31
£ 2,700,000	Stagecoach 4% 29/9/2025	2,875	0.13
£ 10,860,000	Standard Chartered 5.125% 6/6/2034	13,720	0.62
£ 6,940,000	Student Finance 2.6663% 30/9/2029	6,985	0.32
£ 5,500,000	Telefonica Emisiones 5.375% 2/2/2026	6,654	0.30
£ 2,400,000	Travis Perkins 4.5% 7/9/2023	2,565	0.12
£ 1,500,000	Travis Perkins 3.75% 17/2/2026	1,576	0.07
£ 2,571,000	United Utilities Water Finance 0.875% 28/10/2029	2,548	0.11
£ 8,000,000	Verizon Communications 1.875% 19/9/2030	8,382	0.38
£ 5,500,000	Vodafone 5.9% 26/11/2032	8,125	0.37
£ 5,900,000	Western Power Distribution 3.5% 16/10/2026	6,549	0.30
£ 3,550,000	Wm Morrison Supermarkets 4.75% 4/7/2029	4,494	0.20
£ 3,000,000	Yorkshire Building Society 3.375% 13/9/2028	3,253	0.15

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BONDS (continued)		
	EURO DEBT SECURITIES (0.00%)	**13,052**	**0.59**
€ 7,878,675	Stichting AK Rabobank Certificaten 6.5% 29/3/2169	9,131	0.41
€ 3,000,000	Telecom Italia Finance 7.75% 24/1/2033	3,921	0.18
	US DOLLAR DEBT SECURITIES (2.70%)	**39,575**	**1.80**
$ 3,000,000	AXA 6.379% 14/6/2169	3,048	0.14
$ 2,500,000	Barclays 3.564% 23/9/2035	1,909	0.09
$ 7,500,000	BNP Paribas 7.195% 25/12/2169	5,990	0.27
$ 6,000,000	Cloverie for Zurich Insurance 5.625% 24/6/2046	5,047	0.23
$ 16,400,000	HSBC Bank 0.75% 19/12/2169	10,599	0.48
$ 7,400,000	Swiss Re Finance Luxembourg 5% 2/4/2049	6,224	0.28
$ 9,305,000	Zurich Finance Ireland Designated Activity 3% 19/4/2051	6,758	0.31
	COLLECTIVE INVESTMENT SCHEMES (8.65%)	**144,401**	**6.53**
	GUERNSEY (0.57%)	**8,947**	**0.40**
7,045,244	Renewables Infrastructure	8,947	0.40
	IRELAND (7.93%)	**133,136**	**6.03**
3,000,000	Liontrust GF Sustainable Future European Corporate Bond Fund†	28,412	1.29
9,837,558	Liontrust GF Sustainable Future Global Growth Fund†	104,724	4.74
	UNITED KINGDOM (0.15%)	**2,318**	**0.10**
1,694,685	Greencoat UK Wind	2,318	0.10
	Portfolio of investments	**2,134,048**	**96.51**
	Net other assets	**77,234**	**3.49**
	Total net assets	**2,211,282**	**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 2020.

\+ Unquoted security.

† Managed by Liontrust Investment Partners LLP.

Sustainable Future Managed Fund (continued)

Comparative Tables
for the year ended 31 January 2021

Class 2 Net Income Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	163.90	136.85	134.00
Return before operating charges	29.72	30.13	5.78
Operating charges	(1.53)	(1.39)	(1.21)
Return after operating charges	28.19	28.74	4.57
Distributions	(0.91)	(1.69)	(1.72)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**191.18**	**163.90**	**136.85**
After direct transaction costs of*	(0.14)	(0.13)	(0.13)
Performance			
Return after charges	17.20%	21.00%	3.41%
Other information			
Closing net asset value (£000's)	496,611	285,482	137,834
Closing number of shares	259,766,021	174,183,008	100,721,355
Operating charges**	0.88%	0.90%	0.88%
Direct transaction costs*	0.08%	0.09%	0.09%
Prices			
Highest share price	201.58	168.50	144.80
Lowest share price	134.11	137.60	127.40

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

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

Sustainable Future Managed Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2021

Class 3 Net Income Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	219.13	182.92	179.11
Return before operating charges	39.59	40.15	7.55
Operating charges	(1.05)	(0.93)	(0.79)
Return after operating charges	38.54	39.22	6.76
Distributions	(2.02)	(3.01)	(2.95)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**255.65**	**219.13**	**182.92**
After direct transaction costs of*	(0.18)	(0.18)	(0.17)
Performance			
Return after charges	17.59%	21.44%	3.77%
Other information			
Closing net asset value (£000's)	1,096,554	871,433	659,400
Closing number of shares	428,934,229	397,682,903	360,484,066
Operating charges**	0.45%	0.45%	0.43%
Direct transaction costs*	0.08%	0.09%	0.09%
Prices			
Highest share price	269.96	225.60	193.70
Lowest share price	179.40	184.00	170.40

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

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

Sustainable Future Managed Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2021

Class 6 Net Accumulation Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	209.93	173.45	167.77
Return before operating charges	38.15	38.24	7.20
Operating charges	(1.97)	(1.76)	(1.52)
Return after operating charges	36.18	36.48	5.68
Distributions	(1.17)	(2.15)	(2.16)
Retained distributions on accumulation shares	1.17	2.15	2.16
Closing net asset value per share	**246.11**	**209.93**	**173.45**
After direct transaction costs of*	(0.18)	(0.17)	(0.16)
Performance			
Return after charges	17.23%	21.03%	3.39%
Other information			
Closing net asset value (£000's)	616,789	207,259	63,938
Closing number of shares	250,616,322	98,726,159	36,862,906
Operating charges**	0.88%	0.90%	0.88%
Direct transaction costs*	0.08%	0.09%	0.09%
Prices			
Highest share price	259.07	215.00	182.80
Lowest share price	171.79	174.50	159.50

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

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

Sustainable Future Managed Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2021

Class 7 Net Accumulation **Accounting year ended**	**31 January 2021** **per share (p)**	**31 January 2020** **per share (p)**	**31 January 2019** **per share (p)**
Change in net assets per share			
Opening net asset value per share	215.24	177.19	170.79
Return before operating charges	38.98	38.95	7.16
Operating charges	(1.03)	(0.90)	(0.76)
Return after operating charges	37.95	38.05	6.40
Distributions	(2.01)	(2.93)	(2.82)
Retained distributions on accumulation shares	2.01	2.93	2.82
Closing net asset value per share	**253.19**	**215.24**	**177.19**
After direct transaction costs of*	(0.18)	(0.17)	(0.17)
Performance			
Return after charges	17.63%	21.47%	3.75%
Other information			
Closing net asset value (£000's)	1,328	4,094	1,509
Closing number of shares	524,676	1,902,134	851,358
Operating charges**	0.45%	0.45%	0.43%
Direct transaction costs*	0.08%	0.09%	0.09%
Prices			
Highest share price	266.47	220.40	186.40
Lowest share price	176.21	178.20	162.50

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

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

Sustainable Future Managed Fund (continued)

Statement of Total Return
for the year ended 31 January 2021

	Notes	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Income					
Net capital gains	2		276,496		189,696
Revenue	3	23,366		22,202	
Expenses	4	(10,866)		(6,560)	
Interest payable and similar charges	6	(6)		(6)	
Net revenue before taxation		12,494		15,636	
Taxation	5	(6,206)		(1,044)	
Net revenue after taxation			6,288		14,592
Total return before distributions			**282,784**		**204,288**
Distributions	7		(11,697)		(14,592)
Change in net assets attributable to shareholders from investment activities			**271,087**		**189,696**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2021

	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Opening net assets attributable to shareholders		**1,368,268**		**862,681**
Amounts received on issue of shares	590,497		320,924	
Amounts paid on cancellation of shares	(20,767)		(6,754)	
		569,730		314,170
Change in net assets attributable to shareholders from investment activities		271,087		189,696
Retained distributions on accumulation shares		2,197		1,721
Closing net assets attributable to shareholders		**2,211,282**		**1,368,268**

Sustainable Future Managed Fund (continued)

Balance Sheet
as at 31 January 2021

	Notes	31.1.2021 (£'000)	31.1.2020 (£'000)
Assets			
Fixed assets			
Investments		2,134,048	1,295,992
Current assets:			
Debtors	8	20,162	13,294
Cash and bank balances	9	69,344	65,635
Total assets		**2,223,554**	**1,374,921**
Liabilities			
Creditors:			
Distribution payable		(4,458)	(5,664)
Other creditors	10	(2,404)	(989)
Provision for liabilities	11	(5,410)	–
Total liabilities		**(12,272)**	**(6,653)**
Net assets attributable to shareholders		**2,211,282**	**1,368,268**

Sustainable Future Managed Fund (continued)

Notes to the financial statements
for the year ended 31 January 2021

1 Accounting policies

The accounting policies for the sub-fund are set out on pages 13 to 15.

2 Net capital gains

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
The net capital gains comprise:		
Non-derivative securities	276,921	189,725
Foreign currency losses	(425)	(29)
Net capital gains	**276,496**	**189,696**

3 Revenue

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Bank interest	45	3
Interest distributions on CIS holdings	–	2,090
Interest from overseas fixed income securities	2,995	1,410
Interest from UK fixed income securities	7,017	4,239
Management fee rebates on CIS	635	294
Overseas dividends	5,638	6,323
Stock lending income	15	–
Taxable overseas dividends	71	–
UK dividends	6,184	7,280
US REIT dividends	766	563
Total revenue	**23,366**	**22,202**

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

4 Expenses

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	9,399	5,653
General administration charges	1,467	908
Other expenses:		
Other expenses	–	(1)
	–	**(1)**
Total expenses	**10,866**	**6,560**

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

5 Taxation

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
a) Analysis of charge in year		
Corporation tax	106	406
Less: Double taxation relief	(94)	(39)
Overseas tax	784	677
Deferred tax credit [see note(c)]	5,410	–
Total tax charge [see note(b)]	**6,206**	**1,044**

b) Factors affecting tax charge for the year

The taxation assessed for the year is higher (2020: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Net revenue before taxation	12,494	15,636
Corporation tax at 20% (2020 - 20%)	2,499	3,127
Effects of:		
Capitalised income subject to tax	5,403	–
Double taxation relief	(116)	(39)
Overseas tax	784	677
Revenue not subject to tax	(2,364)	(2,721)
Total tax charge [see note(a)]	**6,206**	**1,044**

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

c) Deferred tax

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Opening deferred tax balance	–	–
Deferred tax movement for the year (see note 5a)	5,410	–
Closing deferred tax+	**5,410**	**–**

+ Tax effect of unrealised offshore income gains.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

6 Interest payable and similar charges

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Overdraft interest	6	6
Total interest payable and similar charges	**6**	**6**

7 Distributions

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Interim distribution	7,234	9,406
Final distribution	5,480	6,426
	12,714	**15,832**
Amounts deducted on cancellation of shares	42	26
Amounts received on issue of shares	(1,059)	(1,266)
Distributions	**11,697**	**14,592**

The distributable amount has been calculated as follows:		
Net revenue after taxation	6,288	14,592
Less: Equalisation on conversions	(1)	–
Add: Deferred tax	5,410	–
Distributions	**11,697**	**14,592**

The distribution per share is set out in the tables on page 213.

8 Debtors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Accrued Management fee rebates on CIS	107	–
Accrued revenue	6,121	4,184
Amounts receivable for issue of shares	10,480	8,338
Corporation tax recoverable	71	-
Currency sales awaiting settlement	754	–
Overseas withholding tax	872	673
Sales awaiting settlement	1,757	99
Total debtors	**20,162**	**13,294**

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

9 Cash and bank balances

	31.1.2021 (£'000)	31.1.2020 (£'000)
Cash and bank balances	69,344	65,635
Total cash and bank balances	**69,344**	**65,635**

10 Creditors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Other Creditors		
Accrued expenses	161	95
Accrued ACD's charge	1,144	604
Amounts payable for cancellation of shares	346	86
Corporation tax	–	204
Currency purchases awaiting settlement	753	–
Total other creditors	**2,404**	**989**

11 Provision for liabilities

	31.1.2021 (£'000)	31.1.2020 (£'000)
Deferred tax	5,410	–
Total provision for liabilities	**5,410**	**–**

12 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2020: £nil).

13 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are include within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £1,305,000 (2020: £699,000).

The balance due from Liontrust Fund Partners LLP and its associates at the year end was £107,000 (2020: £Nil).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £10,866,000 (2020: £6,561,000).

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

13 Related party transactions (continued)

The total rebate of expenses paid by Liontrust Fund Partners LLP and it associates for the year was £635,000 (2020: £294,000).

As at 31 January 2021 the Sub-fund held 1.3% (3,000,000 shares with a market value of £28,412,000) of the Class A8 Accumulating Euro shares of the Liontrust GF Sustainable Future European Corporate Bond Fund, which shares the same investment advisor, Liontrust Investment Partners LLP. (Prior year: 100% (3,000,000 shares with a market value of £26,877,000).

As at 31 January 2021 the Sub-fund held 4.8% (9,837,558 shares with a market value of £104,724,000) of the Class B8 Accumulating USD shares of the Liontrust GF Sustainable Future Global Growth Fund, which shares the same investment advisor, Liontrust Investment Partners LLP. (Prior year: 100% 9,837,558 shares with a market value of £81,595,000).

14 Securities lending

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

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

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

		31 January 2021		31 January 2020	
Counterparty	Counterparty's country of establishment	Securities on loan (£'000)	Collateral received (£'000)	Securities on loan (£'000)	Collateral received (£'000)
Citigroup Global Markets Limited	UK	16,565	18,295	–	–
Credit Suisse International	Switzerland	8,513	9,380	–	–
Credit Suisse Securities (Europe) Limited	UK	6,537	6,869	–	–
J.P. Morgan Securities Plc	UK	2,872	3,070	–	–
Merrill Lynch International	UK	2	2	–	–
The Bank of Nova Scotia	Canada	11,498	12,684	–	–
UBS AG	Switzerland	7,310	7,933	–	–
Total		**53,297**	**58,233**	**–**	**–**

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

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Securities lending (continued)

Management of counterparty credit risk related to securities lending
To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. As at 31 January 2021 all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange. There was no non-cash collateral received by the Sub-fund as at 31 January 2020.

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

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

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

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

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

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

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

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

Market price risk (continued)

ensure that individual stocks also meet an acceptable risk reward profile. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes.

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

As at 31 January 2021 and 31 January 2020 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2021, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.9%.

As at 31 January 2020, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 11.9%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

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

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

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

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

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

Market price risk (continued)
The Sub-fund did not materially use derivatives in the year and the level of leverage employed by the Sub-fund during the year is not considered to be significant.

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

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

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

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

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

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

At 31 January 2021 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	29,674	29,674
Danish Krone	176	24,870	25,046
Euro	323	234,798	235,121
Japanese Yen	96	68,673	68,769
Norwegian Krone	305	–	305
Swedish Krona	–	28,616	28,616
Swiss Franc	–	16,821	16,821
United States Dollar	1,569	947,500	949,069
	2,469	**1,350,952**	**1,353,421**

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

Currency risk (continued)

At 31 January 2020 the Sub-fund's currency exposure was as shown in the table below:*

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	19,425	19,425
Danish Krone	119	18,426	18,545
Euro	280	125,608	125,888
Japanese Yen	113	45,331	45,444
Norwegian Krone	295	–	295
Swedish Krona	–	11,286	11,286
Swiss Franc	–	17,750	17,750
United States Dollar	636	575,566	576,202
	1,443	**813,392**	**814,835**

If the exchange rate at 31 January 2021 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.61%/(0.61)% respectively.

If the exchange rate at 31 January 2020 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.60%/(0.60)% respectively.

*Presentation of prior year disclosure has been updated to include debtors/creditors in line with current year.

Interest rate risk

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

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

Between 10% and 60% (typically 25%) of the Sub-fund's financial assets will be in interest bearing financial assets and liabilities. As a result the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates. The ACD may from time to time enter into contracts on behalf of the Sub-fund that seeks to mitigate the effects of these movements.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

Interest rate risk (continued)

The interest rate risk profile of financial assets and liabilities at 31 January 2021 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	10,599	378,827	1,744,622	2,134,048
Investment liabilities	–	–	–	–

The interest rate risk profile of financial assets and liabilities at 31 January 2020 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	28,037	198,755	1,069,200	1,295,992
Investment liabilities	–	–	–	–

At 31 January 2021, if interest rates had strengthened/weakened by 1% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 1.5%.

