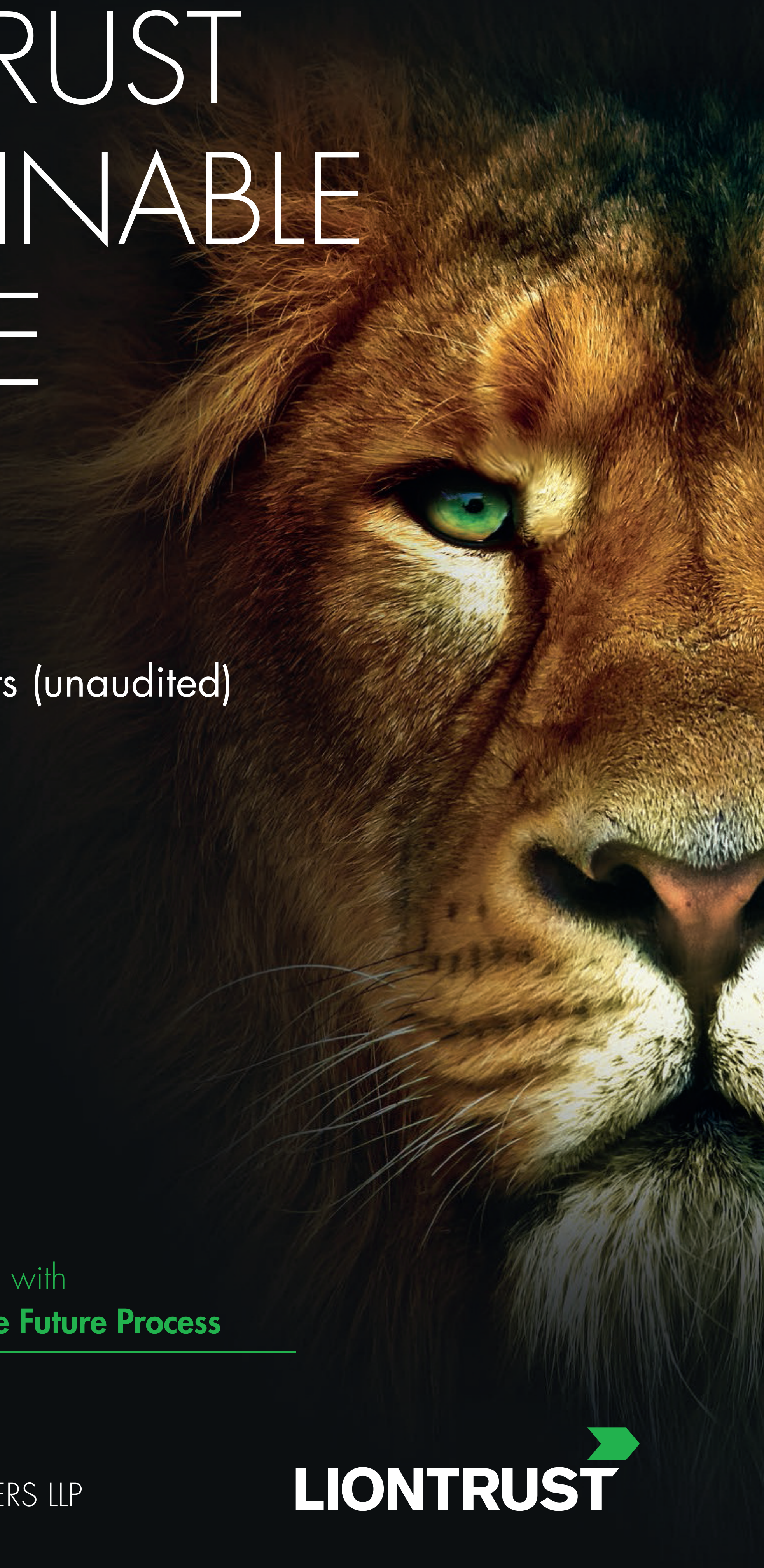
LIONTRUST SUSTAINABLE FUTURE ICVC

Interim Report & Financial Statements (unaudited)

For the period:
1 February 2020
to
31 July 2020



Managed in accordance with
The Liontrust Sustainable Future Process

LIONTRUST FUND PARTNERS LLP

LIONTRUST

Contents

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

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

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).

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

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

The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. Each share class has the same rights on a winding up of the Company. Investment of the assets of each of the Sub-funds must comply with the FCA's COLL and the investment objective and policy of the relevant Sub-fund.

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.

During the period to 31 July 2020 and at the balance sheet date, the Company did not use SFTs or total return swaps, as such no disclosure is required.

Holdings in Other Funds of the Company

As at 31 July 2020, the following Liontrust Sustainable Future ICVC Funds held shares in the Liontrust Sustainable Future Corporate Bond Fund.

Fund	Holdings	Market value (£'000)
Liontrust Sustainable Future Cautious Managed Fund	7,647,358	8,908
Liontrust Sustainable Future Defensive Managed Fund	17,443,144	20,318

Management and Administration (continued)

Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist asset manager with £19.3 billion in assets under management as at 30 June 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 branch 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 nine fund management teams: six 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 Investment Management Limited which are authorised and regulated by the Financial Conduct Authority. Liontrust Asset Management PLC is also the parent company of Liontrust International (Luxembourg) S.A. which is regulated by the Commission de Surveillance du Secteur Financier in Luxembourg. All members of the Liontrust Group sell only Liontrust Group products.

Member's Statement

In accordance with COLL 4.5.8BR, we hereby certify the Interim report and the financial statements were approved by the management committee of members of the ACD and authorised for issue on 28 September 2020.

Antony Morrison

Member

28 September 2020

Notes applicable to the financial statements of all Sub-funds

for the period from 1 February 2020 to 31 July 2020

Accounting Policies

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 accounting and distribution policies applied are consistent with those disclosed within the annual report & financial statements for the year ended 31 January 2020.

Sustainable Future Cautious Managed Fund

Report for the period from 1 February 2020 to 31 July 2020

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

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 and for whatever reason, the risk that this would spread to the West was far from most investors' minds.

Six months later, a huge amount has changed as a result of the Covid-19 health crisis, with the global economy essentially put on hold as countries all over the world went into lockdown. The focus now is on the direction of employment and consumer sentiment and this type of black swan event demonstrates how perilous (and we would suggest futile) it is to make short-term predictions on the direction of markets.

Governments and central banks have been unified in their reaction to the crisis with swift and substantial monetary and fiscal stimulus, learning the lessons of 2008. These measures have 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.

Over the second half of July, global equity markets saw renewed weakness as second waves of the virus continue to emerge around the globe. It is clear the fight against this disease is far from over and the delicate balancing act between restarting economies and protecting those most vulnerable is sure to continue until vaccines are commercialised.

The situation is unique and dynamic with no contemporary examples to use a guide. As usual, therefore, it is impossible to predict the nature of economic recovery, whether V, U or even W shaped – although this has not stopped people from trying. Ultimately, we are long-term optimists and believe we will reach a new normal at some point, overcoming this challenge as we have others in the past. But instead of trying to work out when the market will recover, our process focuses on the structural shifts to a more sustainable economy and companies making the world cleaner, healthier and safer.

The impact of Covid-19 on our health, livelihoods and economies does not change our view that companies exposed to these themes will see strong growth in coming years and we would expect many of these areas to accelerate as the world recovers.

Overall, we are pleased with the fund's performance and satisfied with the actions our companies are taking to navigate these difficult times. We would caution against extrapolation however; our best explanation is that this crisis has resulted in an acceleration of how we think the world is likely to evolve, and as our fund was positioned to benefit from such changes, we have benefitted. Periods of market volatility can also allow us to increase positions in high-quality companies with strong prospects and we therefore remain confident the portfolio is well set for the long-term.

Fund review

The SF Cautious Managed fund delivered 1.2% over the six months under review, outperforming the IA Mixed Investment 40-85% Shares sector average of -4.0%*.

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 and infrastructure equity portfolios was in line with expectations over the quarter.

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 down and adding slowly to equities. We continued an averaging-in strategy into April.

We are currently moderately overweight equities and underweight cash and maintain our structural overweights to credit and infrastructure equities and underweight gilts. The latter has been a negative contributor as government debt has outperformed but this was largely offset by our cash and infrastructure positions.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Fund review (continued)

It is ultimately impossible to know what impact the pandemic will have on sustainable issues: on the one hand, we would hope the current 'uniting against a common enemy' trend could be directed against climate change in the future; on the other, we may find governments have used much of their firepower fighting economic slowdown to be spending money on sustainable projects for some time to come. Our base case, however, remains that sustainable companies have better growth prospects and are more resilient than businesses not prioritising ESG – and these advantages remain underappreciated by the wider market.

Across the portfolios, we continue to concentrate on where we have expertise and confidence in our predictions, namely the 20 sustainable themes that identify companies set to benefit making our world cleaner, healthier and safer.

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? In the majority of cases, we remain confident in the long-term prospects across the portfolio.

It is important to note crises often accelerate changes that have already been in action for years and this is happening across many of our themes. Paypal was the strongest holding over the period, with digital payments (under our *Increasing financial resilience* theme) a good example of this kind of thematic step change.

PayPal continued to post revenue growth in March and April and announced 10m new active accounts in Q1 and a further 7.4m in April alone (the latter represents around 250,000 new customers a day, 135% more than in April 2019). The stock sold off in March and we took the opportunity to add to our holding. PayPal comfortably beat expectations for Q2 earnings season, posting sales growth of 25% and adjusted EPS growth of 49%.

Our thesis is largely based around engagement and what we look at is the number of new customers that sign up and how frequently they use PayPal when making a purchase (transactions per active account). The reason we focus on these metrics is that PayPal, like most payment companies, has very high incremental margins; simplistically, the more payment volumes PayPal processes, the more cash is generated for the company and its shareholders. To bring it back to our theme of making digital payments safer and easier, CEO Dan Schulman said on the Q2 call that, on average, merchants who offer PayPal as an option experience a 60% increase in purchase conversion. The fact people trust PayPal to process and store their details safely is what makes this company so well positioned for continued growth.

We see PayPal as a huge beneficiary of the shift to an online economy and our understanding is that e-commerce penetration rates have been brought forward in the region of three to five years by the pandemic. For reference, we had pencilled in free cash flow of $3.5bn for 2020 at our last price target review in October 2019; it now looks like Paypal will deliver something closer to $5bn.

DocuSign also remains among the top performers, with the share price more than doubling over the first half of 2020. DocuSign has created a unique product, which 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. Traditional paper-based signatures cost $37 per document on average and take around two weeks, whereas DocuSign's product costs between $1 and $2 and 83% of documents are signed within 24 hours, and 50% within 15 minutes.

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.

Elsewhere, familiar names such as Autodesk, Adobe and Cadence Design Systems again feature among our top contributors and our *Connecting people* theme is another that continues to accelerate as millions of people work from home, with solid performance from holdings such as Cellnex Telecom.