At 31 January 2020, if interest rates had strengthened/weakened by 1% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 1.3%.

Liquidity risk

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

If a Sub-Fund is primarily exposed to smaller companies there may be liquidity constraints 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. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria and can make it difficult to establish accurate estimates of fundamental value. The lack of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD's ability to execute substantial deals.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

Liquidity risk (continued)

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

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

Counterparty credit risk

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

The table below summarises the credit quality of the Sub-fund debt portfolio as at 31 January 2021 and 31 January 2020.

Summary of Credit ratings	31.1.2021 (£'000)	31.1.2020 (£'000)
Investment grade	318,172	182,322
Below Investment grade	34,034	40,616
Not Rated	37,220	3,854
Total	**389,426**	**226,792**

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

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

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

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

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2021 was A (Standard & Poor's rating).

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

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

15 Risk management policies (continued)

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

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

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

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

Valuation of financial investments

31.1.2021	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	1,611,185	–
Level 2: Observable market data	522,562	–
Level 3: Unobservable data	301	–
	2,134,048	**–**

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	960,375	–
Level 2: Observable market data	335,264	–
Level 3: Unobservable data	353	–
	1,295,992	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.*

*The level 3 assets have been valued at a discount to the last traded price.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

16 Share movement

For the year ending 31 January 2021

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Income	174,183,008	87,332,702	(1,711,476)	(38,213)	259,766,021
Class 3 Net Income	397,682,903	37,482,205	(6,230,879)	—	428,934,229
Class 6 Net Accumulation	98,726,159	152,407,083	(1,709,165)	1,192,245	250,616,322
Class 7 Net Accumulation	1,902,134	—	(244,157)	(1,133,301)	524,676

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

17 Portfolio transaction costs
for the year ending 31 January 2021

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	688,310	252	0.04	968	0.14
Debt instruments (direct)	233,093	–	–	–	–
Collective investment schemes	1,821	1	0.05	2	0.11
Total purchases	**923,224**	**253**		**970**	
Total purchases including transaction costs	**924,447**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	285,120	110	0.04	4	–
Debt instruments (direct)	75,537	–	–	–	–
Total sales	**360,657**	**110**		**4**	
Total sales net of transaction costs	**360,543**				
Total transaction costs		**363**		**974**	
Total transaction costs as a % of average net assets		**0.02%**		**0.06%**	

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

17 Portfolio transaction costs (continued)
for the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	384,538	136	0.04	754	0.20
Debt instruments (direct)	256,956	–	–	–	–
Collective investment schemes	64,280	–	–	1	–
In-specie transfers	34,857	–	–	–	–
Total purchases	**740,631**	**136**		**755**	
Total purchases including transaction costs	**741,522**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	174,321	70	0.04	8	–
Debt instruments (direct)	146,769	–	–	–	–
Collective investment schemes	71,490	–	–	–	–
In-specie transfers	76,946	–	–	–	–
Total sales	**469,526**	**70**		**8**	
Total sales net of transaction costs	**469,448**				
Total transaction costs		**206**		**763**	
Total transaction costs as a % of average net assets		**0.02%**		**0.07%**	

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

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

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

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

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

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

17 Portfolio transaction costs (continued)

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.23% (2020: 0.17%).

18 Post balance sheet events

Since the year-end, markets have continued to be disrupted by the COVID-19 pandemic. Since the year-end, the NAV per share of Class 2 Net Income share class has increased by 2.94% to 17 May 2021. The other share classes in the Sub-fund have moved by a similar magnitude. Contingency plans at the ACD and key service providers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

Sustainable Future Managed Fund (continued)

Distribution Tables
for the year ended 31 January 2021

Final distribution

Group 1 - Shares purchased prior to 1 August 2020

Group 2 - Shares purchased 1 August 2020 to 31 January 2021

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2021 Pence per share	Distribution paid 31.3.2020 Pence per share
Class 2 Net Income - Group 1	0.3148	–	0.3148	0.5876
Class 2 Net Income - Group 2	0.0800	0.2348	0.3148	0.5876
Class 3 Net Income - Group 1	0.8486	–	0.8486	1.1670
Class 3 Net Income - Group 2	0.3304	0.5182	0.8486	1.1670
Class 6 Net Accumulation - Group 1	0.4061	–	0.4061	0.7503
Class 6 Net Accumulation - Group 2	0.1072	0.2989	0.4061	0.7503
Class 7 Net Accumulation - Group 1	0.8381	–	0.8381	1.1380
Class 7 Net Accumulation - Group 2	0.8381	–	0.8381	1.1380

Interim distribution

Group 1 - Shares purchased prior to 1 February 2020

Group 2 - Shares purchased 1 February 2020 to 31 July 2020

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2020 Pence per share	Distribution paid 30.9.2019 Pence per share
Class 2 Net Income - Group 1	0.5940	–	0.5940	1.1065
Class 2 Net Income - Group 2	0.2480	0.3460	0.5940	1.1065
Class 3 Net Income - Group 1	1.1742	–	1.1742	1.8470
Class 3 Net Income - Group 2	0.4724	0.7018	1.1742	1.8470
Class 6 Net Accumulation - Group 1	0.7623	–	0.7623	1.4041
Class 6 Net Accumulation - Group 2	0.2412	0.5211	0.7623	1.4041
Class 7 Net Accumulation - Group 1	1.1672	–	1.1672	1.7889
Class 7 Net Accumulation - Group 2	1.1672	–	1.1672	1.7889

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

Sustainable Future Managed Growth Fund

Report for the year from 1 February 2020 to 31 January 2021

Investment Objective

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

Investment Policy

The Sub-fund will invest globally. 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

Fund review

The SF Managed Growth fund returned 27.2% (Class 2 Net Accumulation) over the 12 months under review compared with the IA Flexible Investment sector average of 7.1% (which is the comparator benchmark)*.

Stock selection was once again the major contributor to performance although our asset allocation decisions also had a positive impact.

From an asset allocation perspective, we came into 2020 feeling more positive about markets and had therefore moved overweight equities and underweight cash. As the serious nature of Coronavirus became clear, our asset allocation committee met in early February and we made the call to reduce equities to neutral and allow cash to build up. As we approached the end of Q1, the committee met again and concluded the long-term opportunity for equities was increasingly compelling, so we began to deploy cash, bringing that down and adding slowly to equities, and we continued an averaging-in strategy into April.

We remained overweight equities and underweight cash for the rest of the review period, with both contributing to returns into the end of 2020 during a strong period for markets. Our AA committee met in mid-October and increased our pro-risk stance given that we expected encouraging news on vaccines at some point over winter.

Our process targets businesses that can grow structurally, driven by the shift towards a global economy that is more efficient, provides a higher quality of life and is more resilient.

As the impact of the pandemic became clear in the first quarter and markets lurched rapidly into bear territory, we took the opportunity to revisit every holding in the portfolio and ask two key questions: first, have the prospects changed five and ten years from now and second, how were companies positioned for the next six to 12 months in terms of cash position and ability to flex down cost base and access debt facilities. In the majority of cases, we remained confident in the long-term prospects across the Sub-fund.

Stock selection has continued to drive overall performance, although crises often super-charge societal shifts and this is currently happening across many areas, with decades of development squeezed into weeks. Over recent months, we have seen a particular acceleration in themes such as Connecting people and Enhancing digital security and our holdings in these have been among our stronger names.

More recently, we saw something of a correction in technology stocks in September, which hit some of our names that had benefited most from the post-Covid working environment. We remain confident in these stocks despite the selloff: while positioning in the tech sector is heavily concentrated, we continue to focus on the long-term potential of each of our businesses and the four elements we seek in all investments, thematic drivers, sustainable credentials, good fundamentals and attractive valuation.

Another accelerating trend is digital payments (under our Increasing financial resilience theme), with a huge rise in online shopping and a growing reluctance to accept cash in the current environment. PayPal has been among our top performers and our thesis is largely based around engagement, the number of customers that sign up and how frequently they use the system when making a purchase The fact so many people trust PayPal to process and store their details is what makes this company so well positioned for growth.

Elsewhere, DocuSign also remains among our best holdings, with the company creating a unique product that digitalises the final signature part of the document creation process. At this point, a document traditionally needs to be printed several times, then sent via mail, which is both time-consuming and costly. The company has a 70% market share for e-signatures globally but its addressable market is around 10 times larger than current sales figures, given it is effectively competing with paper. The growth rate has understandably accelerated in the Covid-19 world and we see this stock, held under our Increasing waste treatment and recycling theme, as an excellent example of a solution that makes the world more efficient.

Another strong contribution has come from among the smallest investments in the fund by market cap, with US pet insurer Trupanion exposed to our theme of Insuring a sustainable economy. Pet insurance is in the US is growing at 20-30% a year from a very low base of just 1.5-2% coverage and has decades of growth ahead. The reason for such low penetration lies in the history of the industry, with products very prescriptive and insurance companies capping the amount they would cover per procedure.

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Fund review (continued)

Trupanion does things differently and has spent the last 20 years disrupting the industry: it has a monthly subscription model that stops when you cancel or your pet dies rather than annual policies that require rebuying every year, and no caps on coverage. Our theme is about providing financial resilience to individuals and covering them against unexpected shocks. Trupanion does exactly this in a manner we think is not only responsible but provides the business with advantages that are difficult to replicate.

Another top performer was Autodesk, which saw its shares rising again after a weaker second quarter, during which sentiment was hit by relatively cautious guidance from management. Autodesk services the construction industry, with software technology that makes its customers more efficient, cutting costs and improving profitability. The company's growth rate is largely structural but its customers clearly sit in a cyclical industry and improving news on vaccines point towards better economic conditions in 2021 and beyond.

Elsewhere, a number of semiconductor names are among the best contributors, with Cadence Design Systems continuing to broaden its chip design software offering to new customers, as the likes of Amazon, Google and even Tesla invest in design teams. Cadence's software offering is essential to this and demand from these businesses, as well as more traditional chip manufacturing customers, will drive growth over the short and long term. This type of innovation delivers better efficiency, which is key to our Improving the efficiency of energy use theme.

Other long-term semiconductor holdings, Infineon and ASML, have also posted solid results over recent months. Infineon CEO Reinhard Ploss said some of the company's target markets, especially the automotive sector, have recovered better than expected since summer and the structural transformation towards electro mobility is accelerating, particularly in Europe, which remains a key part of our thesis.

As might be expected given the backdrop, our top holdings also included healthcare stocks PerkinElmer, ThermoFisher Scientific and Alexion Pharmaceuticals, with AstraZeneca agreeing to buy the latter in a multi-billion dollar deal at the end of the end of 2020 as it looks to expand in the immunology space.

Looking at the handful of detractors over the year, we sold Japanese bike parts manufacturer Shimano in Q2, which was close to our price target and we also had concerns about cycle sales in the wake of the pandemic. We also exited our position in Svenska Handelsbank, with banks struggling against a backdrop of recession and interest rates at all-time lows.

Italian fitness equipment manufacturer Technogym remains among our weaker names over the year but we would highlight stronger performance in Q4, as consumer names have benefited from positive vaccine news heading into 2021. Technogym is a leader in the global fitness equipment market with a 6% market share and the number-one brand in Europe, as the only company in the sector to provide a full solution from fitness equipment to gym management. The business has excellent fundamentals, with a ROIC well in excess of 30% and annual compound EPS growth of 22% over the past five years as well as a net-cash balance sheet.

In terms of trading, we implemented a phased, average in strategy to avoid having to call the market bottom, with the first stage in late March and the second in early April. We have researched a number of high-quality companies over the years that are benefiting from thematic growth, strong sustainability management and attractive fundamentals but did not meet the fourth aspect of our process – an attractive valuation resulting in 10% annualised upside on a five-year horizon. Indiscriminate selling in March gave us the opportunity to add a few select companies that did this valuation target after share price falls.

We initiated a position in Ansys for example, a global leader in simulation software. Its products help customers get their own products to market quicker, reducing risks around defects and generally improving innovation. Revenues are tied to R&D budgets for clients, which we feel are much less cyclical than other areas in which businesses tend to invest. As an example of what we outlined above, we initially looked at the stock in December 2019 but it did not our valuation criteria at that time. After falling over 40% from its highs in February, the stock did now meet our target, even after adjusting for the lower revenues due to the current crisis.

We also added Intuitive Surgical, a global leader in robotic-assisted surgery, which helps reduce errors and therefore costs for hospitals.

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Fund review (continued)

In Q3, we started a new position in Evotec, a global leader in providing outsourcing solutions to the pharma and biotech sectors for drug discovery and development. Its solutions enable R&D investment to be more effective and we see this as another key name for our Enabling innovation in healthcare sector.

Adyen was another addition, a beneficiary of our Increasing financial resilience theme through making the shift to digital payments safer and more efficient. A further financial added in Q3 was Sweden's leading investment platform Avanza (held under our Saving for the future theme), which is disrupting the market with superior technology and customer service.

Finally, in the last part of the year, we bought Spotify under our newest Encouraging sustainable leisure theme, the world's dominant audio platform with close to 300 million monthly active users (138 million paying a monthly subscription) in more than 70 countries. The company is adding users at a faster pace than closest rivals Apple and Amazon and keeping them more engaged: while launched as a music streaming service, it is moving into podcasts and its own content and we are excited to watch the business expand into audiobooks, live gigs and other areas as it takes advantage of its leading position.

We also started a position in US healthcare business Illumina, a global leader in sequencing and array-based solutions for genetic analysis. This is another name for our Enabling innovation in healthcare theme, with the company's ability to read and interpret a patient's DNA a core first step in the shift towards more personalised and efficacious medicines.

Elsewhere, we sold two stocks that had neared our long-term valuation calculation after a very strong 2020, Salesforce.Com and Eli Lilly.

**Source: FE Analytics, primary share class, total return, net of fees and income reinvested, 31.01.20-31.01.21*

Market review

Markets started 2020 buoyant with positive news of a potential trade deal between the US and China and some clarity on Brexit negotiations, two issues that had had dominated headlines and sentiment for the previous few years. At this point, there were only rumblings of a viral outbreak in China but for whatever reason, the risk this would spread to the West was far from most investors' minds.

Twelve months later, a huge amount has changed as a result of the Covid-19 health crisis, with the global economy put on hold for several months as countries all over the world went into lockdown, moving back towards some sense of normality over summer and then falling back into shutdown in the face of a second wave of the virus.

After huge market declines in March, the second quarter saw equities retrace a large portion of these losses on the belief that policymakers' 'whatever it takes' attitude would be enough to prevent a serious recession. Governments and central banks were unified in their reaction with substantial monetary and fiscal stimulus, learning the lessons of 2008. These measures helped ease some of the impact of lost earnings, supported jobs and provided markets with liquidity and reassurance – but also had the effect of massively expanding already bloated government balance sheets.

Markets overall had a slower third quarter as concerns around renewed lockdowns persisted but positive news on vaccines in November drove a strong recovery after a weaker October. This optimism was further buoyed by Joe Biden's victory in the US Presidential election and we also saw an end to more than four years of Brexit negotiations, with the UK and EU unveiling a deal on Christmas Eve that should help markets start 2021 on firmer footing and allow companies to plan ahead.

While concerns about Covid-19 remain, with many countries forced back into lockdown amid worries about the virus mutating, broad market outperformance continued to the end of the year on the back of expectations of a better 2021. While we welcome the recovery in more cyclical names, we avoid trying to predict how the macro picture will develop and focus on backing companies benefiting from the structural shift towards a more sustainable economy and generating high returns. Covid-19 does not change our view that companies exposed to sustainable themes will see strong growth and many of these areas will accelerate as the world recovers.

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Market review (continued)

As always, we continue to stress that whatever macro events are unfolding in the background, the underlying business fundamentals for the areas of the global market in which we invest remain strong. Our themes are structural in nature and therefore less transient than cyclical drivers, which can change constantly. The key factor behind all our themes is the conviction that, over time, the global economy will become more sustainable.