We also continue to be proud of the work many of our healthcare companies are doing in the fight against Covid-19, across the spheres of therapies, testing and vaccines. In the second category, US firm IQVIA has come back strongly despite being one of the worst hit in March as the shares fell close to 45%. Again, we reviewed the stock during this period and felt that our thesis remains intact despite the potential interruption of medical trials from lockdowns. We added to this position at the end of March and in the results announced in May, the company said it has shifted trials to a virtual model and subsequently seen no cancellation of contracts whatsoever.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Fund review (continued)

Another strong contribution came from the smallest investment in the 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. The company takes pride in paying out on claims and targets a 70% payout ratio. The idea is that by being a digital-native business, it has cost advantages to pass onto customers, thereby increasing the moat around the business. Our theme is about providing financial resilience to individuals and covering them against unexpected shocks that would cause financial distress. Trupanion does exactly this in a manner we think is not only responsible but provides the business with advantages that are very difficult for competitors to replicate.

In terms of weaker performers, Compass has continued to struggle as would be expected of the world's largest catering business in a period of global lockdown. We like this business under our *Leading ESG management* theme, with best-in-class sustainability in terms of reducing food waste helping the company improve operating margins versus peers.

A large part of its revenues come from feeding people at work or at live events, however, and due to the current situation, these have been extremely challenged. Having spoken to Compass and done our own analysis, we believe 30-50% of the company is resilient to the crisis and considering the strong balance sheet, it should be able to manage its way through. We therefore decided to take part in the share placing in May at £10.50 in order to shore up the balance sheet and position the business to come out of the crisis in a stronger position.

In normal times, Compass generates a return on invested capital of 20% and solid earnings growth of 8-10%, so we are happy continuing to hold the stock and expect it to generate strong returns in the coming years.

We see a similar story with holdings such as Italian fitness equipment manufacturer Technogym, which is also among our weaker names over the period. Technogym is a leader in the global fitness equipment market with a 6% global market share and the number-one brand in Europe, as the company in the sector to provide a full solution from fitness equipment to gym management. The business has excellent fundamentals, with 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.

With widespread gym closures, the shares have obviously taken a hit. Several of Technogym's customers will be cutting back or postponing their planned capital expenditure but this repair and replacement cannot be postponed indefinitely due to the wear and tear on equipment when gyms start to reopen. On a longer-term view, we think the structural shift towards health and fitness will not be diminished by the crisis and this high-quality cyclical will provide the portfolio with some ballast in a recovering economy, whenever that occurs.

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.

Over the first quarter, we exited our position in Svenska Handelsbank. This was approaching our long-term price target and had performed relatively well during the crisis, falling 25%. Our calculation suggested that even after the decline, and its cut to earnings, the upside to our long-term valuation target was relatively limited.

Elsewhere, we initiated a position in Ansys, 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 meet 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.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Fund review (continued)

Buying and selling a company within a couple of months is unusual for our team but this happened with Alphabet over the first quarter. Shares were hit hard in the selloff, down 30% peak to trough, and we felt a large part of this was due to the fact the company earns a substantial portion of revenues from the travel industry. The business has over $100bn in net cash and equivalents on the balance sheet, however, meaning it is extremely well placed to withstand any economic malaise.

As such, the shares were trading at a seven-year low despite Alphabet being more ingrained and useful to individuals and businesses than ever before. We had previously taken profits in early February as we had identified better risk/reward for our capital elsewhere but felt the compelling opportunity could not be ignored.

Over the second half of the period, we sold Japanese bike parts manufacturer Shimano, which was close to our price target and we also have concerns about cycle sales over the next few months. We added Intuitive Surgical, a global leader in robotic-assisted surgery, which helps reduce errors and therefore costs for hospitals. Intuitive Surgical delivered strong results in July, with procedures already back to 95% of pre-Covid levels. Our thesis had always been that the procedures at which Intuitive Surgical's robots excel cannot be delayed too long and this has proved to be the case.

Among other weaker holdings, we sold our position in Cineworld, with the company struggling alongside other consumer-facing businesses as they endure a period of zero revenues. 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 has 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.

Our UK housebuilder names such as Crest Nicholson and Countryside Properties also remain among the weaker contributors, with short-term results worse than expected – but we remain confident in these over the longer term.

*Source: FE Analytics, primary share class, total return, net of fees and income & interest reinvested, 31.01.20-31.07.20.

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.**

Material portfolio changes by value

Purchases	Sales
Treasury 1.625% Gilts 22/10/2028	Treasury 1.625% Gilts 22/10/2028
Compass	Roper Industries
Trainline	GlaxoSmithKline
Intertek	Unilever
Croda International	London Stock Exchange
London Stock Exchange	DocuSign
Kingspan	InterXion
Abcam	NextEnergy Solar Fund
Unilever	PayPal
GlaxoSmithKline	Eli Lilly

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 set by the European Commission. 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.
- 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 3) or online at www.liontrust.co.uk.

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (unaudited)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	DEBT SECURITIES (24.10%)	**88,730**	**25.34**
	UNITED KINGDOM GOVERNMENT BONDS (5.91%)	**17,478**	**4.99**
£13,070,000	Treasury 1.625% Gilts 22/10/2028	14,829	4.23
£2,545,000	Treasury 3.75% Gilts 7/9/2021	2,649	0.76
	STERLING DENOMINATED DEBT SECURITIES (17.79%)	**68,547**	**19.57**
£300,000	3i 5.75% European Medium Term Notes 3/12/2032	396	0.11
£1,200,000	Annington Funding 3.184% European Medium Term Notes 12/7/2029	1,337	0.38
£1,000,000	Argentum Netherlands 5.75% Bonds 15/8/2050	837	0.24
£1,100,000	Aroundtown 3.25% European Medium Term Notes 18/7/2027	1,161	0.33
£1,000,000	Assicurazioni Generali 6.269% Guaranteed Perpetual Subordinated Floating Rate Bonds	1,112	0.32
£1,000,000	AT&T 7% Guaranteed Senior European Medium Term Bonds 30/4/2040	1,678	0.48
£1,250,000	Aviva 5.125% European Medium Term Notes 4/6/2050	1,444	0.41
£700,000	AXA 5.453% Subordinated Perpetual Floating Rate Notes	787	0.23
£776,000	AXA 6.6862% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Bonds	928	0.27
£1,500,000	Banco Santander 1.75% European Medium Term Notes 17/2/2027	1,485	0.42
£1,600,000	BNP Paribas 7.195% Guaranteed Perpetual Subordinated Floating Rate Bonds	1,324	0.38
£1,400,000	British Telecommunications 3.125% European Medium Term Notes 21/11/2031	1,585	0.45
£1,083,000	Bunzl Finance 2.25% Bonds 11/6/2025	1,136	0.32
£900,000	Cadent Finance 2.125% European Medium Term Notes 22/9/2028	960	0.27
£152,000	Clarion Funding 2.625% European Medium Term Notes 18/1/2029	168	0.05
£550,000	Compass 2% European Medium Term Notes 5/9/2025	575	0.16
£1,300,000	Coventry Building Society 6.875% Perpetual Bonds	1,325	0.38
£500,000	CPUK Finance 3.69% European Medium Term Notes 28/2/2047	509	0.15
£550,000	Deutsche Telekom International Finance 8.875% Guaranteed Bonds 27/11/2028	883	0.25
£510,000	Direct Line Insurance 4.75% Perpetual Bonds	467	0.13
£1,169,000	Dwr Cymru Financing 1.625% European Medium Term Notes 31/3/2026	1,179	0.34
£550,000	Dwr Cymru Financing 2.5% European Medium Term Notes 31/3/2036	644	0.18
£850,000	GlaxoSmithKline Capital 5.25% Guaranteed European Medium Term Bonds 19/12/2033	1,277	0.37
£2,600,000	HBOS Capital Funding 6.85% Perpetual Bonds	2,008	0.57
£400,000	HSBC 3% Bonds 22/7/2028	429	0.12
£1,400,000	HSBC 7% Guaranteed Subordinated European Medium Term Bonds 7/4/2038	1,983	0.57
£550,000	InterContinental Hotels 3.75% European Medium Term Notes 14/8/2025	569	0.16
£850,000	Investec Bank 4.25% European Medium Term Notes 24/7/2028	832	0.24

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	STERLING DENOMINATED DEBT SECURITIES (continued)		
£1,550,000	Legal & General 5.125% Bonds 14/11/2048	1,752	0.50
£1,600,000	Liberty Living Finance 3.375% Bonds 28/11/2029	1,638	0.47
£1,200,000	Logicor 2019-1 UK 1.875% Bonds 17/11/2026	1,227	0.35
£1,300,000	M&G 5.625% Bonds 20/10/2051	1,488	0.43
£1,000,000	Motability Operations 1.75% European Medium Term Notes 3/7/2029	1,066	0.30
£715,000	National Express 2.375% Bonds 20/11/2028	694	0.20
£1,300,000	Nationwide Building Society 5.875% Perpetual Bonds	1,316	0.38
£1,000,000	Natwest 3.125% European Medium Term Notes 28/3/2027	1,070	0.31
£700,000	Next 3.625% Bonds 18/5/2028	715	0.20
£650,000	NGG Finance 5.625% Floating Rate Notes 18/6/2073	746	0.21
£152,000	Optivo Finance 2.857% Bonds 7/10/2035	179	0.05
£1,000,000	Orange 8.125% Guaranteed Senior European Medium Term Bonds 20/11/2028	1,544	0.44
£950,000	Ørsted 2.125% European Medium Term Notes 17/5/2027	1,028	0.29
£1,550,000	Pension Insurance 5.625% Bonds 20/9/2030	1,831	0.52
£150,000	Pension Insurance 8% Bonds 23/11/2026	194	0.06
£1,200,000	Phoenix 5.625% Bonds 28/4/2031	1,362	0.39
£300,000	Places for People Homes 5.875% European Medium Term Notes 23/5/2031	410	0.12
£1,200,000	Rabobank 4.625% Subordinated European Medium Term Notes 23/5/2029	1,467	0.42
£400,000	Rothesay Life 5.5% Bonds 17/9/2029	433	0.12
£1,800,000	Royal Bank of Scotland 3.622% Bonds 14/8/2030	1,892	0.54
£1,200,000	Segro 2.375% Bonds 11/10/2029	1,302	0.37
£658,000	Severn Trent Utilities Finance 2% European Medium Term Notes 2/6/2040	707	0.20
£600,000	Severn Trent Water Utilities 6.25% Guaranteed Bonds 7/6/2029	863	0.25
£1,000,000	SP Transmission 2% Bonds 13/11/2031	1,078	0.31
£1,178,000	SSE 3.74% Perpetual Bonds	1,212	0.35
£800,000	SSE 3.875% Perpetual Bonds	801	0.23
£1,850,000	Standard Chartered 5.125% Subordinated European Medium Term Notes 6/6/2034	2,136	0.61
£1,300,000	Telefónica Emisiones 5.375% Guaranteed European Medium Term Bonds 2/2/2026	1,590	0.45
£1,341,000	Tesco Corporate Treasury Services 2.75% Bonds 27/4/2030	1,436	0.41
£300,000	UNITE 3.5% Bonds 15/10/2028	313	0.09
£1,500,000	Verizon Communications 3.375% Bonds 27/10/2036	1,889	0.54
£1,000,000	Vodafone 5.9% Guaranteed Senior European Medium Term Bonds 26/11/2032	1,479	0.42
£675,000	Western Power Distribution 3.5% Bonds 16/10/2026	742	0.21
£480,000	WM Morrison Supermarkets 4.75% European Medium Term Notes 4/7/2029	604	0.17