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, investments can result in a total loss of capital.

Material portfolio changes by value

Purchases	Sales
VeriSign	Salesforce.com
Avanza Bank	Eli Lilly
Alphabet 'A'	DocuSign
Intuitive Surgical	Trupanion
Visa 'A'	Roper Technologies
Ansys	PayPal
Illumina	Trimble
Charles Schwab	Brookfield Renewable Partners
CSL	St James's Place
Spotify Technology	Adobe

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.

Typically lower rewards, lower risk						Typically higher rewards, higher risk
1	2	3	4	5	**6**	7

- 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 due to 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;
  - any company which has high overseas earnings may carry a higher currency risk;
  - any 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, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Sub-fund. If longterm interest rates rise, the value of your shares is likely to fall.

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)

Portfolio Statement
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (90.36%)	**581,103**	**92.67**
	AUSTRALIA (2.39%)	**13,076**	**2.09**
86,129	CSL	13,076	2.09
	DENMARK (1.64%)	**8,313**	**1.33**
129,652	Ringkjoebing Landbobank	8,313	1.33
	GERMANY (3.97%)	**43,377**	**6.92**
379,237	Evotec	10,975	1.75
220,053	Hella	9,822	1.57
362,999	Infineon Technologies	10,625	1.69
167,327	Puma	11,955	1.91
	IRELAND (4.22%)	**19,516**	**3.12**
102,966	Kerry	10,194	1.63
188,327	Kingspan	9,322	1.49
	ITALY (2.29%)	**12,050**	**1.92**
254,404	Banca Generali	5,762	0.92
842,042	Technogym	6,288	1.00
	JAPAN (6.84%)	**33,835**	**5.40**
74,300	Daikin Industries	11,393	1.82
34,000	Keyence	13,272	2.12
165,000	TechnoPro	9,170	1.46
	NETHERLANDS (3.13%)	**19,859**	**3.16**
4,216	Adyen	6,414	1.02
34,582	ASML	13,445	2.14
	SPAIN (2.90%)	**13,399**	**2.14**
313,552	Cellnex Telecom	13,399	2.14
	SWEDEN (1.50%)	**25,957**	**4.14**
796,754	Avanza Bank	15,838	2.53
44,100	Spotify Technology	10,119	1.61

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	SWITZERLAND (1.90%)	**8,316**	**1.33**
33,072	Roche	8,316	1.33
	UNITED KINGDOM (5.66%)	**26,801**	**4.28**
550,880	Abcam	9,128	1.46
793,396	Compass	10,393	1.66
620,902	Prudential	7,280	1.16
	UNITED STATES OF AMERICA (53.92%)	**356,604**	**56.84**
27,100	Adobe	9,046	1.44
138,400	Alexion Pharmaceuticals	15,445	2.46
15,900	Alphabet 'A'	21,124	3.37
67,300	American Tower	11,142	1.78
51,700	Ansys	13,323	2.12
91,600	Autodesk	18,490	2.95
181,500	Cadence Design Systems	17,213	2.74
496,206	Charles Schwab	18,609	2.97
43,000	DocuSign	7,295	1.16
105,855	Ecolab	15,745	2.51
19,520	Equinix	10,500	1.67
143,103	First Republic Bank	15,104	2.41
38,800	Illumina	12,030	1.92
36,800	Intuit	9,671	1.54
26,000	Intuitive Surgical	14,137	2.25
118,400	IQVIA	15,325	2.44
79,636	Nasdaq	7,833	1.25
43,000	Palo Alto Networks	11,012	1.76
94,600	PayPal	16,134	2.57
113,617	PerkinElmer	12,168	1.94
44,900	Rockwell Automation	8,119	1.29
54,700	Splunk	6,574	1.05
50,970	Thermo Fisher Scientific	18,900	3.01
93,200	Trupanion	7,595	1.21
114,000	VeriSign	16,100	2.57

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED STATES OF AMERICA (continued)		
118,200	Visa 'A'	16,640	2.65
158,000	Waste Connections	11,330	1.81
	Portfolio of investments	**581,103**	**92.67**
	Net other assets	**45,958**	**7.33**
	Total net assets	**627,061**	**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 2020.

Sustainable Future Managed Growth Fund (continued)

Comparative Tables
for the year ended 31 January 2021

Class 2 Net Accumulation Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	205.14	167.61	159.02
Return before operating charges	58.09	39.29	10.07
Operating charges	(2.10)	(1.76)	(1.48)
Return after operating charges	55.99	37.53	8.59
Distributions	–	(0.48)	(0.55)
Retained distributions on accumulation shares	–	0.48	0.55
Closing net asset value per share	**261.13**	**205.14**	**167.61**
After direct transaction costs of*	(0.14)	(0.10)	(0.11)
Performance			
Return after charges	27.29%	22.39%	5.40%
Other information			
Closing net asset value (£000's)	392,939	155,721	60,070
Closing number of shares	150,478,822	75,908,026	35,839,454
Operating charges**	0.90%	0.92%	0.89%
Direct transaction costs*	0.06%	0.05%	0.07%
Prices			
Highest share price	278.81	211.70	179.10
Lowest share price	171.15	168.70	151.30

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

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

Sustainable Future Managed Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2021

Class 3 Net Accumulation Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	292.44	237.79	224.63
Return before operating charges	82.99	55.87	14.17
Operating charges	(1.50)	(1.22)	(1.01)
Return after operating charges	81.49	54.65	13.16
Distributions	(0.42)	(1.53)	(1.60)
Retained distributions on accumulation shares	0.42	1.53	1.60
Closing net asset value per share	**373.93**	**292.44**	**237.79**
After direct transaction costs of*	(0.20)	(0.15)	(0.16)
Performance			
Return after charges	27.86%	22.98%	5.86%
Other information			
Closing net asset value (£000's)	234,122	157,571	123,532
Closing number of shares	62,611,161	53,882,200	51,949,363
Operating charges**	0.45%	0.45%	0.43%
Direct transaction costs*	0.06%	0.05%	0.07%
Prices			
Highest share price	399.16	301.70	253.60
Lowest share price	244.11	239.40	213.80

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

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

Sustainable Future Managed Growth Fund (continued)

Statement of Total Return
for the year ended 31 January 2021

	Notes	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Income					
Net capital gains	2		104,130		46,195
Revenue	3	2,408		2,612	
Expenses	4	(3,142)		(1,613)	
Interest payable and similar charges	6	(2)		(5)	
Net (expense)/revenue before taxation		(736)		994	
Taxation	5	(322)		(212)	
Net (expense)/revenue after taxation			(1,058)		782
Total return before distributions			**103,072**		**46,977**
Distributions	7		(214)		(984)
Change in net assets attributable to shareholders from investment activities			**102,858**		**45,993**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2021

	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Opening net assets attributable to shareholders		**313,292**		**183,602**
Amounts received on issue of shares	217,174		91,662	
Amounts paid on cancellation of shares	(6,498)		(9,043)	
		210,676		82,619
Change in net assets attributable to shareholders from investment activities		102,858		45,993
Retained distributions on accumulation shares		235		1,078
Closing net assets attributable to shareholders		**627,061**		**313,292**

Sustainable Future Managed Growth Fund (continued)

Balance Sheet
as at 31 January 2021

	Notes	31.1.2021 (£'000)	31.1.2020 (£'000)
Assets			
Fixed assets			
Investments		581,103	283,086
Current assets:			
Debtors	8	7,700	2,847
Cash and bank balances	9	39,004	27,537
Total assets		**627,807**	**313,470**
Liabilities			
Creditors:			
Other creditors	10	(746)	(178)
Total liabilities		**(746)**	**(178)**
Net assets attributable to shareholders		**627,061**	**313,292**

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements
for the year ended 31 January 2021

1 Accounting policies

The accounting policies for the sub-fund are set out on pages 13 to 15.

2 Net capital gains

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
The net capital gains comprise:		
Non-derivative securities	104,311	46,180
Currency (losses)/gains	(181)	15
Net capital gains	**104,130**	**46,195**

3 Revenue

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Bank interest	17	1
Overseas dividends	1,901	1,979
Stock lending income	4	–
UK dividends	183	461
US REIT dividends	303	171
Total revenue	**2,408**	**2,612**

4 Expenses

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	2,662	1,362
General administration charges	480	251
	3,142	**1,613**
Total expenses	**3,142**	**1,613**

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

5 Taxation

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
a) Analysis of charge in year		
Overseas tax	322	212
Total tax charge [see note(b)]	**322**	**212**

b) Factors affecting tax charge for the year
The taxation assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Net (expense)/revenue before taxation	(736)	994
Corporation tax at 20% (2020 - 20%)	(147)	199
Effects of:		
Movement in unrecognised tax losses	573	291
Overseas tax	322	212
Relief on overseas tax expensed	(9)	(2)
Revenue not subject to tax	(417)	(488)
Total tax charge [see note(a)]	**322**	**212**

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

c) Deferred tax
At the year end there is a potential deferred tax asset of £1,709,000 (2020: £1,136,000) due to tax losses of £8,546,000 (2020: £5,681,000). It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Overdraft interest	2	5
Total interest payable and similar charges	**2**	**5**

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

7 Distributions

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Interim distribution	235	953
Final distribution	–	125
	235	**1,078**
Amounts deducted on cancellation of shares	3	23
Amounts received on issue of shares	(24)	(117)
Distributions	**214**	**984**
The distributable amount has been calculated as follows:		
Net (expense)/revenue after taxation	(1,058)	782
Shortfall of income taken to capital	1,272	202
Distributions	**214**	**984**

The distribution per share is set out in the tables on page 241.

8 Debtors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Accrued revenue	121	115
Amounts receivable for issue of shares	6,115	2,511
Currency sales awaiting settlement	358	–
Overseas withholding tax	264	221
Sales awaiting settlement	842	–
Total debtors	**7,700**	**2,847**

9 Cash and bank balances

	31.1.2021 (£'000)	31.1.2020 (£'000)
Cash and bank balances	39,004	27,537
Total cash and bank balances	**39,004**	**27,537**

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

10 Creditors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Other Creditors		
Accrued expenses	57	27
Accrued ACD's charge	332	151
Currency purchases awaiting settlement	357	–
Total other creditors	**746**	**178**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2020: £nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are include within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £389,000 (2020: £178,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £3,142,000 (2020: £1,613,000).

13 Securities lending

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

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

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

13 Securities lending (continued)

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

Counterparty	Counterparty's country of establishment	31 January 2021 Securities on loan (£'000)	31 January 2021 Collateral received (£'000)	31 January 2020 Securities on loan (£'000)	31 January 2020 Collateral received (£'000)
Citigroup Global Markets Limited	UK	1,464	1,618	–	–
Credit Suisse International	Switzerland	11,909	14,675	–	–
Merrill Lynch International	UK	29	31	–	–
Total		**13,402**	**16,324**	**–**	**–**

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

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. As at 31 January 2021 all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange. There was no non-cash collateral received by the Sub-fund as at 31 January 2020.

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

14 Risk management policies

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

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

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

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

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

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

Market price risk

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

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

As at 31 January 2021 and 31 January 2020 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2021, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 11.1%.

As at 31 January 2020, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 13.4%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

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

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

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

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

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

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

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

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

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

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

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

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Currency risk (continued)
At 31 January 2021 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	13,076	13,076
Canadian Dollar	5	–	5
Danish Krone	59	8,313	8,372
Euro	92	108,201	108,293
Japanese Yen	56	33,835	33,891
Norwegian Krone	83	–	83
Swedish Krona	–	15,838	15,838
Swiss Franc	–	8,316	8,316
United States Dollar	577	366,724	367,301
	872	**554,303**	**555,175**

At 31 January 2020 the Sub-fund's currency exposure was as shown in the table below:*

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	7,490	7,490
Danish Krone	42	5,129	5,171
Euro	95	47,133	47,228
Japanese Yen	57	21,448	21,505
Norwegian Krone	80	–	80
Swedish Krona	–	4,692	4,692
Swiss Franc	–	5,943	5,943
United States Dollar	33	173,521	173,554
	307	**265,356**	**265,663**

If the exchange rate at 31 January 2021 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.89%/(0.89)% respectively.

If the exchange rate at 31 January 2020 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.85%/(0.85)% respectively.

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Currency risk (continued)
*Presentation of prior year disclosure has been updated to include debtors/creditors in line with current year.

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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

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

If a Sub-Fund is primarily exposed to smaller companies there may be liquidity constraints 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. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria and can make it difficult to establish accurate estimates of fundamental value. The lack of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD's ability to execute substantial deals.

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

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

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

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

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

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

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

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

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2021 was A (Standard & Poor's rating).

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

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

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

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

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

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Valuation of financial investments

31.1.2021	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	581,103	–
	581,103	**–**

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	283,086	–
	283,086	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.

15 Share movement
For the year ending 31 January 2021

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	75,908,026	75,410,343	(851,629)	12,082	150,478,822
Class 3 Net Accumulation	53,882,200	10,216,882	(1,479,452)	(8,469)	62,611,161

16 Portfolio transaction costs
for the year ending 31 January 2021

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	300,869	105	0.03	119	0.04
Total purchases	**300,869**	**105**		**119**	
Total purchases including transaction costs	**301,093**				

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

16 Portfolio transaction costs (continued)

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	107,419	40	0.04	2	–
Total sales	**107,419**	**40**		**2**	
Total sales net of transaction costs	**107,377**				
Total transaction costs		**145**		**121**	
Total transaction costs as a % of average net assets		**0.03%**		**0.03%**	

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

16 Portfolio transaction costs (continued)
for the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	123,318	39	0.03	79	0.06
Total purchases	**123,318**	**39**		**79**	
Total purchases including transaction costs	**123,436**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	46,617	15	0.03	3	0.01
Total sales	**46,617**	**15**		**3**	
Total sales net of transaction costs	**46,599**				
Total transaction costs		**54**		**82**	
Total transaction costs as a % of average net assets		**0.02%**		**0.03%**	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.10% (2020: 0.07%).

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

17 Post balance sheet events

Since the year-end, markets have continued to be disrupted by the COVID-19 pandemic. Since the year-end, the NAV per share of Class 2 Net Accumulation share class has increased by 2.35% to 17 May 2021. The other share classes in the Sub-fund have moved by a similar magnitude. Contingency plans at the ACD and key service providers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

Sustainable Future Managed Growth Fund (continued)

Distribution Tables
for the year ended 31 January 2021

Final distribution

Group 1 - Shares purchased prior to 1 August 2020

Group 2 - Shares purchased 1 August 2020 to 31 January 2021

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2021 Pence per share	Distribution paid 31.3.2020 Pence per share
Class 2 Net Accumulation - Group 1	–	–	–	–
Class 2 Net Accumulation - Group 2	–	–	–	–
Class 3 Net Accumulation - Group 1	–	–	–	0.2315
Class 3 Net Accumulation - Group 2	–	–	–	0.2315

Interim distribution

Group 1 - Shares purchased prior to 1 February 2020

Group 2 - Shares purchased 1 February 2020 to 31 July 2020

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2020 Pence per share	Distribution paid 30.9.2019 Pence per share
Class 2 Net Accumulation - Group 1	–	–	–	0.4777
Class 2 Net Accumulation - Group 2	–	–	–	0.4777
Class 3 Net Accumulation - Group 1	0.4161	–	0.4161	1.2945
Class 3 Net Accumulation - Group 2	0.0555	0.3606	0.4161	1.2945

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

Sustainable Future UK Growth Fund

Report for the year from 1 February 2020 to 31 January 2021

Investment Objective

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

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). 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

Fund review

The SF UK Growth Fund returned 3.8% (Class 2 Net Accumulation) over the 12 months under review, outperforming the IA UK All Companies peer group average of -4.5% and the MSCI UK Index's -10.9% (both of which are comparator indices)*.

Our process targets businesses that can grow structurally, driven by the shift towards a global economy that is more efficient, provides a higher quality of life and is more resilient.

With the UK hit hard amid Covid-inspired volatility given the index's large exposure to the oil, mining and airline sectors, our portfolio initially benefited from avoiding those parts of the market but lagged later in first half of the year as the worst-performing areas rallied hardest. Q3 was generally a weaker period for markets but positive news on vaccines in November drove a strong recovery into the end of the year and beyond.