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	STERLING DENOMINATED DEBT SECURITIES (continued)		
£700,000	Yorkshire Building Society 3.375% European Medium Term Notes 13/9/2028	731	0.21
£450,000	Yorkshire Water Services Odsal Finance 6.454% Guaranteed Bonds 28/5/2027	594	0.17
	UNITED STATES DOLLAR DENOMINATED DEBT SECURITIES (0.40%)	**2,705**	**0.78**
$1,000,000	Allianz 5.5% Perpetual Bonds	767	0.22
$1,300,000	Cloverie for Zurich Insurance 5.625% Bonds 24/6/2046	1,137	0.33
$800,000	HSBC Bank 0.75% Perpetual Floating Rate Note	473	0.14
$200,000	Lloyds Bank 12% Perpetual Bonds	178	0.05
$200,000	SCOR 5.25% Perpetual Bonds	150	0.04
	EQUITIES (60.90%)	**205,769**	**58.75**
	AUSTRALIA (0.87%)	**2,244**	**0.64**
15,208	CSL	2,244	0.64
	CHANNEL ISLANDS; GUERNSEY (0.80%)	**2,496**	**0.71**
1,876,685	Renewables Infrastructure	2,496	0.71
	DENMARK (0.71%)	**2,259**	**0.65**
39,858	Ringkjoebing Landbobank	2,259	0.65
	GERMANY (1.36%)	**4,992**	**1.43**
38,650	Hella Hueck	1,280	0.37
73,527	Infineon Technologies	1,401	0.40
38,873	Puma	2,311	0.66
	IRELAND; REPUBLIC OF (3.13%)	**11,291**	**3.22**
22,356	Kerry class 'A' shares	2,256	0.64
99,457	Kingspan	5,443	1.55
141,427	Smurfit Kappa	3,592	1.03
	ITALY (0.80%)	**2,480**	**0.71**
70,148	Banca Generali	1,592	0.46
137,316	Technogym	888	0.25

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	JAPAN (2.84%)	**7,819**	**2.23**
2,917	Canadian Solar Infrastructure Fund	2,377	0.68
17,700	Daikin	2,351	0.67
6,000	Keyence	1,911	0.54
30,500	TechnoPro	1,180	0.34
	NETHERLANDS (1.01%)	**2,563**	**0.73**
254	Adyen	324	0.09
8,293	ASML	2,239	0.64
	SPAIN (0.67%)	**1,864**	**0.53**
36,485	Cellnex Telecom	1,749	0.50
36,485	Cellnex Telecom 0% rights 8/8/2020	115	0.03
	SWEDEN (0.43%)	**1,477**	**0.42**
100,150	Avanza Bank	1,477	0.42
	SWITZERLAND (0.64%)	**2,099**	**0.60**
7,927	Roche Holding	2,099	0.60
	UNITED KINGDOM (29.81%)	**93,163**	**26.60**
435,197	3i	3,871	1.11
336,147	Abcam	4,309	1.23
216,479	AJ Bell	933	0.27
2,240,103	Aquila European Renewables Income Fund	2,038	0.58
285,096	Compass	2,995	0.85
493,569	Countryside Properties	1,399	0.40
688,006	Crest Nicholson	1,287	0.37
88,000	Croda International	5,034	1.44
790,421	DFS Furniture	1,189	0.34
287,526	GB	1,918	0.55
1,158,167	GCP Infrastructure Investments Fund	1,339	0.38
216,859	GlaxoSmithKline	3,318	0.95
1,382,037	Greencoat UK Wind	2,021	0.58
24,020	GW Pharmaceuticals ADR (each representing 12 ordinary share)	2,336	0.67
675,828	Gym	900	0.26

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED KINGDOM (continued)		
82,475	Halma	1,796	0.51
187,206	Hargreaves Lansdown	3,274	0.93
891,100	Helios Towers	1,390	0.40
77,693	Intertek	4,177	1.19
1,864,388	IP	1,238	0.35
464,151	John Laing	1,370	0.39
1,780,750	John Laing Environmental Assets	2,128	0.61
1,259,689	Legal & General	2,694	0.77
7,647,358	Liontrust Sustainable Future Corporate Bond Fund*	8,908	2.54
50,477	London Stock Exchange	4,280	1.22
469,860	National Express	711	0.20
291,104	Oxford Biomedica	2,378	0.68
510,558	Paragon	1,604	0.46
214,225	Porvair	1,118	0.32
1,437,409	PRS REIT†	1,055	0.30
278,290	Prudential	3,077	0.88
3,041,221	SDCL Energy Efficiency Income Trust	3,376	0.96
230,816	Softcat	2,908	0.83
336,754	St. James's Place Capital	3,172	0.91
900,246	Trainline	3,682	1.05
55,220	Unilever	2,525	0.72
1,976,042	US Solar Fund	1,415	0.40
	UNITED STATES OF AMERICA (17.83%)	**71,022**	**20.28**
8,200	Adobe	2,776	0.79
15,500	Alexion Pharmaceuticals	1,209	0.35
2,200	Alphabet class 'C' shares	2,486	0.71
17,100	American Tower class 'A' shares	3,405	0.97
7,700	Ansys	1,821	0.52
12,600	Autodesk	2,269	0.65
35,400	Cadence Design Systems	2,945	0.84
46,006	Charles Schwab	1,162	0.33
15,400	DocuSign	2,543	0.73
22,200	Ecolab	3,164	0.90
12,500	Eli Lilly	1,430	0.41
5,328	Equinix	3,187	0.91

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED STATES OF AMERICA (continued)		
25,549	First Republic Bank	2,189	0.62
9,500	Intuit	2,218	0.63
3,800	Intuitive Surgical	1,985	0.57
25,000	IQVIA	3,017	0.86
20,700	Nasdaq	2,070	0.59
10,200	Palo Alto Networks	1,988	0.57
20,600	PayPal	3,079	0.88
23,900	PerkinElmer	2,165	0.62
10,600	Rockwell Automation	1,762	0.50
18,200	Salesforce.com	2,702	0.77
11,900	Splunk	1,901	0.54
181,800	TerraForm Power	2,680	0.77
9,375	Thermo Fisher Scientific	2,957	0.84
29,500	Trimble Navigation	1,000	0.29
88,800	Trupanion	3,421	0.98
12,200	VeriSign	1,966	0.56
22,500	Visa	3,264	0.93
29,000	Waste Connections	2,261	0.65
	Portfolio of investments	**294,499**	**84.09**
	Net other assets	**55,736**	**15.91**
	Total net assets	**350,235**	**100.00**

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

All investments are in ordinary shares unless otherwise stated.

Comparative figures in brackets show percentages for each category of holding at 31 January 2020.

* Related party investment

† Real Estate Investment Trust (REIT).

Sustainable Future Cautious Managed Fund (continued)

Performance record (unaudited)
as at 31 July 2020

Income record

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

For the six months ending	31 July 2020 per share (p)	31 July 2019 per share (p)
Class 2 Net Income	1.1842	1.5668
Class 3 Net Income	1.2055	1.5904
Class Z Net Income*	–	–

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2020			
Class 2 Net Income	222,406,923	324,971	146.12
Class 3 Net Income	16,975,900	25,264	148.82
31 January 2020			
Class 2 Net Income	129,748,163	188,415	145.22
Class 3 Net Income	14,357,468	21,206	147.70
Class Z Net Income*	–	–	141.97
31 January 2019			
Class 2 Net Income	36,804,399	46,752	127.03
Class 3 Net Income	6,506,361	8,383	128.84
Class Z Net Income	1,000	1	130.45
31 January 2018			
Class 2 Net Income	14,150,236	18,157	128.32
Class 3 Net Income	2,899,991	3,762	129.74
Class Z Net Income	10,001,000	13,085	130.83

* Figures as at 22 May 2019, which was the final valuation date of the share class.

Sustainable Future Cautious Managed Fund (continued)

Statement of Total Return (unaudited)
for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Income				
Net capital gains		5,849		8,410
Revenue	2,449		1,026	
Expenses	(1,156)		(361)	
Interest payable and similar charges	–		–	
Net revenue before taxation	1,293		665	
Taxation	(68)		(42)	
Net revenue after taxation		1,225		623
Total return before distributions		**7,074**		**9,033**
Distributions		(2,150)		(913)
Change in net assets attributable to shareholders from investment activities		**4,924**		**8,120**

Statement of Change in Net Assets Attributable to Shareholders (unaudited)
for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Opening net assets attributable to shareholders		**209,621**		**55,136**
Amounts received on issue of shares	137,072		53,005	
Amounts paid on cancellation of shares	(1,382)		(355)	
		135,690		52,650
Change in net assets attributable to shareholders from investment activities		4,924		8,120
Closing net assets attributable to shareholders		**350,235**		**115,906**

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

Sustainable Future Cautious Managed Fund (continued)

Balance Sheet (unaudited)
as at 31 July 2020

	31.7.2020 (£'000)	31.1.2020 (£'000)
Assets		
Fixed assets		
Investments	294,499	178,171
Current assets:		
Debtors	9,048	3,750
Cash and bank balances	52,652	29,756
Total assets	**356,199**	**211,677**
Liabilities		
Creditors:		
Distribution payable	(2,838)	(1,883)
Other creditors	(3,126)	(173)
Total liabilities	**(5,964)**	**(2,056)**
Net assets attributable to shareholders	**350,235**	**209,621**

Sustainable Future Corporate Bond Fund

Report for the period from 1 February 2020 to 31 July 2020

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 (continued)

Fund review

The Sustainable Future Corporate Bond Fund returned 0.5% over the six months under review, underperforming the 2.0% return from both the IA Sterling Corporate Bond sector and the iBoxx Sterling Corporate All Maturities Index*.

This 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.

After the lows in March, 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 and the combination of slowing infection rates, easing lockdown measures, and early signs of a rebound in data contributed to positive returns from markets later in the review period.

In terms of Fund performance, our short duration position was the main detractor over the six months. During Q1, government bond yields fell to record lows as investors sought safe havens, although they did recover somewhat on the back of central bank and government support packages. Despite the risk-on tone in markets in Q2 and into July, government bonds have continued to hold up well, demonstrating continued correlation with risk assets.

Our overweight credit beta was also 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.

Our favoured sectors, 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, with our higher-beta subordinated holdings particularly badly impacted. Insurers, meanwhile, saw widespread selling based on the perception they were more exposed to the financial impact of the virus than we believed to be 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 benefitted from being underweight 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 part of the review period, the Fund's overweight credit position was a positive as corporate bonds rebounded strongly, supported by stronger risk appetite and favourable technicals. Stock selection was the primary driver behind returns, particularly within those favoured insurance and telecommunication sectors, which recovered strongly. 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.

Despite much stronger sentiment in the second half of the review period, the impact of Covid-19 on economic activity has been significant: the UK saw a GDP decline of -2%, whereas the fall was higher in the US at -4.8%. Unemployment rose sharply in the US to 15%, the highest level in post-war history, although the furlough scheme helped support the employment number in the UK. What these figures demonstrate is the huge impact the response to Covid-19 is having.

As stated, central banks have been quick to respond to prevent the economic situation evolving into a financial crisis, ensuring borrowing costs are kept low and liquidity is available. In the US, the Federal Reserve response has been significant in both size and speed, committing to unlimited government bond purchases and increasing the size of its quantitative easing (QE) programme. This has been targeted at investment grade companies but, importantly, was expanded to include corporate debt rated investment grade prior to 23 March, helping alleviate fears over access to liquidity for companies downgraded to high yield. The Fed has committed to keeping rates low until it is confident economic activity is back on track towards full employment and inflation at the 2% target level.

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Fund review (continued)

In the UK, the Bank of England increased the size of its QE programme, helping keep borrowing costs low, and liquidity has been provided via the Covid Corporate Funding Facility (CCFF). As for the European Central Bank (ECB), it also continued QE and eased collateral requirements to help support small and medium-sized enterprises. European Commission president Ursula von der Leyen called for the power to borrow €750 billion for a recovery fund to support the worst-affected EU regions. This would be in addition to a €540 billion rescue package agreed in April. The ECB also offered support, expanding its Pandemic Emergency Purchase Programme (PEPP) to €1.35 trillion.

In terms of corporate behaviour, companies have looked to ensure they have adequate liquidity to manage their way through this downturn. Access to the CCFF, use of the furlough scheme, equity raises and dividend cuts have all been regular features as companies focused on balance sheet strengthening. This resulted in record levels of corporate bond issuance, but the combination of strong technical support and renewed investor sentiment meant this supply was been well received by the market.

As expected, the impact of lockdown strategies and uncertain economic outlook has had a negative impact in terms of credit downgrades. Our portfolio has not been immune, but we have not seen any downgrades to sub-investment grade, reflecting the quality of the issuers held.

While investment grade credit has largely been able to weather the storm due to strong pre-Covid starting points, earnings pressure has weighed more heavily on already-weak metrics in the high yield space, leading to an acceleration in defaults. These have predominantly been US led, with the retail and energy sectors suffering most.

Overall, the second half of the review period was dominated by more positive sentiment as reductions in the infection rate allowed economies to restart. This resulted in initial data releases suggesting the recovery may turn out sharper than widely believed, further boosting sentiment. However, the latter weeks saw renewed fears over a second wave, with infections rising in the US and several emerging markets struggling to get the virus under control. This serves as an important reminder the easing of lockdown measures must be carefully managed.

While significant uncertainty remains over economic recovery, we will inevitably see attention turn back to political risks later in the year, with the US presidential election approaching, resurfacing US-China trade tensions and Brexit negotiations.

*Source: FE Analytics, primary share class, total return, net of fees and interest reinvested, 31.01.20-31.07.20.

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 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.

The telecommunications industry has proved pivotal through this period, with countries in lockdown resulting in millions of people around the world being forced to work from home. Furthermore, the products and services these companies provide are allowing families and colleagues to stay connected through difficult times. The sector exhibits low cyclicality, with revenues predominantly subscription based, which should prove resilient through any economic downturn, while network quality and capacity has also been robust despite significantly increased daily volumes. We added to our exposure through Verizon, a high-quality leading operator in the industry with strong credit fundamentals.

Elsewhere, we also added to the utilities sector, which delivered on its defensive reputation throughout the quarter as companies demonstrated low levels of cyclicality and resilient revenue streams. We added to Glas Cymru (Welsh water), a high-quality water utility services provider, at attractive valuations following a new issue.

Finally, we added to Segro, an A-rated property investment and development company specialising in logistics and warehouse properties. Its property portfolio is set to continue to benefit from the shift towards e-commerce, with the logistics space required considerably higher than that for traditional bricks and mortar retailers. We believe the shift towards e-commerce is only likely to accelerate as a result of Coronavirus but despite this, Segro suffered from a broader sell-off in the real-estate sector and offered an attractive valuation to add to our existing exposure.

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Portfolio activity (continued)

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

As mentioned, new issuance was a feature of the second half of the period 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 have been heavily impacted by the pandemic over the near-term. These bonds were still trading close to the wides, having not participated in the ensuing rally, but we believe they have been oversold as their medium-long term outlook remains robust.

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. The company has proved more resilient to the pandemic than the market is pricing in, with reservations for 2020/21 at 81%, and following our decision to increase exposure, Unite also completed a £300m share placing to bolster near-term liquidity, demonstrating prudent management.

Other examples of names we added to included Intercontinental Hotels Group and Compass, increasing exposure to well-run businesses at attractive valuations as we feel they will prove more robust to Covid-19 impacts than the market is giving them credit for.

We also took advantage of the weakness to add new names Rothesay Life and Phoenix Group, which specialise in providing long-term pension security. Both companies participate in bulk annuity and pension buyouts that provide companies and beneficiaries certainty and stability, securing participants' financial health and future. Rothesay actually improved its solvency over Q1, offering evidence of its quality, absence of exposure to Covid-19 and prudent investment exposure.

Over the second quarter, 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 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.

We continue to believe high yield is more challenged as earnings pressure, rising cost of debt, liquidity constraints and ineligibility for central bank support leaves the market vulnerable to a sharp economic downturn. During Q2, we added a -5% short position to the US high yield market, where the index has considerably more exposure to the most significantly impacted sectors, namely energy and retail, where we anticipate a sharp spike in defaults. While a sharp downturn is not our base case, the short position in this part of market provides protection against periods of renewed weakness.

On the duration side, we closed our longstanding short in the first part of the review period, moving the Fund to neutral relative to its benchmark. 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 (an absolute level of 6.8 years), after 10-year UK gilt yields fell to all-time lows. This is currently fully expressed via the UK market.

Looking to the rest of the year and beyond, a near-term deterioration in credit fundamentals is inevitable given the significant disruption to corporate earnings but we remain positive on investment grade credit: it offers a rare source of yield and strong fundamentals give enough headroom to withstand much of the negative impact.

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Portfolio activity (continued)

As detailed earlier, this is combined with a high level of technical support fuelled by central bank purchases, alongside an expected reduction in new issuance following elevated levels over the first half of the year. Companies have ensured they had funding in place but their focus is now turning to balance sheet repair. With credit spreads above long-term average levels, there is scope for a gradual grind tighter in spreads. We remain committed to existing positions, which we believe are well set to withstand the economic impacts, and do not view any of our holdings as exposed to a credit event.

On the duration side, we continue to believe recently announced QE programs will limit any increase in gilt yields over the coming months, with the Bank of England explicitly saying it will extend QE if necessary to keep yields in check. On the other hand, any renewed bad news on the virus/hit to the economy will likely result in a government bond rally and second wave fears pushed yields to a fresh all-time low of 0.07% in early August.

Despite this, we expect 10-year gilt yields will remain in a relatively tight trading range of around 0.2% and 0.8% based on expectations there will not be nationwide lockdowns on those second wave concerns. As such, we feel there is scope for yields to rise modestly as the magnitude of the fiscal impact on issuance hits the market and we would look to increase duration in the portfolio as they trend towards the higher end of our range.

Longer term, we see an ongoing risk that gilt yields rise and/or the curve steepens, supporting our preference to retain a short position. Further to this, with government bonds yielding close to zero (or below in a number of countries), it is our belief that government bonds have limited ability to dampen portfolio volatility and actually provide meaningful downside risk during bouts of market weakness or volatility.

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.**

Material portfolio changes by value

Purchases	Sales
Verizon Communications 5.25% Bonds 16/3/2037	Treasury 1.5% Bonds 22/7/2026
Royal Bank of Scotland 3.622% Bonds 14/8/2030	Verizon Communications 3.375% Bonds 27/10/2036
Treasury 1.5% Bonds 22/7/2026	NatWest Markets 6.1% Bonds 10/6/2023
Dwr Cymru Financing UK 1.625% European Medium Term Notes 31/3/2026	Argentum Netherlands 5.75% Bonds 15/8/2050
Phoenix 5.625% Bonds 28/04/2031	Deutsche Telekom International Finance 8.875% Guaranteed Bonds 27/11/2028
Deutsche Telekom International Finance 8.75% Guaranteed Bonds 15/6/2030	Notting Hill Housing Trust 3.75% Bonds 20/12/2032
Pension Insurance 5.625% Bonds 20/9/2030	Notting Hill Genesis 2.875% Bonds 31/1/2029
SSE 3.74% Perpetual Bonds	Treasury 8% Stock 7/6/2021
Severn Trent Utilities Finance 2% European Medium Term Notes 2/6/2040	BPCE 5.25% Subordinated Notes 16/4/2029
Verizon Communications 3.375% Bonds 27/10/2036	GlaxoSmithKline Capital 4.25% European Medium Term Bonds 18/12/2045

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 set by the European Commission. 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 3 primarily for its exposure to a diversified portfolio of debt instruments along with a number of derivative positions.
- The SRRI may not fully take into account the following risks:
  - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result.
  - The creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- 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 3) or online at www.liontrust.co.uk.