We spent a long time revisiting our positions in the wake of the outbreak, and the fact we only removed a couple of names shows we remain confident in the long-term prospects of the vast majority of our companies despite difficult conditions to come.

In March, companies such as Cineworld, National Express, Gym and Crest Nicholson saw their revenues disappear for an indeterminate period. Our response was to assess which were in a position to weather the storm and emerge stronger and which faced such heightened risks that they were no longer suitable investments. From this analysis, we concluded we were comfortable backing almost all of our companies, which is testament to the importance we attach to the resilience of each business.

Cineworld was the exception – we felt its balance sheet was not appropriate for the challenges that lay ahead –so we exited this position. The difference with Cineworld versus other holdings where we remain confident in their prospects is that the company recently made a large acquisition in the US by gearing up its balance sheet and was preparing to make a similar purchase in Canada before Covid-19 forced a rethink. A period of no revenues left the business struggling to finance these borrowing costs and, in hindsight, we should have seen the excess leverage as more of a red flag.

As might be expected given the backdrop, several healthcare and pharmaceutical names were among our top holdings over the period. The pandemic has reinforced the importance of healthcare companies to the wellbeing of our species: from fundamental research into cell mechanics provided by Abcam, to novel treatments for epilepsy from GW Pharmaceuticals, to vaccine development by Oxford BioMedica, we have seen our companies demonstrating how to do well financially by doing good for the world.

Enabling innovation in healthcare has been one of the defining themes over our 20 years running the Sustainable Future funds and it is with mixed emotions that we prepare to see one of our longest holdings, GW Pharmaceuticals, exit our portfolios in the coming weeks. GW Pharmaceuticals has been in the funds since right back in June 2001, shortly after launch, and is the global leader in developing cannabinoid-based treatments, changing the lives of many people with epilepsy. Recognising this expertise, Irish-based Jazz Pharmaceuticals has recently agreed a $7.2 billion cash-and-stock deal to acquire GW Pharmaceuticals and expand its neuroscience portfolio, which has approval from both boards and is expected to close in Q2.

Oxford BioMedica, meanwhile, had a strong year on the back of signing a three-year master supply and development agreement with AstraZeneca for manufacture of the inoculation and is therefore closely linked to the vaccination project. The company has stressed vaccine work is not imposing on other operations, however, including a tie-up with Juno Therapeutics/Bristol Myers Squibb, signed in March. While the vaccine rightly grabs the headlines, the investment case for the company's shares is primarily based on other conditions its technology can treat, varying from lymphoma to Parkinson's.

Speciality chemicals company Croda International also remains among our stronger holdings, making key ingredients for life sciences and healthcare, personal care products and seed coatings, as well as lubricants and adhesives. The majority of its raw materials are natural and the company is a recognised leader in green chemistry, benefiting from ongoing demand for its products. With a strong balance sheet, low leverage and robust liquidity, Croda International has continued to pay regular dividends and added to its portfolio with the acquisition of Avanti Polar Lipids, a leader in drug delivery systems, in August.

Elsewhere, we continue to see an acceleration in themes such as Connecting people and Enhancing digital security with favoured holdings in this area, Helios Towers and Softcat, among the strongest performers over the period. We have long recognised the

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Fund review (continued)

growing demand for more digital communication as we become more connected as a global society, increase our data consumption and become aware of the environmental impacts of travel – and millions of people working at home can only push this forward. Helios Towers owns and operates telecom towers in rapidly urbanising parts of Africa, and has remained among our top names after we bought the stock at IPO in October 2019.

This move to digital communication and online life can only thrive, however, if people are confident their information is safe and Softcat is a long-term holding that provides outsourced IT services to small and medium-sized UK businesses. Softcat is a 'value-added reseller' that helps small and medium-sized enterprises (SMEs) and some larger organisations select and implement the best technology for their business – with around a third of its revenues exposed to our theme of Enhancing digital security. Softcat's services have helped many companies transition to secure remote working, another shift we believe will not prove transitory.

Solid oxide fuel cell developer Ceres Power was our strongest performer overall, with the company continuing to benefit from its aim to become the ARM of energy (a business strategy of licensing its technology to manufacturing partners), signing a strategic collaboration deal with powertrain engineering consultancy AVL in December. Ceres Power fuel cell technology is expected to play a big role in the decarbonisation of the global economy and clean-up of urban air. CEO Phil Caldwell said the pandemic has only intensified the urgency for climate action and Ceres Power has fuel cell technology for power generation that is highly complementary to today's energy infrastructure, is hydrogen ready for the future, and can form a critical building block in achieving a net zero carbon future.

Packaging provider Smurfit Kappa has also remained a top contributor, continuing to benefit from growing consumer demand for sustainable packaging. Highlighting its ESG credentials, the company completed its largest ever investment, €134 million in a recovery boiler in Austria, early in 2020, which will reduce its CO2 emissions by 40,000 tonnes.

Several names held under our Saving for the future and Insuring a sustainable economy themes, including Hargreaves Lansdown and AJ Bell, performed well over the period. Although challenged by short-term economic weakness, we believe households will look to raise saving rates over time to protect themselves from future crises and these businesses sit across the investment, pension and insurance markets.

Hargreaves Lansdown has seen profits and net new business surge over the second half of 2020, with vaccine progress and the UK election driving an increase in retail trading. Activity reached a peak of 100,000 trades on certain days and volumes have risen on average from 20,000 before the pandemic to 40,000, with Hargreaves Lansdown attracting a record 84,000 new clients in the six months to end December and wining £3.24bn of net new business, up 40% year-on-year.

While among our weaker holdings over the full year, other financial names such as Legal & General and Paragon Banking, linked to our themes of Insuring a sustainable future and Increasing financial resilience, enjoyed a stronger end to 2020 and into January. Showcasing the kind of financials we tend to own, Paragon Banking provides long-term mortgages to professional landlords, supporting the growing provision of homes for rent in the UK. Covid has clearly impacted the business, with underlying profit down from £164 million in 2019 to £120 million, but CEO Nigel Terrington – one of the longest serving chief executives in our portfolio – noted a transformational year in its retail deposit division.

A range of more consumer-focused holdings such as Trainline, Compass, DFS Furniture, Gym and National Express are also among our weaker names for the year but recovered well in the latter part of the period, rewarding our adds to many of these bruised companies in the third quarter as we begin to see a resolution to the pandemic over the coming months.

Looking at Trainline, the company had been struggling, as would be expected for a travel business during a period of lockdown. Our thesis is that growth will return for this highly profitable operation, with safe, efficient mass transport in the UK and Europe the only way to reduce congestion and emissions in our cities. Shares in the company have been volatile, falling from 540p in February to a low of 210p in March, before rising back to around 530p by the end of May and dropping to 260p in October. We took a long-term perspective on the company, our thesis and the valuation, and added to the stock on weakness. Three doses of positive vaccine news have allowed investors to recalibrate their expectations for many companies with a return to some kind of normality in sight, and Trainline has been among the largest beneficiaries with share price growth of more than 60% over November.

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Fund review (continued)

Continuing the travel theme, National Express shares also enjoyed a strong recovery over the fourth quarter and we believe growth may accelerate for the company in the coming five years, driven by increased outsourcing and failing competitors in the wake of Covid-19. As stated, the environmental advantages of public transport are an important factor in reducing emissions, which, along with urbanisation, should drive growth in the longer term.

In terms of portfolio activity over the year, we added Oxford Instruments in Q2, a provider of high technology products, systems and tools to the world's leading industrial companies and scientific research communities, and Avast in Q3, another position exposed to cyber security demand. Avast provides security services to over 400m people and the main product is free, with this freemium model an economic way of acquiring customers with ample opportunity to upsell other services. It is consistently rated as one of the best anti-virus and privacy protection services and we believe it will continue to grow strongly.

In terms of disposals, we sold Informa over the period, which, shines a light on how we will move away from a business if we feel it is no longer excelling on sustainable issues. When we first owned the stock, it was focused on educational publishing but the acquisitions of Penton Information Services in 2016 and UBM in 2018 have moved exhibitions to the centre of the company, increasing its cyclicality and reducing sustainability in our view.

Market review

The MSCI UK Index returned -10.9% over the 12 months under review, with all underlying subsectors apart from materials in negative territory*.

While other markets around the world recovered quickly from the initial Covid-19 inspired bear market drop in March and April, the UK has remained among the weaker regions over the 12 months. Lingering Brexit concerns would seem the obvious culprit for this (with a deal only done right at the end of December), but the make-up of the UK market and economy – with relatively high exposure to banks and energy, which struggled through the pandemic, and less to high-flying tech companies – is also to blame.

Markets started 2020 buoyant with positive news of a potential trade deal between the US and China and some clarity on Brexit negotiations, two issues that had had dominated headlines and sentiment for the previous few years. At this point, there were only rumblings of a viral outbreak in China but for whatever reason, the risk this would spread to the West was far from most investors' minds.

Twelve months later, a huge amount has changed as a result of the Covid-19 crisis, with the global economy put on hold for months as countries all over the world went into lockdown, moving back towards some sense of normality over summer and then falling back into shutdown in the face of a second wave of the virus. This type of black swan event demonstrates how perilous (and we would go so far as to suggest futile) it is to make short-term market predictions.

After huge market declines in March, the second quarter saw equities retrace much of these losses on the belief that policymakers' 'whatever it takes' attitude would be enough to prevent a serious recession. Governments and central banks were unified in their reaction with substantial monetary and fiscal stimulus, learning the lessons of 2008. These measures helped ease some of the impact of lost earnings, supported jobs and provided markets with liquidity and reassurance – but also had the effect of massively expanding already-bloated government balance sheets.

Markets overall had a slower third quarter as concerns around renewed lockdowns persisted but positive news on vaccines in November drove a strong recovery after a weaker October. This optimism was further buoyed by Joe Biden's victory in the US Presidential election and we saw an end to more than four years of Brexit negotiations, with the UK and EU unveiling a deal on Christmas Eve that should help markets start 2021 on firmer footing and allow companies to plan ahead.

Despite rays of light, November also brought sobering economic news in the shape of Chancellor Rishi Sunak's Spending Review, suggesting persistent scars from Covid-19. Figures from the Organisation for Economic Co-operation and Development (OECD) predict the UK's recovery from the pandemic will lag behind every other major economy apart from Argentina, with the Organisation warning

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Market review (continued)

against any cutting of government spending despite spiralling debt levels. Against a backdrop of heavy government expenditure, the OECD said nations need to continue to make use of record-low borrowing costs to spend on protecting businesses and households.

While concerns about Covid-19 remain, with many countries forced back into lockdown amid worries about the virus mutating, broader market outperformance continued to the end of 2020 and beyond on the back of expectations of a better 2021. While we welcome the recovery in our more cyclical names, we avoid trying to predict how the macro picture will develop and focus on backing companies benefiting from the structural shift towards a more sustainable economy and generating high returns. Covid-19 does not change our view that companies exposed to sustainable themes will see strong growth and many of these areas will accelerate as the world recovers.

Overall, we are pleased with the Sub-fund's performance and satisfied with the actions our companies are taking to navigate difficult times. Periods of volatility can also allow us to increase positions in high-quality stocks with strong prospects and we remain confident the portfolio is well set for the long-term.

* Source: FE Analytics, primary share class, total return, net of fees and income reinvested, 31.01.20-31.01.21.

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, investments can result in a total loss of capital.

Material portfolio changes by value

Purchases	Sales
National Express	Kingspan
Avast	Compass
Intertek	Smurfit Kappa
Compass	Intertek
Countryside Properties	Legal & General
Oxford Instruments	Renewables Infrastructure
Kerry	Ceres Power
First Derivatives	Unilever
London Stock Exchange	Greencoat UK Wind
Legal & General	Hargreaves Lansdown

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.

Typically lower rewards, lower risk — Typically higher rewards, higher risk

1	2	3	4	5	6	7

- 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 because funds of this type have experienced medium to high rises and falls in value in the past.
- The Sub-fund can invest in derivatives. Derivatives are used to protect against currencies, credit and interests rates move 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 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 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.

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)

Portfolio Statement
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (92.23%)	**754,887**	**95.14**
	UNITED KINGDOM (81.42%)	**679,402**	**85.63**
	Alternative Energy Sources (2.99%)	**30,290**	**3.82**
962,389	Ceres Power	12,742	1.61
5,539,050	John Laing	17,548	2.21
	Banks (2.48%)	**19,482**	**2.46**
4,295,000	Paragon Banking	19,482	2.46
	Biotechnology (4.83%)	**45,225**	**5.70**
1,384,381	Abcam	22,939	2.89
2,271,808	Oxford Biomedica	22,286	2.81
	Chemicals (2.99%)	**23,507**	**2.96**
374,081	Croda International	23,507	2.96
	Commercial Services (2.95%)	**24,298**	**3.06**
440,503	Intertek	24,298	3.06
	Computers (4.73%)	**42,289**	**5.33**
2,036,466	GB	17,432	2.20
1,646,178	Softcat	24,857	3.13
	Cosmetics & Personal Care (2.82%)	**16,210**	**2.04**
382,314	Unilever	16,210	2.04
	Diversified Financial Services (11.34%)	**85,355**	**10.75**
3,830,632	AJ Bell	16,491	2.08
954,123	Hargreaves Lansdown	16,296	2.05
312,454	London Stock Exchange	27,140	3.42
770,239	Mortgage Advice Bureau	6,855	0.86
1,523,208	St James's Place	17,867	2.25
1,283,051	Trufin	706	0.09
	Electronics (2.15%)	**45,813**	**5.77**
728,199	Halma	17,972	2.27

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Electronics (continued)		
853,661	Oxford Instruments	16,937	2.13
1,610,569	Smart Metering Systems	10,904	1.37
	Engineering & Construction (1.97%)	**19,883**	**2.51**
12,489,596	Helios Towers	19,883	2.51
	Entertainment (2.41%)		
	Food Services (3.04%)	**14,172**	**1.79**
1,081,847	Compass	14,172	1.79
	Home Builders (5.02%)	**36,957**	**4.66**
6,233,483	Countryside Properties	26,879	3.39
3,116,264	Crest Nicholson	10,078	1.27
	Insurance (7.23%)	**41,385**	**5.22**
9,083,882	Legal & General	22,165	2.79
1,540,776	Prudential	18,066	2.28
684,066	Thrive Renewables+	1,154	0.15
	Internet (2.01%)	**21,751**	**2.74**
5,336,240	Trainline	21,751	2.74
	Investment Companies (2.20%)	**18,495**	**2.33**
610,170	Capital for Colleagues	198	0.03
3,337,250	Distribution Finance Capital	2,336	0.29
14,916,692	SDCL Energy Efficiency Income Trust	15,961	2.01
	Leisure Time (2.07%)	**11,529**	**1.45**
5,476,972	Gym	11,529	1.45
	Miscellaneous Manufacturing (2.37%)	**9,219**	**1.16**
1,707,180	Porvair	9,219	1.16

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Pharmaceuticals (5.63%)	**36,444**	**4.60**
1,166,680	GlaxoSmithKline	15,830	2.00
186,314	GW Pharmaceuticals	20,614	2.60
	Private Equity (4.58%)	**46,949**	**5.92**
2,467,445	3i	27,413	3.46
325,861	Draper Esprit	2,242	0.28
18,223,654	IP	17,294	2.18
	Real Estate Investment & Services (0.06%)	**269**	**0.03**
382,000	Ethical Property+	269	0.03
	Real Estate Investment Trusts (1.13%)	**15,126**	**1.90**
6,039,673	Home REIT	6,463	0.81
10,313,618	PRS REIT	8,663	1.09
	Retail (1.68%)	**19,326**	**2.44**
8,988,835	DFS Furniture	19,326	2.44
	Software (2.74%)	**32,994**	**4.16**
388,230	First Derivatives	11,686	1.47
12,961,262	Learning Technologies	21,308	2.69
	Transportation (0.00%)	**22,434**	**2.83**
8,973,612	National Express	22,434	2.83
	IRELAND (10.81%)	**59,130**	**7.45**
	Building Materials (4.61%)	**13,249**	**1.67**
267,646	Kingspan	13,249	1.67
	Food Producers (2.13%)	**20,224**	**2.55**
204,280	Kerry	20,224	2.55

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	IRELAND (continued)		
	Forest Products & Paper (4.07%)	**25,657**	**3.23**
733,901	Smurfit Kappa	25,657	3.23
	CZECH REPUBLIC (0.00%)	**16,355**	**2.06**
	Computers (0.00%)	**16,355**	**2.06**
3,463,653	Avast	16,355	2.06
	COLLECTIVE INVESTMENT SCHEMES (4.33%)	**26,117**	**3.29**
	GUERNSEY (2.49%)	**20,551**	**2.59**
8,075,069	Syncona	20,551	2.59
	UNITED KINGDOM (1.84%)	**5,566**	**0.70**
7,210,777	US Solar Fund	5,566	0.70
	Portfolio of investments	**781,004**	**98.43**
	Net other assets	**12,470**	**1.57**
	Total net assets	**793,474**	**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 2020.

Stocks shown as REITs represent Real Estate Investment Trust.

\+ Unquoted security.

Sustainable Future UK Growth Fund (continued)

Comparative Tables
for the year ended 31 January 2021

Class 2 Net Accumulation **Accounting year ended**	**31 January 2021** **per share (p)**	**31 January 2020** **per share (p)**	**31 January 2019** **per share (p)**
Change in net assets per share			
Opening net asset value per share	243.64	196.83	203.64
Return before operating charges	12.30	48.82	(5.00)
Operating charges	(1.99)	(2.01)	(1.81)
Return after operating charges	10.31	46.81	(6.81)
Distributions	(1.81)	(3.98)	(3.16)
Retained distributions on accumulation shares	1.81	3.98	3.16
Closing net asset value per share	**253.95**	**243.64**	**196.83**
After direct transaction costs of*	(0.51)	(0.57)	(0.41)
Performance			
Return after charges	4.23%	23.78%	(3.34%)
Other information			
Closing net asset value (£000's)	493,036	301,469	153,296
Closing number of shares	194,147,395	123,737,138	77,881,435
Operating charges**	0.88%	0.90%	0.88%
Direct transaction costs*	0.23%	0.25%	0.20%
Prices			
Highest share price	266.70	250.30	221.30
Lowest share price	165.10	197.30	186.40

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

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

Sustainable Future UK Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2021

Class 3 Net Accumulation Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	349.44	281.03	289.47
Return before operating charges	17.80	69.85	(7.18)
Operating charges	(1.46)	(1.44)	(1.26)
Return after operating charges	16.34	68.41	(8.44)
Distributions	(3.97)	(7.13)	(5.78)
Retained distributions on accumulation shares	3.97	7.13	5.78
Closing net asset value per share	**365.78**	**349.44**	**281.03**
After direct transaction costs of*	(0.74)	(0.81)	(0.59)
Performance			
Return after charges	4.68%	24.34%	(2.92%)
Other information			
Closing net asset value (£000's)	291,831	265,491	201,186
Closing number of shares	79,783,202	75,976,487	71,589,441
Operating charges**	0.45%	0.45%	0.43%
Direct transaction costs*	0.23%	0.25%	0.20%
Prices			
Highest share price	384.00	359.00	315.40
Lowest share price	236.90	281.80	266.10

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

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

Sustainable Future UK Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2021

M Accumulation+ Accounting year ended	31 January 2021 per share (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges	2.73
Operating charges	(0.64)
Return after operating charges	2.09
Distributions	(0.87)
Retained distributions on accumulation shares	0.87
Closing net asset value per share	**102.09**
After direct transaction costs of*	(0.20)
Performance	
Return after charges	2.09%
Other information	
Closing net asset value (£000's)	10
Closing number of shares	10,000
Operating charges**	0.72%
Direct transaction costs*	0.23%
Prices	
Highest share price	107.20
Lowest share price	66.30

+ Share class launched 11 February 2020

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

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

Sustainable Future UK Growth Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2021

M Income+ **Accounting year ended**	**31 January 2021** **per share (p)**
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges	2.66
Operating charges	(0.64)
Return after operating charges	2.02
Distributions	(0.87)
Retained distributions on accumulation shares	–
Closing net asset value per share	**101.15**
After direct transaction costs of*	(0.20)
Performance	
Return after charges	2.02%
Other information	
Closing net asset value (£000's)	8,597
Closing number of shares	8,499,074
Operating charges**	0.72%
Direct transaction costs*	0.23%
Prices	
Highest share price	106.70
Lowest share price	66.30

\+ Share class launched 11 February 2020

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

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

Sustainable Future UK Growth Fund (continued)

Statement of Total Return
for the year ended 31 January 2021

	Notes	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Income					
Net capital gains	2		41,038		84,764
Revenue	3	10,237		11,885	
Expenses	4	(4,320)		(2,993)	
Interest payable and similar charges	6	(1)		(2)	
Net revenue before taxation		5,916		8,890	
Taxation	5	(8)		–	
Net revenue after taxation			5,908		8,890
Total return before distributions			**46,946**		**93,654**
Distributions	7		(5,908)		(8,890)
Change in net assets attributable to shareholders from investment activities			**41,038**		**84,764**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 January 2021

	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Opening net assets attributable to shareholders		**566,960**		**354,482**
Amounts received on issue of shares	214,138		143,893	
Amounts paid on cancellation of shares	(34,961)		(25,761)	
		179,177		118,132
Change in net assets attributable to shareholders from investment activities		41,038		84,764
Retained distributions on accumulation shares		6,299		9,582
Closing net assets attributable to shareholders		**793,474**		**566,960**

Sustainable Future UK Growth Fund (continued)

Balance Sheet
as at 31 January 2021

	Notes	31.1.2021 (£'000)	31.1.2020 (£'000)
Assets			
Fixed assets			
Investments		781,004	547,436
Current assets:			
Debtors	8	4,756	5,515
Cash and bank balances	9	8,727	16,586
Total assets		**794,487**	**569,537**
Liabilities			
Creditors:			
Distribution payable		(37)	–
Other creditors	10	(976)	(2,577)
Total liabilities		**(1,013)**	**(2,577)**
Net assets attributable to shareholders		**793,474**	**566,960**

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements
for the year ended 31 January 2021

1 Accounting policies

The accounting policies for the sub-fund are set out on pages 13 to 15.

2 Net capital gains

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
The net capital gains comprise:		
Non-derivative securities	41,104	84,722
Currency (losses)/gains	(66)	42
Net capital gains	**41,038**	**84,764**

3 Revenue

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Bank interest	9	–
Equity distributions on CIS holdings	342	40
Management fee rebates on CIS	–	15
Overseas dividends	1,074	1,272
Stock lending income	4	–
Stock Dividends	–	53
UK dividends	8,808	10,436
UK REIT dividends	–	69
Total revenue	**10,237**	**11,885**

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

4 Expenses

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	3,734	2,553
General administration charges	586	441
	4,320	**2,994**
Other expenses:		
Audit fee	–	(1)
	–	**(1)**
Total expenses	**4,320**	**2,993**

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

5 Taxation

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
a) Analysis of charge in year		
Overseas tax	8	–
Total tax charge [see note(b)]	**8**	**–**

b) Factors affecting tax charge for the year
The taxation assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Net revenue before taxation	5,916	8,890
Corporation tax at 20% (2020 - 20%)	1,183	1,778
Effects of:		
Movement in unrecognised tax losses	862	582
Overseas tax	8	–
Revenue not subject to tax	(2,045)	(2,360)
Total tax charge [see note(a)]	**8**	**–**

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

c) Deferred tax
At the year end there is a potential deferred tax asset of £4,191,000 (2020: £3,329,000) due to tax losses of £20,952,000 (2020: £16,646,000). It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Overdraft interest	1	2
Total interest payable and similar charges	**1**	**2**

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

7 Distributions

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Interim distribution	2,991	5,285
Final distribution	3,372	4,297
	6,363	**9,582**
Amounts deducted on cancellation of shares	125	152
Amounts received on issue of shares	(580)	(844)
Distributions	**5,908**	**8,890**
The distributable amount has been calculated as follows:		
Net revenue after taxation	5,908	8,890
Distributions	**5,908**	**8,890**

The distribution per share is set out in the tables on page 272.

8 Debtors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Accrued revenue	877	910
Amounts receivable for issue of shares	3,489	4,071
Income tax recoverable	–	7
Overseas withholding tax	390	193
Sales awaiting settlement	–	334
Total debtors	**4,756**	**5,515**

9 Cash and bank balances

	31.1.2021 (£'000)	31.1.2020 (£'000)
Cash and bank balances	8,727	16,586
Total cash and bank balances	**8,727**	**16,586**

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

10 Creditors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Other Creditors		
Accrued expenses	65	43
Accrued ACD's charge	429	275
Purchases awaiting settlement	482	2,259
Total other creditors	**976**	**2,577**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2020: £nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £494,000 (2020: £318,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £4,320,000 (2020: £2,994,000).

13 Securities lending

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

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

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

13 Securities lending (continued)

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

Counterparty	Counterparty's country of establishment	31 January 2021 Securities on loan (£'000)	31 January 2021 Collateral received (£'000)	31 January 2020 Securities on loan (£'000)	31 January 2020 Collateral received (£'000)
Citigroup Global Markets Limited	UK	3,863	4,267	–	–
Credit Suisse International	Switzerland	469	578	–	–
J.P. Morgan Securities Plc	UK	2,592	2,888	–	–
Merrill Lynch International	UK	417	450	–	–
The Bank of Nova Scotia	Canada	38,421	42,386	–	–
UBS AG	Switzerland	5,040	5,690	–	–
Total		**50,802**	**56,259**	**–**	**–**

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

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. As at 31 January 2021 all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange. There was no non-cash collateral received by the Sub-fund as at 31 January 2020.

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

14 Risk management policies

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

- equity, equity related and non-equity shares;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- short-term borrowings used to finance operational cash flows;
- units and shares in collective investment schemes;
- shareholders' funds, which represent investors' monies which are invested on their behalf from overseas investments held;
- derivative transactions for efficient portfolio management in accordance with the Sub-fund's investment policies.

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

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

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

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

Market price risk

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

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

As at 31 January 2021 and 31 January 2020 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2021, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 9.9%.

As at 31 January 2020, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 8.2%.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

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

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

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

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

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

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

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

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

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

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

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

However, in line with the Fund's objectives of investing primarily in the UK and Ireland, the Fund is expected to have only minimal foreign currency exposures.

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Interest rate risk

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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

Liquidity risk

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

If a Sub-Fund is primarily exposed to smaller companies there may be liquidity constraints 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. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

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

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

Counterparty credit risk

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

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

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

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

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Counterparty credit risk (continued)
At the balance sheet date, there were no counterparties to open derivative contracts. At the year-end collateral in respect of derivatives of £Nil (prior year: £Nil) was received; collateral in respect of derivatives pledged was £Nil (prior year: £Nil) and none (prior year: none) of the Sub-fund's financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2021 was A (Standard & Poor's rating).

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

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

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

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

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

Valuation of financial investments

31.1.2021	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	759,030	–
Level 2: Observable market data	20,551	–
Level 3: Unobservable data	1,423	–
	781,004	**–**

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	546,164	–
Level 3: Unobservable data	1,272	–
	547,436	**–**

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Valuation of financial investments (continued)
Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.*

*The level 3 assets have been valued at a discount to the last traded price.

15 Share movement
For the year ending 31 January 2021

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	123,737,138	79,806,278	(9,414,533)	18,512	194,147,395
Class 3 Net Accumulation	75,976,487	7,659,007	(3,839,392)	(12,900)	79,783,202
M Accumulation	–	10,000	–	–	10,000
M Income	–	10,419,690	(1,920,616)	–	8,499,074

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

16 Portfolio transaction costs
for the year ending 31 January 2021

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	287,741	126	0.04	1,210	0.42
Collective investment schemes	10,685	8	0.07	5	0.05
Total purchases	**298,426**	**134**		**1,215**	
Total purchases including transaction costs	**299,775**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	96,707	48	0.05	–	–
Collective investment schemes	10,577	6	0.06	–	–
Total sales	**107,284**	**54**		**–**	
Total sales net of transaction costs	**107,230**				

Total transaction costs		**188**		**1,215**	
Total transaction costs as a % of average net assets		**0.03%**		**0.20%**	

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

16 Portfolio transaction costs (continued)
for the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	219,726	96	0.04	959	0.44
Collective investment schemes	14,944	6	0.04	24	0.16
Total purchases	**234,670**	**102**		**983**	
Total purchases including transaction costs	**235,755**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	113,814	53	0.05	–	–
Collective investment schemes	5,974	4	0.07	–	–
Total sales	**119,788**	**57**		**–**	
Total sales net of transaction costs	**119,731**				
Total transaction costs		**159**		**983**	
Total transaction costs as a % of average net assets		**0.03%**		**0.22%**	

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

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.30% (2020: 0.37%).

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

17 Post balance sheet events

Since the year-end, markets have continued to be disrupted by the COVID-19 pandemic. Since the year-end, the NAV per share of Class 2 Net Accumulation share class has increased by 7.80% to 17 May 2021. The other share classes in the Sub-fund have moved by a similar magnitude. Contingency plans at the ACD and key service providers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

Sustainable Future UK Growth Fund (continued)

Distribution Tables
for the year ended 31 January 2021

Final distribution

Group 1 - Shares purchased prior to 1 August 2020

Group 2 - Shares purchased 1 August 2020 to 31 January 2021

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2021 Pence per share	Distribution paid 31.3.2020 Pence per share
Class 2 Net Accumulation - Group 1	0.8931	–	0.8931	1.6074
Class 2 Net Accumulation - Group 2	0.2232	0.6699	0.8931	1.6074
Class 3 Net Accumulation - Group 1	2.0073	–	2.0073	3.0381
Class 3 Net Accumulation - Group 2	0.8581	1.1492	2.0073	3.0381
M Accumulation - Group 1+	0.4322	–	0.4322	–
M Accumulation - Group 2+	0.4322	–	0.4322	–
M Income - Group 1+	0.4288	–	0.4288	–
M Income - Group 2+	0.1594	0.2694	0.4288	–

\+ Share class launched 11 February 2020

Interim distribution

Group 1 - Shares purchased prior to 1 February 2020

Group 2 - Shares purchased 1 February 2020 to 31 July 2020

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2020 Pence per share	Distribution paid 30.9.2019 Pence per share
Class 2 Net Accumulation - Group 1	0.9127	–	0.9127	2.3698
Class 2 Net Accumulation - Group 2	0.3628	0.5499	0.9127	2.3698
Class 3 Net Accumulation - Group 1	1.9670	–	1.9670	4.0930
Class 3 Net Accumulation - Group 2	0.9112	1.0558	1.9670	4.0930
M Accumulation - Group 1+	0.4389	–	0.4389	–
M Accumulation - Group 2+	0.4389	–	0.4389	–
M Income - Group 1+	0.4419	–	0.4419	–
M Income - Group 2+	0.1595	0.2824	0.4419	–

\+ Share class launched 11 February 2020

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

UK Ethical Fund

Report for the year from 1 February 2020 to 31 January 2021

Investment Objective

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

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). All investments will be expected to conform to our ethical, social and environmental criteria.

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

Fund review

The UK Ethical Fund returned 1.7% (Class 2 Net Accumulation) over the 12 months under review, outperforming the IA UK All Companies peer group average of -4.5% and the MSCI UK Index's -10.9% (both of which are comparator benchmarks)*.

Our process targets businesses that can grow structurally, driven by the shift towards a global economy that is more efficient, provides a higher quality of life, and is more resilient.

With the UK hit hard amid Covid-inspired volatility given the index's large exposure to the oil, mining and airline sectors, our portfolio initially benefited from avoiding those parts of the market but lagged later in first half of the year as the worst-performing areas rallied hardest. Q3 was generally a weaker period for markets but positive news on effective vaccines in November drove a strong recovery into the end of the year and beyond.

As the impact of the pandemic became clear in the first quarter and markets lurched rapidly into bear territory, we took the opportunity to revisit every holding in the portfolio and ask two key questions: first, have the prospects changed five and ten years from now and second, how were companies positioned for the next six to 12 months in terms of cash position and ability to flex down cost base and access debt facilities?