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (unaudited)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	CAYMAN ISLANDS (3.26%)	**17,049**	**2.64**
£5,500,000	Dwr Cymru Financing 2.5% European Medium Term Notes 31/3/2036	6,437	1.00
£2,889,000	Thames Water Utilities Cayman Finance 4% Senior Notes 19/6/2025	3,283	0.51
£5,552,000	Yorkshire Water Services Odsal Finance 6.454% Guaranteed Bonds 28/5/2027	7,329	1.13
	CHANNEL ISLANDS; JERSEY (2.81%)	**16,606**	**2.57**
£5,750,000	CPUK Finance 3.588% Notes 28/2/2042	5,822	0.90
$9,300,000	HBOS Capital Funding 6.85% Perpetual Bonds	7,183	1.11
£3,100,000	Porterbrook Rail Finance 4.625% Senior European Medium Term Notes 4/4/2029	3,601	0.56
	DENMARK (0.60%)	**7,035**	**1.09**
£6,500,000	Ørsted 2.125% European Medium Term Notes 17/5/2027	7,035	1.09
	FRANCE (8.27%)	**43,019**	**6.65**
£13,600,000	AXA 5.453% Subordinated Perpetual Floating Rate Notes	15,283	2.36
$6,500,000	BNP Paribas 7.195% Guaranteed Perpetual Subordinated Floating Rate Bonds	5,380	0.83
£4,900,000	BPCE 5.25% Subordinated Notes 16/4/2029	6,149	0.95
£10,500,000	Orange 8.125% Guaranteed Senior European Medium Term Bonds 20/11/2028	16,207	2.51
	IRELAND; REPUBLIC OF (1.76%)	**10,885**	**1.68**
$9,000,000	Cloverie for Zurich Insurance 5.625% Bonds 24/6/2046	7,873	1.22
£1,500,000	Lambay Capital Securities 6.25% Perpetual Subordinated European Medium Term Notes*	10	0.00
£3,000,000	Student Finance 2.6663% Senior Notes 30/9/2029	3,002	0.46
	ITALY (1.65%)	**9,679**	**1.50**
£8,700,000	Assicurazioni Generali 6.269% Guaranteed Perpetual Subordinated Floating Rate Bonds	9,679	1.50
	LUXEMBOURG (1.70%)	**10,361**	**1.60**
£5,769,000	Aroundtown 3.25% European Medium Term Notes 18/7/2027	6,088	0.94
€1,500,000	Hellas Telecommunications II 0% Floating Rate Notes 15/1/2015*	–	0.00
€3,300,000	Telecom Italia Finance 7.75% European Medium Term Notes 24/1/2033	4,273	0.66

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	NETHERLANDS (8.27%)	**49,289**	**7.63**
£5,550,000	Aegon 6.625% Guaranteed Senior European Medium Term Bonds 16/12/2039	9,821	1.52
$7,700,000	Argentum Netherlands 5.75% Bonds 15/8/2050	6,446	1.00
$6,000,000	Deutsche Telekom International Finance 8.75% Guaranteed Bonds 15/6/2030	7,320	1.13
$8,400,000	Deutsche Telekom International Finance 9.25% Bonds 1/6/2032	10,832	1.68
£9,450,000	Rabobank 4.625% Subordinated European Medium Term Notes 23/5/2029	11,555	1.79
$2,800,000	Telefonica Europe 8.25% Guaranteed Bonds 15/9/2030	3,315	0.51
	SPAIN (0.88%)	**2,079**	**0.32**
£1,700,000	Telefónica Emisiones 5.375% Guaranteed European Medium Term Bonds 2/2/2026	2,079	0.32
	UNITED KINGDOM (64.32%)	**429,687**	**66.48**
£4,600,000	3i 5.75% European Medium Term Notes 3/12/2032	6,077	0.94
£6,333,000	Annington Funding 3.184% European Medium Term Notes 12/7/2029	7,057	1.09
£10,500,000	Aviva 5.125% European Medium Term Notes 4/6/2050	12,132	1.88
£8,005,000	British Telecommunications 3.125% European Medium Term Notes 21/11/2031	9,063	1.40
£2,933,000	British Telecommunications 5.75% Guaranteed Senior Bonds 7/12/2028	3,894	0.60
£5,000,000	Bunzl Finance 2.25% Bonds 11/6/2025	5,243	0.81
£5,000,000	Cadent Finance 2.125% European Medium Term Notes 22/9/2028	5,331	0.82
£4,000,000	Cardiff University 3% Bonds 7/12/2055	5,722	0.89
£1,514,000	Clarion Funding 2.625% European Medium Term Notes 18/1/2029	1,677	0.26
£4,500,000	Close Brothers 4.25% Bonds 24/1/2027	4,602	0.71
£5,100,000	Compass 3.85% Senior European Medium Term Notes 26/6/2026	5,900	0.91
£5,800,000	Coventry Building Society 6.875% Perpetual Bonds	5,912	0.91
£6,500,000	Direct Line Insurance 4.75% Perpetual Bonds	5,948	0.92
£9,281,000	Dwr Cymru Financing UK 1.625% European Medium Term Notes 31/3/2026	9,364	1.45
£5,250,000	Eversholt Funding 3.529% European Medium Term Notes 7/8/2042	5,862	0.91
£2,350,000	GlaxoSmithKline Capital 5.25% Guaranteed European Medium Term Bonds 19/12/2033	3,529	0.55
£6,652,565	Greater Gabbard 4.137% Senior Notes 29/11/2032	7,902	1.22
£3,500,000	Hammerson 3.5% Bonds 27/10/2025	3,137	0.49
$9,420,000	HSBC Bank 0.75% Perpetual Floating Rate Note	5,570	0.86
£3,000,000	HSBC Bank 3% Bonds 22/7/2028	3,215	0.50
£2,500,000	HSBC Bank 7% Guaranteed Subordinated European Medium Term Bonds 7/4/2038	3,541	0.55
£5,850,000	InterContinental Hotels 3.75% European Medium Term Notes 14/8/2025	6,051	0.94
£6,706,000	Investec Bank 4.25% European Medium Term Notes 24/7/2028	6,565	1.02

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED KINGDOM (continued)		
£8,400,000	Legal & General 5.125% Bonds 14/11/2048	9,495	1.47
£7,812,000	Liberty Living Finance 3.375% Bonds 28/11/2029	7,997	1.24
$3,000,000	Lloyds Bank 12% Perpetual Bonds	2,666	0.41
£2,000,000	Lloyds Bank 13% Perpetual Floating Rate Subordinated Bonds	3,427	0.53
£6,000,000	Logicor 2019-1 UK 1.875% Bonds 17/11/2026	6,134	0.95
£4,500,000	London & Quadrant Housing Trust 2.625% Bonds 28/2/2028	4,850	0.75
£3,000,000	Mitchells & Butlers Finance 6.469% Guaranteed Asset Backed Bonds 15/9/2032	3,226	0.50
£2,500,000	Motability Operations 3.625% European Medium Term Notes 10/3/2036	3,286	0.51
£5,000,000	Motability Operations 3.75% European Medium Term Notes 16/7/2026	5,852	0.91
£6,583,000	National Express 2.375% Bonds 20/11/2028	6,393	0.99
£5,000,000	National Express 2.5% European Medium Term Notes 11/11/2023	5,032	0.78
£5,800,000	Nationwide Building Society 5.875% Perpetual Bonds	5,873	0.91
£3,500,000	Next 3.625% Bonds 18/5/2028	3,573	0.55
£6,650,000	NGG Finance 5.625% Floating Rate Notes 18/6/2073	7,636	1.18
£1,714,000	Optivo Finance 2.857% Bonds 7/10/2035	2,017	0.31
£6,100,000	Pension Insurance 5.625% Bonds 20/9/2030	7,208	1.11
£7,100,000	Phoenix 5.625% Bonds 28/04/2031	8,060	1.25
£4,800,000	Places for People Homes 5.875% European Medium Term Notes 23/5/2031	6,557	1.01
£12,700,000	Prudential 5.625% Bonds 20/10/2051	14,535	2.25
£3,500,000	Rothesay Life 5.5% Bonds 17/9/2029	3,785	0.59
£2,500,000	Royal Bank of Scotland 3.125% European Medium Term Notes 28/3/2027	2,675	0.41
£16,300,000	Royal Bank of Scotland 3.622% Bonds 14/8/2030	17,132	2.65
£9,000,000	Segro 2.375% Bonds 11/10/2029	9,766	1.51
£4,932,000	Severn Trent Utilities Finance 2% European Medium Term Notes 2/6/2040	5,299	0.82
£4,240,000	Severn Trent Water Utilities 6.25% Guaranteed Bonds 7/6/2029	6,099	0.94
£3,643,000	South Eastern Power Networks 6.375% Guaranteed Senior European Medium Term Bonds 12/11/2031	5,578	0.86
£6,000,000	Southern Gas Networks 3.1% European Medium Term Notes 15/9/2036	7,293	1.13
£4,000,000	Spirit Issuer 5.472% Guaranteed Senior Floating Rate Bonds 28/12/2034	4,074	0.63
£6,056,000	SP Transmission 2% Bonds 13/11/2031	6,528	1.01
£6,573,000	SSE 3.74% Perpetual Bonds	6,762	1.05
£4,250,000	SSE 8.375% Guaranteed Senior Bonds 20/11/2028	6,577	1.02
£4,400,000	Stagecoach 4% Bonds 29/9/2025	4,410	0.68
£15,700,000	Standard Chartered 5.125% Subordinated European Medium Term Notes 6/6/2034	18,131	2.80
£5,659,000	Transport for London 2.125% Bonds 24/4/2025	6,041	0.93
£4,400,000	Travis Perkins 4.5% Bonds 7/9/2023	4,394	0.68

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED KINGDOM (continued)		
£9,800,000	Treasury 1.5% Bonds 22/7/2026	10,743	1.66
£6,100,000	Treasury 8% Stock 7/6/2021	6,507	1.01
£4,500,000	UNITE 3.5% Bonds 15/10/2028	4,696	0.73
£3,850,000	University of Liverpool 3.375% Bonds 25/6/2055	6,259	0.97
£11,000,000	Vodafone 5.9% Guaranteed Senior European Medium Term Bonds 26/11/2032	16,270	2.52
£6,000,000	Western Power Distribution 6% European Medium Term Notes 9/5/2025	7,420	1.15
£6,294,000	WM Morrison Supermarkets 4.75% European Medium Term Notes 4/7/2029	7,916	1.22
£4,500,000	Yorkshire Building Society 3.375% European Medium Term Notes 13/9/2028	4,700	0.73
£3,000,000	Yorkshire Water Finance 2.75% European Medium Term Notes 18/4/2041	3,521	0.54
	UNITED STATES OF AMERICA (4.58%)	**35,796**	**5.54**
£11,400,000	AT&T 7% Guaranteed Senior European Medium Term Bonds 30/4/2040	19,133	2.96
$15,500,000	Verizon Communications 5.25% Bonds 16/3/2037	16,663	2.58
	FORWARD CURRENCY CONTRACTS ((0.01)%)	**5,698**	**0.88**
	STERLING (0.06%)	**5,964**	**0.92**
£4,679,759	Buy Sterling 28/8/2020, Sell €5,200,000	(7)	0.00
£91,216,697	Buy Sterling 28/8/2020, Sell $111,900,000	5,971	0.92
	US DOLLAR ((0.07)%)	**(266)**	**(0.04)**
$7,000,000	Buy US Dollar 28/8/2020, Sell £5,598,432	(266)	(0.04)
	FUTURES ((0.16)%)	**(924)**	**(0.14)**
450	Long Gilt Future September 2020	579	0.09
(585)	US 10 Year Ultra Future September 2020	(1,103)	(0.17)
(110)	US Long Bond (CBT) September 2020	(400)	(0.06)
	Portfolio of Investments	**636,259**	**98.44**
	Net other assets	**10,057**	**1.56**
	Total net assets	**646,316**	**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.