In March, companies such as Cineworld, National Express, Gym and Crest Nicholson saw their revenues disappear for an indeterminate period. Our response was to assess which were in a position to weather the storm and emerge stronger and which faced such heightened risks that they were no longer suitable investments. From this analysis, we concluded we were comfortable backing almost all of our companies, which is testament to the importance we attach to the resilience of each business.

Cineworld was the exception – we felt its balance sheet was not appropriate for the challenges that lay ahead –so we exited this position. The difference with Cineworld versus other holdings where we remained confident in their prospects is that the company had recently made a large acquisition in the US by gearing up its balance sheet and was preparing to make a similar purchase in Canada before Covid-19 forced a rethink. A period of no revenues left the business struggling to finance these borrowing costs and, in hindsight, we should have seen the excess leverage as more of a red flag.

Elsewhere, we continue to see an acceleration in themes such as Connecting people and Enhancing digital security with favoured holdings in this area, Helios Towers and Softcat, among the strongest performers over the period. We have long recognised the growing demand for more digital communication as we become more connected as a global society, increase our data consumption and become aware of the environmental impacts of travel – and millions of people working at home can only push this forward. Helios Towers owns and operates telecom towers in rapidly urbanising parts of Africa, and has remained among our top names after we bought the stock at IPO in October 2019.

This move to digital communication and online life can only thrive, however, if people are confident their information is safe and Softcat is a long-term holding that provides outsourced IT services to small and medium-sized UK businesses. Softcat is a 'value-added reseller' that helps SMEs and some larger organisations select and implement the best technology for their business – with around a third of its revenues exposed to our theme of Enhancing digital security. Softcat's services have helped many companies transition to secure remote working, another shift we believe will not prove transitory.

Solid oxide fuel cell developer Ceres Power was our strongest performer overall, with the company continuing to benefit from its aim to become the ARM of energy (a business strategy of licensing its technology to manufacturing partners), signing a strategic collaboration deal with powertrain engineering consultancy AVL in December. Ceres Power fuel cell technology is expected to play a big role in the decarbonisation of the global economy and clean-up of urban air. CEO Phil Caldwell said the pandemic has only intensified the urgency for climate action and Ceres Power has fuel cell technology for power generation that is highly complementary to today's energy infrastructure, is hydrogen ready for the future, and can form a critical building block in achieving a net zero carbon future.

Natural extracts and ingredients specialist Treatt was another strong holding, with the company reporting positive performance across its portfolio and, despite Covid headwinds, expecting to register profit for FY21 ahead of the current market consensus. The group is performing particularly well in its citrus, health & wellness, fruit & vegetables and tea categories, and is well positioned as a supplier of natural extracts, including its sugar reduction solution, given ongoing efforts to reduce obesity around the world.

UK Ethical Fund (continued)

Investment review (continued)

Fund review (continued)

Packaging provider Smurfit Kappa remains an important contributor, continuing to benefit from growing consumer demand for sustainable packaging. Highlighting its ESG credentials, the company completed its largest ever investment, €134 million in a recovery boiler in Austria, early in 2020, which will reduce its CO_2 emissions by 40,000 tonnes.

Several names held under our Saving for the future and Insuring a sustainable economy themes, including Hargreaves Lansdown and AJ Bell, also performed well over the period. Although challenged by short-term economic weakness, we believe households will look to raise saving rates over time to protect themselves from future crises and these businesses sit across the investment, pension and insurance markets. Hargreaves Lansdown has seen profits and net new business surge over the second half of 2020, with vaccine progress and the UK election driving an increase in retail trading. Activity reached a peak of 100,000 trades on certain days and volumes have risen on average from 20,000 before the pandemic to 40,000, with Hargreaves Lansdown attracting a record 84,000 new clients in the six months to end December and wining £3.24bn of net new business, up 40% year-on-year.

While among our weaker holdings over the full year, other financial names such as Legal & General and Paragon Banking, linked to our themes of Insuring a sustainable future and Increasing financial resilience, enjoyed a much stronger end to 2020 and into January. Showcasing the kind of financials we tend to own, Paragon Banking provides long-term mortgages to professional landlords, supporting the growing provision of homes for rent in the UK. Covid has clearly impacted the business, with underlying profit down from £164 million in 2019 to £120 million, but CEO Nigel Terrington – one of the longest serving chief executives in our portfolio – noted a transformational year in its retail deposit division. It has broadened its product range and distribution, with balances increasing by 22.9%, at a lower cost, providing reliable, scalable and cost-effective funding.

Continuing this trend, holding such as Trainline, Compass, DFS Furniture, Gym and National Express are among weaker names for the year but recovered well in the latter part of the period, rewarding our adds to many of these bruised companies in the third quarter as we begin to see a resolution to the pandemic over the coming months.

Looking at Trainline, the company had been struggling, as would be expected for a travel business during a period of lockdown. Our thesis is that growth will return for this highly profitable operation, with safe, efficient mass transport in the UK and Europe the only way to reduce congestion and emissions in our cities. Shares in the company have been volatile, falling from 540p in February to a low of 210p in March, before rising back to around 530p by the end of May and dropping to 260p in October. We took a long-term perspective on the company, our thesis and the valuation, and added to the stock on weakness. Three doses of positive vaccine news have allowed investors to recalibrate their expectations for many companies with a return to some kind of normality in sight, and Trainline has been among the largest beneficiaries with share price growth of more than 60% over November alone.

National Express shares also enjoyed a strong recovery over the fourth quarter and into 2021 and we believe growth may accelerate in the coming five years, driven by increased outsourcing and failing competitors in the wake of Covid-19. As stated, the environmental advantages of public transport are an important factor in reducing emissions, which, along with urbanisation, should drive growth in the longer term.

In terms of portfolio activity over the year, we added Oxford Instruments in Q2, a provider of high technology products, systems and tools to the world's leading industrial companies and scientific research communities, and Avast in Q3, another position exposed to cyber security demand.

Avast provides security services to over 400m people and the main product is free, with this freemium model an economic way of acquiring customers with ample opportunity to upsell other services. It is consistently rated as one of the best anti-virus and privacy protection services and we believe it will continue to grow strongly. As evidence of this, the company released six-month results in August, showing revenue growth of 6.6% over an extremely difficult first half of 2020.

In terms of disposals, we sold Informa over the period, which shines a light on how we will move away from a business if we feel it is no longer excelling on sustainable issues. When we first owned the stock, it was focused on educational publishing but the acquisitions of Penton Information Services in 2016 and UBM in 2018 have moved exhibitions to the centre of the company, increasing its cyclicality and reducing sustainability in our view.

UK Ethical Fund (continued)

Investment review (continued)

Fund review (continued)

We also sold Pennon over Q3: its Viridor waste business was bought by private equity and we felt the remaining South West Water does not exhibit much in terms of either growth or value.

Market review

The MSCI UK Index returned -10.9% over the 12 months under review, with all underlying subsectors apart from materials in negative territory*.

While other markets around the world recovered quickly from the initial Covid-19 inspired bear market drop in March and April, the UK has remained among the weaker regions over the 12 months. Lingering Brexit concerns would seem the obvious culprit for this (with a deal only done right at the end of December), but the make-up of the UK market and economy – with relatively high exposure to banks and energy, which struggled through the pandemic, and less to high-flying tech companies – is also to blame.

Markets started 2020 buoyant with positive news of a potential trade deal between the US and China and some clarity on Brexit negotiations, two issues that had had dominated headlines and sentiment for the previous few years. At this point, there were only rumblings of a viral outbreak in China but for whatever reason, the risk this would spread to the West was far from most investors' minds.

Twelve months later, a huge amount has changed as a result of the Covid-19 health crisis, with the global economy put on hold for months as countries all over the world went into lockdown, moving back towards some sense of normality over summer and then falling back into shutdown in the face of a second wave of the virus. This type of black swan event demonstrates how perilous (and we would go so far as to suggest futile) it is to make short-term market predictions.

After huge market declines in March, the second quarter saw equities retrace much of these losses on the belief that policymakers' 'whatever it takes' attitude would be enough to prevent a serious recession. Governments and central banks were unified in their reaction with substantial monetary and fiscal stimulus, learning the lessons of 2008. These measures helped ease some of the impact of lost earnings, supported jobs and provided markets with liquidity and reassurance – but also had the effect of massively expanding already-bloated government balance sheets.

Markets overall had a slower third quarter as concerns around renewed lockdowns persisted but positive news on vaccines in November drove a strong recovery after a weaker October. This optimism was further buoyed by Joe Biden's victory in the US Presidential election and we saw an end to more than four years of Brexit negotiations, with the UK and EU unveiling a deal on Christmas Eve that should help markets start 2021 on firmer footing and allow companies to plan ahead.

Despite rays of light, November also brought sobering economic news in the shape of Chancellor Rishi Sunak's Spending Review, suggesting persistent scars from Covid-19. Figures from the OECD predict the UK's recovery from the pandemic will lag behind every other major economy apart from Argentina, with the Organisation warning against any cutting of government spending despite spiralling debt levels. Against a backdrop of heavy government expenditure, the OECD said nations need to continue to make use of record-low borrowing costs to spend on protecting businesses and households.

While concerns about Covid-19 remain, with many countries forced back into lockdown amid worries about the virus mutating, broader market outperformance continued to the end of 2020 and beyond on the back of expectations of a better 2021. While we welcome the recovery in our more cyclical names, we avoid trying to predict how the macro picture will develop and focus on backing companies benefiting from the structural shift towards a more sustainable economy and generating high returns. Covid-19 does not change our view that companies exposed to sustainable themes will see strong growth and many of these areas will accelerate as the world recovers.

Overall, we are pleased with the Sub-fund's performance and satisfied with the actions our companies are taking to navigate difficult times. Periods of volatility can also allow us to increase positions in high-quality stocks with strong prospects and we remain confident the portfolio is well set for the long-term.

**Source: FE Analytics, primary share class, total return, net of fees and income reinvested, 31.01.20-31.01.21.*

UK Ethical Fund (continued)

Investment review (continued)

Market review (continued)

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

Past performance is not a guide to future performance, investments can result in a total loss of capital.

Material portfolio changes by value

Purchases	Sales
Avast	Kingspan
Compass	Compass
Oxford Instruments	London Stock Exchange
Hargreaves Lansdown	Pennon
Countryside Properties	Ceres Power
National Express	Intertek
First Derivatives	Smurfit Kappa
Legal & General	Hargreaves Lansdown
Intertek	Softcat
Trainline	Legal & General

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.

Typically lower rewards, lower risk — Typically higher rewards, higher risk

1	2	3	4	5	6	7

- 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 because of 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;
  - any company which has high overseas earnings may carry a higher currency risk;
- The Sub-fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- 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 fund to defer or suspend redemptions of its shares.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.

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)

Portfolio Statement
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (92.25%)	**689,094**	**93.47**
	UNITED KINGDOM (83.24%)	**629,586**	**85.39**
	Alternative Energy Sources (4.22%)	**32,330**	**4.39**
943,448	Ceres Power	12,491	1.70
6,262,443	John Laing	19,839	2.69
	Banks (3.66%)	**29,322**	**3.98**
6,464,200	Paragon Banking	29,322	3.98
	Chemicals (2.15%)	**24,188**	**3.28**
2,634,902	Treatt	24,188	3.28
	Commercial Services (3.77%)	**22,433**	**3.04**
406,683	Intertek	22,433	3.04
	Computers (5.44%)	**43,194**	**5.86**
2,162,928	GB	18,515	2.51
1,634,395	Softcat	24,679	3.35
	Diversified Financial Services (15.22%)	**111,543**	**15.12**
5,583,542	AJ Bell	24,037	3.26
1,520,703	Hargreaves Lansdown	25,974	3.52
310,418	London Stock Exchange	26,963	3.66
1,129,645	Mortgage Advice Bureau	10,054	1.36
2,012,269	St James's Place	23,604	3.20
1,655,472	Trufin	911	0.12
	Electricity (1.22%)	**9,671**	**1.31**
1,137,738	National Grid	9,671	1.31
	Electronics (2.36%)	**47,848**	**6.49**
667,318	Halma	16,469	2.23
907,056	Oxford Instruments	17,996	2.44
1,976,866	Smart Metering Systems	13,383	1.82

UK Ethical Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Engineering & Construction (1.96%)	**23,135**	**3.14**
14,532,286	Helios Towers	23,135	3.14
	Entertainment (2.67%)		
	Food Services (4.17%)	**16,469**	**2.23**
1,257,176	Compass	16,469	2.23
	Home Builders (6.00%)	**43,679**	**5.92**
6,945,575	Countryside Properties	29,949	4.06
4,245,503	Crest Nicholson	13,730	1.86
	Insurance (9.38%)	**56,419**	**7.66**
12,887,665	Legal & General	31,446	4.27
1,972,262	Prudential	23,125	3.14
1,095,006	Thrive Renewables+	1,848	0.25
	Internet (2.46%)	**23,945**	**3.25**
5,874,496	Trainline	23,945	3.25
	Investment Companies (2.28%)	**20,492**	**2.78**
915,253	Capital for Colleagues	298	0.04
4,237,259	Distribution Finance Capital	2,966	0.40
16,101,342	SDCL Energy Efficiency Income Trust	17,228	2.34
	Leisure Time (3.02%)	**17,790**	**2.41**
8,451,510	Gym	17,790	2.41
	Private Equity (0.00%)	**2,084**	**0.28**
302,937	Draper Esprit	2,084	0.28
	Real Estate Investment & Services (0.11%)	**556**	**0.08**
788,000	Ethical Property+	556	0.08

UK Ethical Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Real Estate Investment Trusts (1.39%)	**17,132**	**2.33**
5,000,000	Home REIT	5,350	0.73
14,026,621	PRS REIT	11,782	1.60
	Retail (2.75%)	**20,748**	**2.81**
9,650,270	DFS Furniture	20,748	2.81
	Software (3.35%)	**38,653**	**5.24**
357,958	First Derivatives	10,775	1.46
16,957,622	Learning Technologies	27,878	3.78
	Transportation (3.72%)	**27,955**	**3.79**
11,182,073	National Express	27,955	3.79
	Water (1.94%)		
	IRELAND (9.01%)	**44,408**	**6.03**
	Building Materials (4.99%)	**14,510**	**1.97**
293,130	Kingspan	14,510	1.97
	Forest Products & Paper (4.02%)	**29,898**	**4.06**
855,216	Smurfit Kappa	29,898	4.06
	CZECH REPUBLIC (0.00%)	**15,100**	**2.05**
	Computers (0.00%)	**15,100**	**2.05**
3,197,730	Avast	15,100	2.05
	COLLECTIVE INVESTMENT SCHEMES (4.02%)	**22,018**	**2.98**
	GUERNSEY (1.59%)	**7,630**	**1.03**
6,008,211	Renewables Infrastructure	7,630	1.03

UK Ethical Fund (continued)

Portfolio Statement (continued)
as at 31 January 2021

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	COLLECTIVE INVESTMENT SCHEMES (continued)		
	UNITED KINGDOM (2.43%)	**14,388**	**1.95**
6,145,654	Greencoat UK Wind	8,407	1.14
7,747,508	US Solar Fund	5,981	0.81
	Portfolio of investments	**711,112**	**96.45**
	Net other assets	**26,150**	**3.55**
	Total net assets	**737,262**	**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 2020 (disclosure may differ to prior year accounts as comparatives have been moved to match current year classification).

Stocks shown as REITs represent Real Estate Investment Trust.

\+ Unquoted security.