All investments are in ordinary shares unless otherwise stated.

Comparative figures in brackets show percentages for each category of holding at 31 January 2020.

* Delisted securities

Sustainable Future Corporate Bond Fund (continued)

Performance record (unaudited)
as at 31 July 2020

Income record

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

For the six months ending	31 July 2020 per share (p)	31 July 2019 per share (p)
Class 2 Gross Income	1.4375	1.5387
Class 3 Gross Income	2.0618	2.2108
Class 6 Gross Accumulation	2.4448	2.5266

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2020			
Class 2 Gross Income	263,075,720	226,616	86.14
Class 3 Gross Income	293,246,060	336,704	114.82
Class 6 Gross Accumulation	55,931,367	82,996	148.39
31 January 2020			
Class 2 Gross Income	228,289,358	199,448	87.37
Class 3 Gross Income	295,023,518	343,561	116.45
Class 6 Gross Accumulation	45,829,721	67,818	147.98
31 January 2019			
Class 2 Gross Income	185,999,417	150,365	80.84
Class 3 Gross Income	319,841,382	344,634	107.75
Class 6 Gross Accumulation	3,740,594	4,942	132.12
31 January 2018			
Class 2 Gross Income	148,632,756	126,454	85.08
Class 3 Gross Income	302,873,111	343,457	113.40
Class 6 Gross Accumulation	2,416,777	3,235	133.87

Sustainable Future Corporate Bond Fund (continued)

Statement of Total Return (unaudited)
for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Income				
Net capital (losses)/gains		(7,266)		26,147
Revenue	10,702		10,079	
Expenses	(1,429)		(1,160)	
Interest payable and similar charges	(44)		(65)	
Net revenue before taxation	9,229		8,854	
Taxation	—		—	
Net revenue after taxation		9,229		8,854
Total return before distributions		**1,963**		**35,001**
Distributions		(10,862)		(10,401)
Change in net assets attributable to shareholders from investment activities		**(8,899)**		**24,600**

Statement of Change in Net Assets Attributable to Shareholders (unaudited)
for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Opening net assets attributable to shareholders		610,827		499,941
Amounts received on issue of shares	67,737		65,403	
Amounts paid on cancellation of shares	(24,685)		(16,149)	
		43,052		49,254
Dilution adjustment		6		—
Change in net assets attributable to shareholders from investment activities		(8,899)		24,600
Retained distribution on accumulation shares		1,330		114
Unclaimed distributions		—		2
Closing net assets attributable to shareholders		**646,316**		**573,911**

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

Sustainable Future Corporate Bond Fund (continued)

Balance Sheet (unaudited)
as at 31 July 2020

	31.7.2020 (£'000)	31.1.2020 (£'000)
Assets		
Fixed assets		
Investments	638,035	600,001
Current assets:		
Debtors	15,538	9,708
Cash and bank balances	6,528	8,714
Total assets	**660,101**	**618,423**
Liabilities		
Investment liabilities	(1,776)	(1,803)
Creditors:		
Amounts due to futures clearing houses and brokers	(624)	(325)
Distribution Payable	(4,922)	(4,824)
Other creditors	(6,463)	(644)
Total liabilities	**(13,785)**	**(7,596)**
Net assets attributable to shareholders	**646,316**	**610,827**

Sustainable Future Defensive Managed Fund

Report for the period from 1 February 2020 to 31 July 2020

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% 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

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 and for whatever reason, the risk that this would spread to the West was far from most investors' minds.

Six months later, a huge amount has changed as a result of the Covid-19 health crisis, with the global economy essentially put on hold as countries all over the world went into lockdown. The focus now is on the direction of employment and consumer sentiment and this type of black swan event demonstrates how perilous (and we would suggest futile) it is to make short-term predictions on the direction of markets.

Governments and central banks have been unified in their reaction to the crisis with swift and substantial monetary and fiscal stimulus, learning the lessons of 2008. These measures have 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.

Over the second half of July, global equity markets saw renewed weakness as second waves of the virus continue to emerge around the globe. It is clear the fight against this disease is far from over and the delicate balancing act between restarting economies and protecting those most vulnerable is sure to continue until vaccines are commercialised.

The situation is unique and dynamic with no contemporary examples to use a guide. As usual, therefore, it is impossible to predict the nature of economic recovery, whether V, U or even W shaped – although this has not stopped people from trying. Ultimately, we are long-term optimists and believe we will reach a new normal at some point, overcoming this challenge as we have others in the past. But instead of trying to work out when the market will recover, our process focuses on the structural shifts to a more sustainable economy and companies making the world cleaner, healthier and safer.

The impact of Covid-19 on our health, livelihoods and economies does not change our view that companies exposed to these themes will see strong growth in coming years and we would expect many of these areas to accelerate as the world recovers.

Overall, we are pleased with the fund's performance and satisfied with the actions our companies are taking to navigate these difficult times. We would caution against extrapolation however; our best explanation is that this crisis has resulted in an acceleration of how we think the world is likely to evolve, and as our fund was positioned to benefit from such changes, we have benefitted. Periods of market volatility can also allow us to increase positions in high-quality companies with strong prospects and we therefore remain confident the portfolio is well set for the long-term.

Fund review

The SF Defensive Managed fund delivered 1.6% over the six months under review, outperforming the IA Mixed Investment 20-60% Shares sector average of -3.7%*.

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 and infrastructure equity portfolios was in line with expectations over the quarter.

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 down and adding slowly to equities. We continued an averaging-in strategy into April.

We are currently moderately overweight equities and underweight cash and maintain our structural overweights to credit and infrastructure equities and underweight gilts. The latter has been a negative contributor as government debt has outperformed but this was largely offset by our cash and infrastructure positions.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Fund review (continued)

It is ultimately impossible to know what impact the pandemic will have on sustainable issues: on the one hand, we would hope the current 'uniting against a common enemy' trend could be directed against climate change in the future; on the other, we may find governments have used much of their firepower fighting economic slowdown to be spending money on sustainable projects for some time to come. Our base case, however, remains that sustainable companies have better growth prospects and are more resilient than businesses not prioritising ESG – and these advantages remain underappreciated by the wider market.

Across the portfolios, we continue to concentrate on where we have expertise and confidence in our predictions, namely the 20 sustainable themes that identify companies set to benefit making our world cleaner, healthier and safer.

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? In the majority of cases, we remain confident in the long-term prospects across the portfolio.

It is important to note crises often accelerate changes that have already been in action for years and this is happening across many of our themes. Paypal was the strongest holding over the period, with digital payments (under our *Increasing financial resilience theme*) a good example of this kind of thematic step change.

PayPal continued to post revenue growth in March and April and announced 10m new active accounts in Q1 and a further 7.4m in April alone (the latter represents around 250,000 new customers a day, 135% more than in April 2019). The stock sold off in March and we took the opportunity to add to our holding. PayPal comfortably beat expectations for Q2 earnings season, posting sales growth of 25% and adjusted EPS growth of 49%.

Our thesis is largely based around engagement and what we look at is the number of new customers that sign up and how frequently they use PayPal when making a purchase (transactions per active account). The reason we focus on these metrics is that PayPal, like most payment companies, has very high incremental margins; simplistically, the more payment volumes PayPal processes, the more cash is generated for the company and its shareholders. To bring it back to our theme of making digital payments safer and easier, CEO Dan Schulman said on the Q2 call that, on average, merchants who offer PayPal as an option experience a 60% increase in purchase conversion. The fact people trust PayPal to process and store their details safely is what makes this company so well positioned for continued growth.

We see PayPal as a huge beneficiary of the shift to an online economy and our understanding is that e-commerce penetration rates have been brought forward in the region of three to five years by the pandemic. For reference, we had pencilled in free cash flow of $3.5bn for 2020 at our last price target review in October 2019; it now looks like Paypal will deliver something closer to $5bn.

DocuSign also remains among the top performers, with the share price more than doubling over the first half of 2020. DocuSign has created a unique product, which 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. Traditional paper-based signatures cost $37 per document on average and take around two weeks, whereas DocuSign's product costs between $1 and $2 and 83% of documents are signed within 24 hours, and 50% within 15 minutes.

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.

Elsewhere, familiar names such as Autodesk, Adobe and Cadence Design Systems again feature among our top contributors and our *Connecting people* theme is another that continues to accelerate as millions of people work from home, with solid performance from holdings such as Cellnex Telecom.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Fund review (continued)

We also continue to be proud of the work many of our healthcare companies are doing in the fight against Covid-19, across the spheres of therapies, testing and vaccines. In the second category, US firm IQVIA has come back strongly despite being one of the worst hit in March as the shares fell close to 45%. Again, we reviewed the stock during this period and felt that our thesis remains intact despite the potential interruption of medical trials from lockdowns. We added to this position at the end of March and in the results announced in May, the company said it has shifted trials to a virtual model and subsequently seen no cancellation of contracts whatsoever.

Another strong contribution came from the smallest investment in the 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. The company takes pride in paying out on claims and targets a 70% payout ratio. The idea is that by being a digital-native business, it has cost advantages to pass onto customers, thereby increasing the moat around the business. Our theme is about providing financial resilience to individuals and covering them against unexpected shocks that would cause financial distress. Trupanion does exactly this in a manner we think is not only responsible but provides the business with advantages that are very difficult for competitors to replicate.

In terms of weaker performers, Compass has continued to struggle as would be expected of the world's largest catering business in a period of global lockdown. We like this business under our *Leading ESG management* theme, with best-in-class sustainability in terms of reducing food waste helping the company improve operating margins versus peers.

A large part of its revenues come from feeding people at work or at live events, however, and due to the current situation, these have been extremely challenged. Having spoken to Compass and done our own analysis, we believe 30-50% of the company is resilient to the crisis and considering the strong balance sheet, it should be able to manage its way through. We therefore decided to take part in the share placing in May at £10.50 in order to shore up the balance sheet and position the business to come out of the crisis in a stronger position.

In normal times, Compass generates a return on invested capital of 20% and solid earnings growth of 8-10%, so we are happy continuing to hold the stock and expect it to generate strong returns in the coming years.

We see a similar story with holdings such as Italian fitness equipment manufacturer Technogym, which is also among our weaker names over the period. Technogym is a leader in the global fitness equipment market with a 6% global market share and the number-one brand in Europe, as the company in the sector to provide a full solution from fitness equipment to gym management. The business has excellent fundamentals, with 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.

With widespread gym closures, the shares have obviously taken a hit. Several of Technogym's customers will be cutting back or postponing their planned capital expenditure but this repair and replacement cannot be postponed indefinitely due to the wear and tear on equipment when gyms start to reopen. On a longer-term view, we think the structural shift towards health and fitness will not be diminished by the crisis and this high-quality cyclical will provide the portfolio with some ballast in a recovering economy, whenever that occurs.