UK Ethical Fund (continued)

Comparative Tables
for the year ended 31 January 2021

Class 2 Net Accumulation **Accounting year ended**	**31 January 2021** **per share (p)**	**31 January 2020** **per share (p)**	**31 January 2019** **per share (p)**
Change in net assets per share			
Opening net asset value per share	330.79	254.61	261.19
Return before operating charges	9.63	78.65	(4.39)
Operating charges	(2.46)	(2.47)	(2.19)
Return after operating charges	7.17	76.18	(6.58)
Distributions	(2.92)	(6.40)	(5.16)
Retained distributions on accumulation shares	2.92	6.40	5.16
Closing net asset value per share	**337.96**	**330.79**	**254.61**
After direct transaction costs of*	(0.58)	(0.68)	(0.45)
Performance			
Return after charges	2.17%	29.92%	(2.52%)
Other information			
Closing net asset value (£000's)	345,718	240,336	103,001
Closing number of shares	102,296,266	72,654,479	40,453,864
Operating charges**	0.83%	0.84%	0.83%
Direct transaction costs*	0.20%	0.23%	0.17%
Prices			
Highest share price	356.40	339.70	283.10
Lowest share price	209.72	254.50	238.90

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

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

UK Ethical Fund (continued)

Comparative Tables (continued)
for the year ended 31 January 2021

Class 3 Net Income Accounting year ended	31 January 2021 per share (p)	31 January 2020 per share (p)	31 January 2019 per share (p)
Change in net assets per share			
Opening net asset value per share	302.25	237.41	248.37
Return before operating charges	8.56	73.10	(4.02)
Operating charges	(1.08)	(1.09)	(0.95)
Return after operating charges	7.48	72.01	(4.97)
Distributions	(3.81)	(7.17)	(5.99)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	**305.92**	**302.25**	**237.41**
After direct transaction costs of*	(0.53)	(0.63)	(0.42)
Performance			
Return after charges	2.48%	30.33%	(2.00%)
Other information			
Closing net asset value (£000's)	391,544	381,657	299,610
Closing number of shares	127,988,930	126,271,093	126,198,723
Operating charges**	0.40%	0.40%	0.38%
Direct transaction costs*	0.20%	0.23%	0.17%
Prices			
Highest share price	324.66	313.50	266.40
Lowest share price	191.75	237.30	225.20

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

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

UK Ethical Fund (continued)

Statement of Total Return

for the year ended 31 January 2021

	Notes	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Income					
Net capital gains	2		21,450		116,498
Revenue	3	11,201		14,690	
Expenses	4	(3,624)		(2,643)	
Interest payable and similar charges	6	(1)		–	
Net revenue before taxation		7,576		12,047	
Taxation	5	(5)		–	
Net revenue after taxation			7,571		12,047
Total return before distributions			**29,021**		**128,545**
Distributions	7		(7,571)		(12,047)
Change in net assets attributable to shareholders from investment activities			**21,450**		**116,498**

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 January 2021

	(£'000)	1.2.2020 to 31.1.2021 (£'000)	(£'000)	1.2.2019 to 31.1.2020 (£'000)
Opening net assets attributable to shareholders		**621,993**		**402,611**
Amounts received on issue of shares	141,827		120,700	
Amounts paid on cancellation of shares	(50,874)		(21,570)	
		90,953		99,130
Change in net assets attributable to shareholders from investment activities		21,450		116,498
Retained distributions on accumulation shares		2,866		3,754
Closing net assets attributable to shareholders		**737,262**		**621,993**

UK Ethical Fund (continued)

Balance Sheet
as at 31 January 2021

	Notes	31.1.2021 (£'000)	31.1.2020 (£'000)
Assets			
Fixed assets			
Investments		711,112	598,792
Current assets:			
Debtors	8	11,820	6,362
Cash and bank balances	9	18,072	21,014
Total assets		**741,004**	**626,168**
Liabilities			
Creditors:			
Distribution payable		(2,590)	(3,877)
Other creditors	10	(1,152)	(298)
Total liabilities		**(3,742)**	**(4,175)**
Net assets attributable to shareholders		**737,262**	**621,993**

UK Ethical Fund (continued)

Notes to the financial statements
for the year ended 31 January 2021

1 Accounting policies

The accounting policies for the sub-fund are set out on pages 13 to 15.

2 Net capital gains

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
The net capital gains comprise:		
Non-derivative securities	21,475	116,429
Currency (losses)/gains	(25)	69
Net capital gains	**21,450**	**116,498**

3 Revenue

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Bank interest	11	–
Equity distributions on CIS holdings	–	42
Management fee rebates on CIS	–	17
Overseas dividends	1,376	1,613
Stock lending income	4	–
UK dividends	9,810	12,918
UK REIT dividends	–	100
Total revenue	**11,201**	**14,690**

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

4 Expenses

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	3,107	2,250
General administration charges	517	394
	3,624	**2,644**
Other expenses:		
FCA fees	–	(1)
	–	**(1)**
Total expenses	**3,624**	**2,643**

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

5 Taxation

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
a) Analysis of charge in year		
Overseas tax	5	–
Total tax charge [see note(b)]	**5**	**–**

b) Factors affecting tax charge for the year

The taxation assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Net revenue before taxation	7,576	12,047
Corporation tax at 20% (2020 - 20%)	1,515	2,409
Effects of:		
Movement in unrecognised tax losses	712	505
Overseas tax	5	–
Prior year adjustment	10	–
Revenue not subject to tax	(2,237)	(2,914)
Total tax charge [see note(a)]	**5**	**–**

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

c) Deferred tax

At the year end there is a potential deferred tax asset of £2,943,000 (2020: £2,231,000) due to tax losses of £14,716,000 (2020: £11,156,000). It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

6 Interest payable and similar charges

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Overdraft interest	1	–
Total interest payable and similar charges	**1**	**–**

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

7 Distributions

	1.2.2020 to 31.1.2021 (£'000)	1.2.2019 to 31.1.2020 (£'000)
Interim distribution	3,543	6,917
Final distribution	4,192	5,802
	7,735	**12,719**
Amounts deducted on cancellation of shares	190	135
Amounts received on issue of shares	(354)	(807)
Distributions	**7,571**	**12,047**
The distributable amount has been calculated as follows:		
Net revenue after taxation	7,571	12,047
Distributions	**7,571**	**12,047**

The distribution per share is set out in the tables on page 301.

8 Debtors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Accrued revenue	1,270	1,471
Amounts receivable for issue of shares	10,128	4,193
Income tax recoverable	–	11
Overseas withholding tax	422	224
Sales awaiting settlement	–	463
Total debtors	**11,820**	**6,362**

9 Cash and bank balances

	31.1.2021 (£'000)	31.1.2020 (£'000)
Cash and bank balances	18,072	21,014
Total cash and bank balances	**18,072**	**21,014**

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

10 Creditors

	31.1.2021 (£'000)	31.1.2020 (£'000)
Other Creditors		
Accrued expenses	52	43
Accrued ACD's charge	322	255
Amounts payable for cancellation of shares	330	–
Purchases awaiting settlement	448	–
Total other creditors	**1,152**	**298**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2020: £nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are include within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £374,000 (2020: £298,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £3,624,000 (2020: £2,644,000).

13 Securities lending

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

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

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

13 Securities lending (continued)

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

		31 January 2021		31 January 2020	
Counterparty	Counterparty's country of establishment	Securities on loan (£'000)	Collateral received (£'000)	Securities on loan (£'000)	Collateral received (£'000)
Citigroup Global Markets Limited	UK	34,134	37,706	–	–
Credit Suisse International	Switzerland	2,087	2,572	–	–
Credit Suisse Securities (Europe) Limited	UK	778	896	–	–
J.P. Morgan Securities Plc	UK	2,876	3,223	–	–
Merrill Lynch International	UK	114	123	–	–
The Bank of Nova Scotia	Canada	11,833	13,054	–	–
UBS AG	Switzerland	12,095	14,098	–	–
Total		**63,917**	**71,672**	**–**	**–**

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

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. As at 31 January 2021 all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange. There was no non-cash collateral received by the Sub-fund as at 31 January 2020.

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

14 Risk management policies

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

- equity, equity related and non-equity shares;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- short-term borrowings used to finance operational cash flows;
- units and shares in collective investment schemes;
- shareholders' funds, which represent investors' monies which are invested on their behalf from overseas investments held;
- derivative transactions for efficient portfolio management in accordance with the Sub-fund's investment policies.

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

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

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

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

Market price risk

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

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

As at 31 January 2021 and 31 January 2020 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 January 2021, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.9%.

As at 31 January 2020, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 8.0%.

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Market price risk (continued)

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

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

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

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

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

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

Currency risk

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

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

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

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

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

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

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

However, in line with the Fund's objectives of investing primarily in the UK and Ireland, the Fund is expected to have only minimal foreign currency exposures.

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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

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

If a Sub-Fund is primarily exposed to smaller companies there may be liquidity constraints 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. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

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

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

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

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

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

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

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

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

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 January 2021 was A (Standard & Poor's rating).

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

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

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

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

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

Valuation of financial investments

31.1.2021	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	708,708	–
Level 3: Unobservable data	2,404	–
	711,112	**–**

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

14 Risk management policies (continued)

Valuation of financial investments (continued)

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	596,610	–
Level 3: Unobservable data	2,182	–
	598,792	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.*

*The level 3 assets have been valued at a discount to the last traded price.

15 Share movement

For the year ending 31 January 2021

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	72,654,479	41,838,040	(12,375,199)	178,946	102,296,266
Class 3 Net Income	126,271,093	7,237,400	(5,323,824)	(195,739)	127,988,930

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

16 Portfolio transaction costs
for the year ending 31 January 2021

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	245,348	108	0.04	1,026	0.42
Collective investment schemes	1,308	1	0.08	4	0.31
Total purchases	**246,656**	**109**		**1,030**	
Total purchases including transaction costs	**247,795**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	153,178	76	0.05	–	–
Collective investment schemes	3,723	2	0.05	–	–
Total sales	**156,901**	**78**		**–**	
Total sales net of transaction costs	**156,823**				
Total transaction costs		**187**		**1,030**	
Total transaction costs as a % of average net assets		**0.03%**		**0.17%**	

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

16 Portfolio transaction costs (continued)

for the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	215,222	101	0.05	930	0.43
Collective investment schemes	11,443	4	0.03	26	0.23
Total purchases	**226,665**	**105**		**956**	
Total purchases including transaction costs	**227,726**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	132,979	67	0.05	–	–
Collective investment schemes	6,712	5	0.07	–	–
Total sales	**139,691**	**72**		**–**	
Total sales net of transaction costs	**139,619**				
Total transaction costs		**177**		**956**	
Total transaction costs as a % of average net assets		**0.04%**		**0.19%**	

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

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.32% (2020: 0.37%).

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2021

17 Post balance sheet events

Since the year-end, markets have continued to be disrupted by the COVID-19 pandemic. Since the year-end, the NAV per share of Class 2 Net Accumulation share class has increased by 9.59% to 17 May 2021. The other share classes in the Sub-fund have moved by a similar magnitude. Contingency plans at the ACD and key service providers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

UK Ethical Fund (continued)

Distribution Tables
for the year ended 31 January 2021

Final distribution

Group 1 - Shares purchased prior to 1 August 2020

Group 2 - Shares purchased 1 August 2020 to 31 January 2021

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2021 Pence per share	Distribution paid 31.3.2020 Pence per share
Class 2 Net Accumulation - Group 1	1.5659	–	1.5659	2.6495
Class 2 Net Accumulation - Group 2	0.4565	1.1094	1.5659	2.6495
Class 3 Net Income - Group 1	2.0238	–	2.0238	3.0703
Class 3 Net Income - Group 2	1.0329	0.9909	2.0238	3.0703

Interim distribution

Group 1 - Shares purchased prior to 1 February 2020

Group 2 - Shares purchased 1 February 2020 to 31 July 2020

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2020 Pence per share	Distribution paid 30.9.2019 Pence per share
Class 2 Net Accumulation - Group 1	1.3535	–	1.3535	3.7488
Class 2 Net Accumulation - Group 2	0.8348	0.5187	1.3535	3.7488
Class 3 Net Income - Group 1	1.7872	–	1.7872	4.0954
Class 3 Net Income - Group 2	0.9448	0.8424	1.7872	4.0954

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

Securities Financing Transactions (unaudited)

as at 31 January 2021

Securities Lending

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

The total income earned from securities lending transactions is split between the Sub-funds and the Stock Lending Agent. The Sub-funds 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 tables below show the net income earned by the Sub-funds from securities lending activity during the year.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Cautious Managed Fund				
Securities lending				
Gross return	4	–	1	5
% of total	70%	0%	30%	100%
Cost	–	–	–	–

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Corporate Bond Fund				
Securities lending				
Gross return	1	–	1	2
% of total	70%	0%	30%	100%
Cost	–	–	–	–

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Defensive Managed Fund				
Securities lending				
Gross return	7	–	3	10
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Securities Financing Transactions (unaudited) (continued)

as at 31 January 2021

Return and cost (continued)

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future European Growth Fund				
Securities lending				
Gross return	6	–	2	8
% of total	70%	0%	30%	100%
Cost	–	–	–	–

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Global Growth Fund				
Securities lending				
Gross return	8	–	3	11
% of total	70%	0%	30%	100%
Cost	–	–	–	–

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Managed Fund				
Securities lending				
Gross return	11	–	4	15
% of total	70%	0%	30%	100%
Cost	–	–	–	–

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Managed Growth Fund				
Securities lending				
Gross return	3	–	1	4
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Securities Financing Transactions (unaudited) (continued)

as at 31 January 2021

Return and cost (continued)

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future UK Growth Fund				
Securities lending				
Gross return	3	–	1	4
% of total	70%	0%	30%	100%
Cost	–	–	–	–

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust UK Ethical Fund				
Securities lending				
Gross return	3	–	1	4
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Securities Lending

The following table details the value of securities on loan as a proportion of the Sub-funds' total lendable assets and Net Asset Value (NAV) as at 31 January 2021. The income earned from securities lending are also shown for the period ended 31 January 2021. Total lendable assets represents the aggregate value of assets forming part of the Sub-funds' securities lending programme. This excludes any assets held by the Sub-funds that are not considered lendable due to any market, regulatory, investment or other restriction.

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 31 January 2021.

Securities on loan

Fund	% of lendable assets	% of NAV	Income earned (£'000)
Liontrust Sustainable Future Cautious Managed Fund	7.70	6.45	5

Securities on loan

Fund	% of lendable assets	% of NAV	Income earned (£'000)
Liontrust Sustainable Future Corporate Bond Fund	2.74	2.69	2

Securities on loan

Fund	% of lendable assets	% of NAV	Income earned (£'000)
Liontrust Sustainable Future Defensive Managed Fund	13.86	11.52	10

Securities Financing Transactions (unaudited) (continued)

as at 31 January 2021

Securities Lending (continued)

Securities on loan

Fund	% of lendable assets	% of NAV	Income earned (£'000)
Liontrust Sustainable Future European Growth Fund	6.76	6.36	8

Securities on loan

Fund	% of lendable assets	% of NAV	Income earned (£'000)
Liontrust Sustainable Future Global Growth Fund	2.56	2.43	11

Securities on loan

Fund	% of lendable assets	% of NAV	Income earned (£'000)
Liontrust Sustainable Future Managed Fund	2.67	2.41	15

Securities on loan

Fund	% of lendable assets	% of NAV	Income earned (£'000)
Liontrust Sustainable Future Managed Growth Fund	2.34	2.14	4

Securities on loan

Fund	% of lendable assets	% of NAV	Income earned (£'000)
Liontrust Sustainable Future UK Growth Fund	7.00	6.40	4

Securities on loan

Fund	% of lendable assets	% of NAV	Income earned (£'000)
Liontrust UK Ethical Fund	9.52	8.67	4

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

Collateral

The Sub-funds 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.

Securities Financing Transactions (unaudited) (continued)

as at 31 January 2021

Collateral (continued)

The following table provides an analysis by currency of the underlying cash and non-cash collateral received / posted by way of title transfer collateral arrangement by the Sub-funds, in respect of securities lending transactions, as at 31 January 2021.

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Liontrust Sustainable Future Cautious Managed Fund				
Securities lending transactions				
CHF	-	-	141	-
EUR	-	-	313	-
GBP	-	-	41,711	-
JPY	-	-	46	-
USD	-	-	1,871	-
Total	**-**	**-**	**44,082**	**-**

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Liontrust Sustainable Future Corporate Bond Fund				
Securities lending transactions				
EUR	-	-	189	-
GBP	-	-	20,010	-
Total	**-**	**-**	**20,199**	**-**

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Liontrust Sustainable Future Defensive Managed Fund				
Securities lending transactions				
AUD	-	-	17	-
CAD	-	-	3	-
CHF	-	-	2,122	-
EUR	-	-	2,945	-
GBP	-	-	74,966	-
HKD	-	-	98	-
JPY	-	-	2,107	-
USD	-	-	6,087	-
Total	**-**	**-**	**88,345**	**-**

Securities Financing Transactions (unaudited) (continued)

as at 31 January 2021

Collateral (continued)

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Liontrust Sustainable Future European Growth Fund				
Securities lending transactions				
AUD	-	-	442	-
CHF	-	-	1,177	-
EUR	-	-	1,673	-
GBP	-	-	1,182	-
HKD	-	-	10,889	-
JPY	-	-	1,016	-
NOK	-	-	406	-
USD	-	-	8,856	-
Total	**-**	**-**	**25,641**	**-**

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Liontrust Sustainable Future Global Growth Fund				
Securities lending transactions				
AUD	-	-	88	-
CHF	-	-	2,926	-
EUR	-	-	7,433	-
GBP	-	-	5,352	-
HKD	-	-	2,158	-
JPY	-	-	366	-
NOK	-	-	80	-
USD	-	-	13,214	-
Total	**-**	**-**	**31,617**	**-**

Securities Financing Transactions (unaudited) (continued)

as at 31 January 2021

Collateral (continued)

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Liontrust Sustainable Future Managed Fund				
Securities lending transactions				
CAD	-	-	51	-
CHF	-	-	964	-
EUR	684	-	15,819	-
GBP	-	-	18,529	-
HKD	-	-	2	-
JPY	-	-	561	-
NOK	-	-	338	-
SEK	-	-	186	-
USD	-	-	21,099	-
Total	**684**	**-**	**57,549**	**-**

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Liontrust Sustainable Future Managed Growth Fund				
Securities lending transactions				
AUD	-	-	1	-
CHF	-	-	44	-
EUR	-	-	4,147	-
GBP	-	-	2,844	-
HKD	-	-	25	-
JPY	-	-	136	-
NOK	-	-	1	-
USD	-	-	9,126	-
Total	**-**	**-**	**16,324**	**-**

Securities Financing Transactions (unaudited) (continued)

as at 31 January 2021

Collateral (continued)

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Liontrust Sustainable Future UK Growth Fund				
Securities lending transactions				
AUD	-	-	15	-
CAD	-	-	45	-
CHF	-	-	1,380	-
EUR	-	-	2,635	-
GBP	-	-	40,156	-
HKD	-	-	366	-
JPY	-	-	1,004	-
NOK	-	-	14	-
USD	-	-	10,644	-
Total	**-**	**-**	**56,259**	**-**

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Liontrust UK Ethical Fund				
Securities lending transactions				
AUD	-	-	4	-
CHF	-	-	5,879	-
EUR	-	-	7,502	-
GBP	-	-	17,442	-
HKD	-	-	100	-
JPY	-	-	5,024	-
NOK	-	-	4	-
USD	-	-	35,717	-
Total	**-**	**-**	**71,672**	**-**

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 31 January 2021

Collateral (continued)

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received / posted by the Sub-funds by way of title transfer collateral arrangement in respect of securities lending transactions, as at 31 January 2021.

				Maturity Tenor			
Collateral type and quality	1 - 7 days (£'000)	8 - 30 days (£'000)	31 - 90 days (£'000)	91 - 365 days (£'000)	More than 365 days (£'000)	Open transactions (£'000)	Total (£'000)
Liontrust Sustainable Future Cautious Managed Fund							
Collateral received - securities lending							
Fixed income							
Investment grade	–	–	–	1	32,018	–	**32,019**
Equities							
Recognised equity index	–	–	–	–	–	12,063	**12,063**
Total	**–**	**–**	**–**	**1**	**32,018**	**12,063**	**44,082**

				Maturity Tenor			
Collateral type and quality	1 - 7 days (£'000)	8 - 30 days (£'000)	31 - 90 days (£'000)	91 - 365 days (£'000)	More than 365 days (£'000)	Open transactions (£'000)	Total (£'000)
Liontrust Sustainable Future Corporate Bond Fund							
Collateral received - securities lending							
Fixed income							
Investment grade	–	–	6	–	20,193	–	**20,199**
Total	**–**	**–**	**6**	**–**	**20,193**	**–**	**20,199**

				Maturity Tenor			
Collateral type and quality	1 - 7 days (£'000)	8 - 30 days (£'000)	31 - 90 days (£'000)	91 - 365 days (£'000)	More than 365 days (£'000)	Open transactions (£'000)	Total (£'000)
Liontrust Sustainable Future Defensive Managed Fund							
Collateral received - securities lending							
Fixed income							
Investment grade	–	–	–	40	75,001	–	**75,041**
Equities							
Recognised equity index	–	–	–	–	–	13,304	**13,304**
Total	**–**	**–**	**–**	**40**	**75,001**	**13,304**	**88,345**

Securities Financing Transactions (unaudited) (continued)

as at 31 January 2021

Collateral (continued)

Collateral type and quality	1 - 7 days (£'000)	8 - 30 days (£'000)	31 - 90 days (£'000)	Maturity Tenor 91 - 365 days (£'000)	More than 365 days (£'000)	Open transactions (£'000)	Total (£'000)
Liontrust Sustainable Future European Growth Fund							
Collateral received - securities lending							
Fixed income							
Investment grade	–	–	4	7	51	–	**62**
Equities							
Recognised equity index	–	–	–	–	–	25,579	**25,579**
Total	**–**	**–**	**4**	**7**	**51**	**25,579**	**25,641**

Collateral type and quality	1 - 7 days (£'000)	8 - 30 days (£'000)	31 - 90 days (£'000)	Maturity Tenor 91 - 365 days (£'000)	More than 365 days (£'000)	Open transactions (£'000)	Total (£'000)
Liontrust Sustainable Future Global Growth Fund							
Collateral received - securities lending							
Equities							
Recognised equity index	–	–	–	–	–	31,617	**31,617**
Total	**–**	**–**	**–**	**–**	**–**	**31,617**	**31,617**

Collateral type and quality	1 - 7 days (£'000)	8 - 30 days (£'000)	31 - 90 days (£'000)	Maturity Tenor 91 - 365 days (£'000)	More than 365 days (£'000)	Open transactions (£'000)	Total (£'000)
Liontrust Sustainable Future Managed Fund							
Collateral received - securities lending							
Fixed income							
Investment grade	–	162	528	594	13,753	–	**15,037**
Equities							
Recognised equity index	–	–	–	–	–	42,512	**42,512**
Total	**–**	**162**	**528**	**594**	**13,753**	**42,512**	**57,549**

Securities Financing Transactions (unaudited) (continued)

as at 31 January 2021

Collateral (continued)

Collateral type and quality	1 - 7 days (£'000)	8 - 30 days (£'000)	31 - 90 days (£'000)	Maturity Tenor 91 - 365 days (£'000)	More than 365 days (£'000)	Open transactions (£'000)	Total (£'000)
Liontrust Sustainable Future Managed Growth Fund							
Collateral received - securities lending							
Equities							
Recognised equity index	–	–	–	–	–	16,324	**16,324**
Total	**–**	**–**	**–**	**–**	**–**	**16,324**	**16,324**

Collateral type and quality	1 - 7 days (£'000)	8 - 30 days (£'000)	31 - 90 days (£'000)	Maturity Tenor 91 - 365 days (£'000)	More than 365 days (£'000)	Open transactions (£'000)	Total (£'000)
Liontrust Sustainable Future UK Growth Fund							
Collateral received - securities lending							
Fixed income							
Investment grade	–	6	118	261	3,247	–	**3,632**
Equities							
Recognised equity index	–	–	–	–	–	52,627	**52,627**
Total	**–**	**6**	**118**	**261**	**3,247**	**52,627**	**56,259**

Collateral type and quality	1 - 7 days (£'000)	8 - 30 days (£'000)	31 - 90 days (£'000)	Maturity Tenor 91 - 365 days (£'000)	More than 365 days (£'000)	Open transactions (£'000)	Total (£'000)
Liontrust UK Ethical Fund							
Collateral received - securities lending							
Fixed income							
Investment grade	–	–	3	2	22	–	**27**
Equities							
Recognised equity index	–	–	–	–	–	71,645	**71,645**
Total	**–**	**–**	**3**	**2**	**22**	**71,645**	**71,672**

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 ETFs received as collateral are presented as open transactions as they are not subject to a contractual maturity date.

Securities Financing Transactions (unaudited) (continued)

as at 31 January 2021

Collateral (continued)

As at 31 January 2021, all non-cash collateral received by the Sub-funds in respect of securities lending transactions is held by the Sub-funds' Depositary (or through its delegates).

The following table lists the top ten issuers (or all the issuers if less than ten) by value of non-cash collateral received by the Sub-funds by way of the title transfer collateral arrangement across securities lending transactions as at 31 January 2021.

Issuer	Value (£'000)	% of the Fund's NAV
Liontrust Sustainable Future Cautious Managed Fund		
Citigroup Global Markets Limited	32,566	4.98
The Bank of Nova Scotia	10,246	1.57
Credit Suisse International	696	0.11
UBS AG	327	0.05
Credit Suisse Securities (Europe) Limited	247	0.04
Total	**44,082**	**6.75**

Issuer	Value (£'000)	% of the Fund's NAV
Liontrust Sustainable Future Corporate Bond Fund		
Citigroup Global Markets Limited	20,010	2.73
UBS AG	189	0.03
Total	**20,199**	**2.76**

Issuer	Value (£'000)	% of the Fund's NAV
Liontrust Sustainable Future Defensive Managed Fund		
Citigroup Global Markets Limited	74,499	10.12
UBS AG	5,326	0.73
JP Morgan Securities, Plc.	5,319	0.72
Credit Suisse International	3,039	0.41
Merrill Lynch International	84	0.01
Credit Suisse Securities (Europe) Limited	78	0.01
Total	**88,345**	**12.00**

Issuer	Value (£'000)	% of the Fund's NAV
Liontrust Sustainable Future European Growth Fund		
Merrill Lynch International	13,414	3.66
Citigroup Global Markets Limited	9,014	2.46
UBS AG	3,072	0.83
Credit Suisse International	141	0.04
Total	**25,641**	**6.99**

Securities Financing Transactions (unaudited) (continued)

as at 31 January 2021

Collateral (continued)

Issuer	Value (£'000)	% of the Fund's NAV
Liontrust Sustainable Future Global Growth Fund		
Citigroup Global Markets Limited	19,958	1.71
UBS AG	8,416	0.72
Merrill Lynch International	2,659	0.23
Credit Suisse International	584	0.05
Total	**31,617**	**2.71**

Issuer	Value (£'000)	% of the Fund's NAV
Liontrust Sustainable Future Managed Fund		
Citigroup Global Markets Limited	18,295	0.83
The Bank of Nova Scotia	12,684	0.57
Credit Suisse International	9,380	0.42
UBS AG	7,933	0.36
Credit Suisse Securities (Europe) Limited	6,869	0.31
JP Morgan Securities, Plc.	2,386	0.11
Merrill Lynch International	2	0.00
Total	**57,549**	**2.60**

Issuer	Value (£'000)	% of the Fund's NAV
Liontrust Sustainable Future Managed Growth Fund		
Credit Suisse International	14,675	2.34
Citigroup Global Markets Limited	1,618	0.26
Merrill Lynch International	31	0.00
Total	**16,324**	**2.60**

Issuer	Value (£'000)	% of the Fund's NAV
Liontrust Sustainable Future UK Growth Fund		
The Bank of Nova Scotia	42,386	5.34
UBS AG	5,690	0.72
Citigroup Global Markets Limited	4,267	0.54
JP Morgan Securities, Plc.	2,888	0.36
Credit Suisse International	578	0.07
Merrill Lynch International	450	0.06
Total	**56,259**	**7.09**

Securities Financing Transactions (unaudited) (continued)

as at 31 January 2021

Collateral (continued)

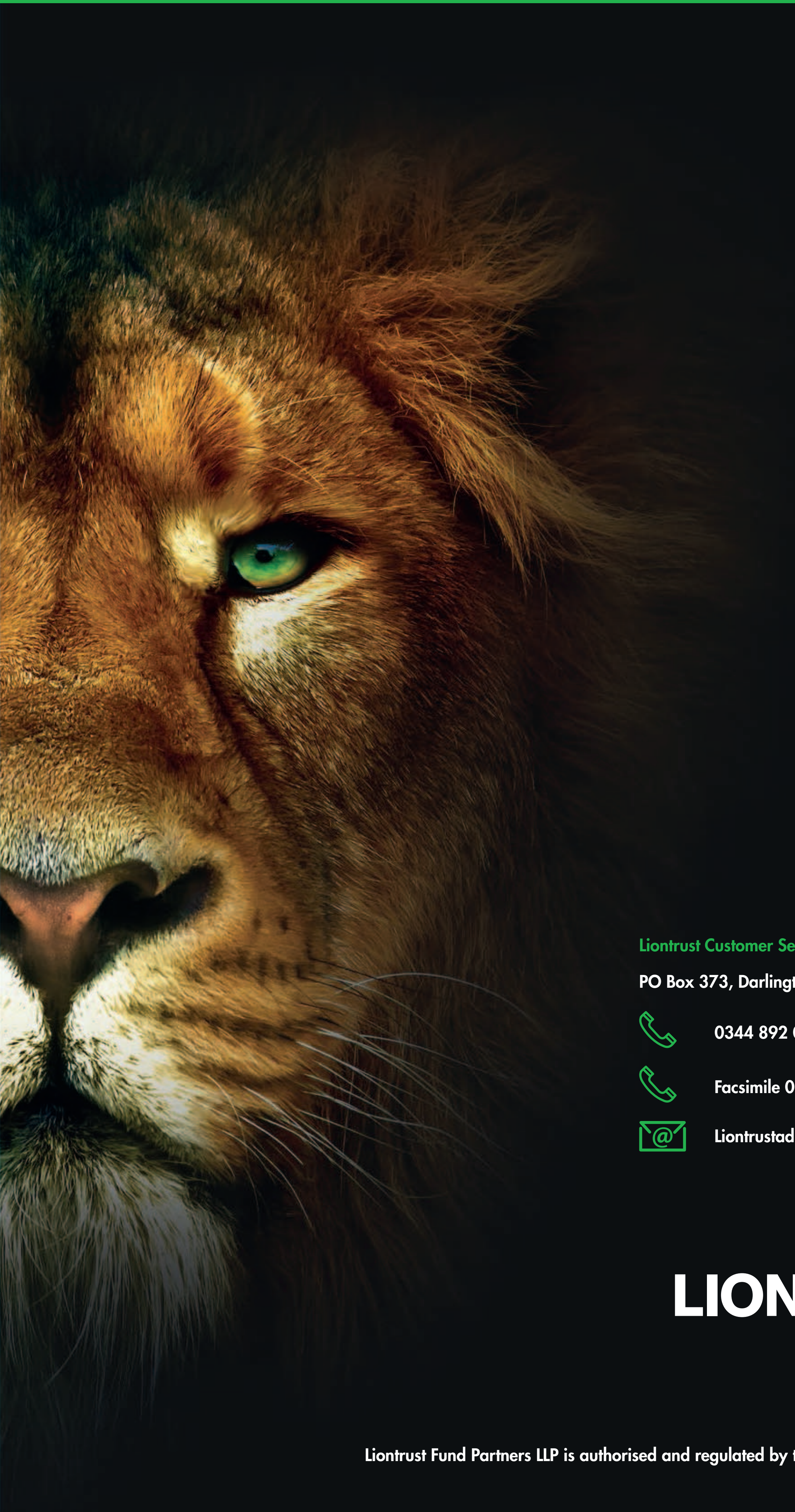
Issuer	Value (£'000)	% of the Fund's NAV
Liontrust UK Ethical Fund		
Citigroup Global Markets Limited	37,706	5.11
UBS AG	14,098	1.91
The Bank of Nova Scotia	13,054	1.77
JP Morgan Securities, Plc.	3,223	0.44
Credit Suisse International	2,572	0.35
Credit Suisse Securities (Europe) Limited	896	0.12
Merrill Lynch International	123	0.02
Total	**71,672**	**9.72**

Additional Information

Important information

It is important to remember that the price of shares, and the income from them, can fall as well as rise and is not guaranteed and that investors may not get back the amount originally invested. Past performance is not a guide to future performance, investments can result in a total loss of capital. 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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