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.

Over the first quarter, we exited our position in Svenska Handelsbank. This was approaching our long-term price target and had performed relatively well during the crisis, falling 25%. Our calculation suggested that even after the decline, and its cut to earnings, the upside to our long-term valuation target was relatively limited.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Fund review (continued)

Elsewhere, we initiated a position in Ansys, 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 meet 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.

Buying and selling a company within a couple of months is unusual for our team but this happened with Alphabet over the first quarter. Shares were hit hard in the selloff, down 30% peak to trough, and we felt a large part of this was due to the fact the company earns a substantial portion of revenues from the travel industry. The business has over $100bn in net cash and equivalents on the balance sheet, however, meaning it is extremely well placed to withstand any economic malaise.

As such, the shares were trading at a seven-year low despite Alphabet being more ingrained and useful to individuals and businesses than ever before. We had previously taken profits in early February as we had identified better risk/reward for our capital elsewhere but felt the compelling opportunity could not be ignored.

Over the second half of the period, we sold Japanese bike parts manufacturer Shimano, which was close to our price target and we also have concerns about cycle sales over the next few months. We added Intuitive Surgical, a global leader in robotic-assisted surgery, which helps reduce errors and therefore costs for hospitals. Intuitive Surgical delivered strong results in July, with procedures already back to 95% of pre-Covid levels. Our thesis had always been that the procedures at which Intuitive Surgical's robots excel cannot be delayed too long and this has proved to be the case.

Among other weaker holdings, we sold our position in Cineworld, with the company struggling alongside other consumer-facing businesses as they endure a period of zero revenues. 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 has 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.

Our UK housebuilder names such as Crest Nicholson and Countryside Properties also remain among the weaker contributors, with short-term results worse than expected – but we remain confident in these over the longer term.

*Source: FE Analytics, primary share class, total return, net of fees and income & interest reinvested, 31.01.20-31.07.20.

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.

Material portfolio changes by value

Purchases	Sales
Treasury 1.625% Gilts 22/10/2028	Treasury 1.625% Gilts 22/10/2028
Royal Bank of Scotland 3.622% Bonds 14/8/2030	Roper Industries
Treasury 3.75% Gilts 7/9/2021	NextEnergy Solar Fund
Banco Santander 1.75% European Medium Term Notes 17/2/2027	GlaxoSmithKline
Compass	Unilever
Trainline	PayPal
Phoenix 5.625% Bonds 28/4/2031	Royal Bank of Scotland 6.1% Bonds 10/6/2023
Intertek	InterXion
London Stock Exchange	ING 3% Bonds 18/2/2026
Kingspan	London Stock Exchange

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 set by the European Commission. 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.
- 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 3) or online at www.liontrust.co.uk.

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (unaudited)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	DEBT SECURITIES (34.95%)	**174,231**	**36.73**
	UNITED KINGDOM GOVERNMENT BONDS (12.93%)	**50,268**	**10.60**
£36,480,000	Treasury 1.625% Gilts 22/10/2028	41,389	8.73
£8,530,000	Treasury 3.75% Gilts 7/9/2021	8,879	1.87
	STERLING DENOMINATED DEBT SECURITIES (19.65%)	**112,402**	**23.69**
£400,000	3i 5.75% Guaranteed Senior European Medium Term Bonds 3/12/2032	528	0.11
£1,600,000	Annington Funding 3.184% European Medium Term Notes 12/7/2029	1,783	0.38
£2,300,000	Aroundtown 3.25% European Medium Term Notes 18/7/2027	2,427	0.51
£1,500,000	Assicurazioni Generali 6.269% Guaranteed Perpetual Subordinated Floating Rate Bonds	1,669	0.35
£1,700,000	AT&T 4.375% Bonds 14/9/2029	2,072	0.44
£1,000,000	AT&T 7% Guaranteed Senior European Medium Term Bonds 30/4/2040	1,678	0.35
£2,400,000	Aviva 5.125% European Medium Term Notes 4/6/2050	2,773	0.58
£1,200,000	AXA 5.453% Subordinated Perpetual Floating Rate Notes	1,349	0.28
£1,062,000	AXA 6.6862% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Bonds	1,270	0.27
£3,500,000	Banco Santander 1.75% European Medium Term Notes 17/2/2027	3,465	0.73
£2,250,000	British Telecommunications 5.75% Guaranteed Senior Bonds 7/12/2028	2,987	0.63
£1,617,000	Bunzl Finance 2.25% Bonds 11/6/2025	1,696	0.36
£1,650,000	Cadent Finance 2.125% European Medium Term Notes 22/9/2028	1,759	0.37
£121,000	Clarion Funding 2.625% European Medium Term Notes 18/1/2029	134	0.03
£1,500,000	Compass 2% European Medium Term Notes 5/9/2025	1,567	0.33
£2,600,000	Coventry Building Society 6.875% Perpetual Bonds	2,650	0.56
£500,000	CPUK Finance 3.69% European Medium Term Notes 28/2/2047	509	0.11
£1,400,000	Deutsche Telekom International Finance 8.875% Guaranteed Bonds 27/11/2028	2,247	0.47
£1,190,000	Direct Line Insurance 4.75% Perpetual Bonds	1,089	0.23
£900,000	Dwr Cymru Financing 2.5% European Medium Term Notes 31/3/2036	1,053	0.22
£1,869,000	Dwr Cymru Financing UK 1.625% European Medium Term Notes 31/3/2026	1,886	0.40
£1,200,000	GlaxoSmithKline Capital 5.25% Guaranteed European Medium Term Notes 19/12/2033	1,802	0.38
£400,000	HSBC 3% Senior Floating Rate Notes 22/7/2028	429	0.09
£2,700,000	HSBC 7% Guaranteed Subordinated European Medium Term Bonds 7/4/2038	3,824	0.81
£850,000	InterContinental Hotels 3.75% European Medium Term Notes 14/8/2025	879	0.19
£1,150,000	Investec Bank 4.25% European Medium Term Notes 24/7/2028	1,126	0.24
£2,400,000	Legal & General 5.125% Bonds 14/11/2048	2,713	0.57
£2,500,000	Liberty Living Finance 3.375% Bonds 28/11/2029	2,559	0.54
£1,600,000	Logicor 2019-1 UK 1.875% Bonds 17/11/2026	1,636	0.34

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	STERLING DENOMINATED DEBT SECURITIES (continued)		
£2,350,000	M&G 5.625% Bonds 20/10/2051	2,690	0.57
£1,500,000	Motability Operations 1.75% European Medium Term Notes 3/7/2029	1,599	0.34
£1,365,000	National Express 2.375% Bonds 20/11/2028	1,326	0.28
£1,800,000	Nationwide Building Society 5.875% Perpetual Bonds	1,823	0.38
£1,000,000	Natwest 3.125% European Medium Term Notes 28/3/2027	1,070	0.23
£900,000	Next 3.625% Bonds 18/5/2028	919	0.19
£1,600,000	NGG Finance 5.625% Floating Rate Notes 18/6/2073	1,837	0.39
£121,000	Optivo Finance 2.857% Bonds 7/10/2035	142	0.03
£1,500,000	Orange 8.125% Guaranteed Senior European Medium Term Bonds 20/11/2028	2,315	0.49
£1,450,000	Ørsted 2.125% European Medium Term Notes 17/5/2027	1,569	0.33
£2,200,000	Pension Insurance 5.625% Bonds 20/9/2030	2,599	0.55
£350,000	Pension Insurance 8% Bonds 23/11/2026	453	0.10
£2,500,000	Phoenix 5.625% Bonds 28/4/2031	2,838	0.60
£700,000	Places for People Homes 5.875% European Medium Term Notes 23/5/2031	956	0.20
£2,500,000	Rabobank 4.625% Subordinated European Medium Term Notes 23/5/2029	3,057	0.64
£500,000	Rothesay Life 5.5% Bonds 17/9/2029	541	0.11
£4,500,000	Royal Bank of Scotland 3.622% Bonds 14/8/2030	4,730	1.00
£1,700,000	Segro 2.375% Bonds 11/10/2029	1,845	0.39
£822,000	Severn Trent Utilities Finance 2% European Medium Term Notes 2/6/2040	883	0.19
£800,000	Severn Trent Water Utilities 6.25% Guaranteed Bonds 7/6/2029	1,151	0.24
£1,800,000	SP Transmission 2% Bonds 13/11/2031	1,940	0.41
£1,495,000	SSE 3.74% Perpetual Bonds	1,538	0.32
£1,200,000	SSE 3.875% Perpetual Bonds	1,201	0.25
£3,000,000	Standard Chartered 5.125% Subordinated European Medium Term Notes 6/6/2034	3,463	0.73
£2,600,000	Telefónica Emisiones 5.375% Guaranteed European Medium Term Bonds 2/2/2026	3,180	0.67
£2,118,000	Tesco Corporate Treasury Services 2.75% Bonds 27/4/2030	2,268	0.48
£392,000	UNITE 3.5% Bonds 15/10/2028	409	0.09
£2,500,000	Verizon Communications 3.375% Bonds 27/10/2036	3,149	0.66
£2,000,000	Vodafone 5.9% Guaranteed Senior European Medium Term Bonds 26/11/2032	2,958	0.62
£1,550,000	Western Power Distribution 3.5% Bonds 16/10/2026	1,705	0.36
£710,000	WM Morrison Supermarkets 4.75% European Medium Term Notes 4/7/2029	893	0.19
£2,750,000	Yorkshire Building Society 3.375% European Medium Term Notes 13/9/2028	2,872	0.60
£700,000	Yorkshire Water Services Odsal Finance 6.454% Guaranteed Bonds 28/5/2027	924	0.19

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EURO DENOMINATED DEBT SECURITIES (0.09%)	**647**	**0.14**
€500,000	Telecom Italia Finance 7.75% European Medium Term Notes 24/1/2033	647	0.14
	UNITED STATES DOLLAR DENOMINATED DEBT SECURITIES (2.28%)	**10,914**	**2.30**
$1,000,000	Allianz 5.5% Perpetual Bonds	768	0.16
$1,700,000	Argentum Netherlands 5.75% Bonds 15/8/2050	1,423	0.30
$3,000,000	BNP Paribas 7.195% Guaranteed Perpetual Subordinated Floating Rate Bonds	2,483	0.52
$1,800,000	Cloverie for Zurich Insurance 5.625% Bonds 24/6/2046	1,575	0.33
$4,600,000	HBOS Capital Funding 6.85% Perpetual Bonds	3,553	0.75
$1,000,000	HSBC Bank 2.1875% Perpetual Floating Rate Notes	591	0.13
$250,000	Lloyds Bank 12% Perpetual Bonds	222	0.05
$400,000	SCOR 5.25% Perpetual Bonds	299	0.06
	EQUITIES (50.86%)	**242,229**	**51.06**
	AUSTRALIA (0.58%)	**2,929**	**0.62**
19,845	CSL	2,929	0.62
	CHANNEL ISLANDS; GUERNSEY (2.03%)	**6,369**	**1.34**
2,515,659	John Laing Environmental Assets	3,006	0.63
2,528,113	Renewables Infrastructure	3,363	0.71
	CHANNEL ISLANDS; JERSEY (0.40%)	**1,574**	**0.33**
1,361,828	GCP Infrastructure Investments Fund	1,574	0.33
	DENMARK (0.59%)	**2,646**	**0.56**
46,687	Ringkjoebing Landbobank	2,646	0.56
	GERMANY (0.93%)	**5,296**	**1.11**
47,923	Hella Hueck	1,587	0.33
77,674	Infineon Technologies	1,480	0.31
37,494	Puma	2,229	0.47
	IRELAND; REPUBLIC OF (2.32%)	**12,227**	**2.58**
24,040	Kerry class 'A' shares	2,426	0.51
106,078	Kingspan	5,806	1.23
157,307	Smurfit Kappa	3,995	0.84

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	ITALY (0.50%)	**2,356**	**0.50**
58,502	Banca Generali	1,327	0.28
159,006	Technogym	1,029	0.22
	JAPAN (2.30%)	**8,894**	**1.87**
3,828	Canadian Solar Infrastructure Fund	3,120	0.65
16,400	Daikin	2,178	0.46
7,000	Keyence	2,230	0.47
35,300	TechnoPro	1,366	0.29
	NETHERLANDS (0.78%)	**2,736**	**0.58**
344	Adyen	439	0.09
8,509	ASML	2,297	0.49
	SPAIN (0.62%)	**2,697**	**0.57**
52,776	Cellnex Telecom	2,530	0.53
52,776	Cellnex Telecom Rights 8/8/2020	167	0.04
	SWEDEN (0.40%)	**1,554**	**0.33**
105,406	Avanza Bank	1,554	0.33
	SWITZERLAND (0.42%)	**1,967**	**0.41**
7,432	Roche Holding	1,967	0.41
	UNITED KINGDOM (25.35%)	**112,243**	**23.66**
454,095	3i	4,039	0.85
358,616	Abcam	4,597	0.97
236,407	AJ Bell	1,019	0.21
3,220,555	Aquila European Renewables Income Fund	2,931	0.62
328,726	Compass	3,453	0.73
480,631	Countryside Properties	1,362	0.29
675,735	Crest Nicholson	1,264	0.27
91,725	Croda International	5,247	1.11
866,535	DFS Furniture	1,303	0.27
315,666	GB	2,105	0.44

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED KINGDOM (continued)		
257,854	GlaxoSmithKline	3,945	0.83
2,458,640	Greencoat UK Wind	3,594	0.76
24,446	GW Pharmaceuticals ADR (each representing 12 ordinary share)	2,377	0.50
729,339	Gym	971	0.20
103,451	Halma	2,253	0.47
204,269	Hargreaves Lansdown	3,573	0.75
956,968	Helios Towers	1,493	0.31
84,840	Intertek	4,561	0.96
1,827,916	IP	1,214	0.26
582,945	John Laing	1,721	0.36
1,341,116	Legal & General	2,869	0.60
17,443,144	Liontrust Sustainable Future Corporate Bond Fund*	20,318	4.28
55,117	London Stock Exchange	4,674	0.99
563,489	National Express	853	0.18
310,692	Oxford Biomedica	2,538	0.55
584,574	Paragon	1,837	0.39
201,090	Porvair	1,050	0.22
1,720,550	PRS REIT†	1,263	0.27
303,913	Prudential	3,360	0.71
4,302,997	SDCL Energy Efficiency Income Trust	4,776	1.01
252,065	Softcat	3,176	0.67
367,094	St. James's Place Capital	3,458	0.73
1,057,161	Trainline	4,324	0.91
60,296	Unilever	2,757	0.58
2,748,573	US Solar Fund	1,968	0.41
	UNITED STATES OF AMERICA (13.64%)	**78,741**	**16.60**
8,100	Adobe Systems	2,743	0.58
21,000	Alexion Pharmaceuticals	1,638	0.35
3,200	Alphabet class 'A' shares	3,627	0.77
17,000	American Tower class 'A' shares	3,385	0.71
9,200	Ansys	2,176	0.46
14,600	Autodesk	2,629	0.55
49,300	Cadence Design Systems	4,102	0.87
60,636	Charles Schwab	1,531	0.32
18,400	DocuSign	3,038	0.64

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED STATES OF AMERICA (continued)		
20,600	Ecolab	2,936	0.62
13,000	Eli Lilly	1,488	0.31
5,421	Equinix	3,243	0.68
27,314	First Republic Bank	2,340	0.49
9,300	Intuit	2,171	0.46
4,600	Intuitive Surgical	2,402	0.51
31,900	IQVIA	3,850	0.81
20,900	Nasdaq	2,090	0.44
10,900	Palo Alto Networks	2,125	0.45
25,500	PayPal	3,811	0.80
25,700	PerkinElmer	2,328	0.49
13,500	Rockwell Automation	2,244	0.47
18,700	Salesforce.com	2,776	0.59
14,500	Splunk	2,316	0.49
256,000	TerraForm Power	3,774	0.80
9,677	Thermo Fisher Scientific	3,052	0.64
31,100	Trimble Navigation	1,054	0.22
45,200	Trupanion	1,741	0.37
13,600	VeriSign	2,192	0.46
25,300	Visa	3,670	0.77
29,100	Waste Connections	2,269	0.48
	Portfolio of investments	**416,460**	**87.79**
	Net other assets	**57,899**	**12.21**
	Total net assets	**474,359**	**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.

All investments are in ordinary shares unless otherwise stated.

Comparative figures show percentages for each category of holding at 31 January 2020.

*Related party investment.

† Real Estate Investment Trust (REIT).

Sustainable Future Defensive Managed Fund (continued)

Performance record (unaudited)
as at 31 July 2020

Income record

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

For the six months ending	31 July 2020 per share (p)	31 July 2019 per share (p)
Class 2 Net Income	1.1676	1.4111
Class 3 Net Income	1.1887	1.4325
Class Z Net Income*	–	–

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2020			
Class 2 Net Income	309,904,368	433,008	139.72
Class 3 Net Income	29,052,309	41,351	142.33
31 January 2020			
Class 2 Net Income	187,801,666	260,225	138.56
Class 3 Net Income	24,085,661	33,951	140.96
Class Z Net Income*	–	–	136.02
31 January 2019			
Class 2 Net Income	56,781,521	69,858	123.03
Class 3 Net Income	9,668,796	12,068	124.81
Class Z Net Income	1,000	1	126.40
31 January 2018			
Class 2 Net Income	18,198,379	22,685	124.65
Class 3 Net Income	3,041,649	3,834	126.06
Class Z Net Income	10,001,000	12,709	127.08

* Figures as at 22 May 2019, which was the final valuation date of the share class.

Sustainable Future Defensive Managed Fund (continued)

Statement of Total Return (unaudited)
for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Income				
Net capital gains		8,170		10,910
Revenue	3,562		1,403	
Expenses	(1,598)		(516)	
Interest payable and similar charges	–		–	
Net revenue before taxation	1,964		887	
Taxation	(166)		(66)	
Net revenue after taxation		1,798		821
Total return before distributions		**9,968**		**11,731**
Distributions		(3,076)		(1,236)
Change in net assets attributable to shareholders from investment activities		**6,892**		**10,495**

Statement of Change in Net Assets Attributable to Shareholders (unaudited)
for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Opening net assets attributable to shareholders		**294,176**		**81,927**
Amounts received on issue of shares	175,582		73,808	
Amounts paid on cancellation of shares	(2,321)		(1,961)	
		173,261		71,847
Dilution adjustment		30		–
Change in net assets attributable to shareholders from investment activities		6,892		10,495
Closing net assets attributable to shareholders		**474,359**		**164,269**

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

Sustainable Future Defensive Managed Fund (continued)

Balance Sheet (unaudited)
as at 31 July 2020

	31.7.2020 (£'000)	31.1.2020 (£'000)
Assets		
Fixed assets		
Investments	416,460	252,429
Current assets:		
Debtors	12,456	5,682
Cash and bank balances	54,036	39,138
Total assets	**482,952**	**297,249**
Liabilities		
Creditors:		
Distribution payable	(3,964)	(2,728)
Other creditors	(4,629)	(345)
Total liabilities	**(8,593)**	**(3,073)**
Net assets attributable to shareholders	**474,359**	**294,176**

Sustainable Future European Growth Fund

Report for the period from 1 February 2020 to 31 July 2020

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

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 and for whatever reason, the risk that this would spread to the West was far from most investors' minds.

Six months later, a huge amount has changed as a result of the Covid-19 health crisis, with the global economy essentially put on hold for a period as countries all over the world went into lockdown. The focus now is on the direction of employment and consumer sentiment but this type of black swan event demonstrates how perilous (and we would suggest futile) it is to make short-term market predictions.

To give an idea of the scale of the economic hole, projections from the European Central Bank predict an 8.7% contraction in eurozone GDP this year and the IMF has warned the region could shrink as much as 10.2%.

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 will be enough to prevent a serious recession. Governments and central banks have been unified in their reaction with swift and substantial monetary and fiscal stimulus, learning the lessons of 2008. These measures have 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.

In May for example, the European Commission outlined a €750bn Recovery Instrument plan, adding €250bn in loans to €500bn in grants proposed by France and Germany. Although there will be debate around the details, we broadly welcome the drive to protect jobs and the economy in a way that also supports its more sustainable industries. Proposed expenditure will be funded in the near term by bond issuance, which will be paid back through taxes on less sustainable activities such as plastic and carbon.

The situation is unique and dynamic with no contemporary examples to use a guide. As usual, therefore, it is impossible to predict the nature of economic recovery, whether V, U or even W shaped – although this has not stopped people from trying. Ultimately, we are long-term optimists and believe we will reach a new normal at some point, overcoming this challenge as we have others in the past. But instead of trying to work out how and when the market will recover, our process focuses on the structural shifts to a more sustainable economy and companies making the world cleaner, healthier and safer.

The impact of Covid-19 on our health, livelihoods and economies does not change our view that companies exposed to these themes will see strong growth in coming years and we would expect many of these areas to accelerate as the world recovers.

Overall, we are satisfied with the actions our companies are taking to navigate these 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.

Fund review

The SF European Growth Fund returned 8.3% over the six months under review, outperforming the MSCI Europe ex-UK Index's -2.6% and the IA Europe ex-UK sector's -0.6%*.

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 and ability to flex down the cost base and access debt facilities?

Basic-Fit and Technogym are good examples of our process in action, although both remain among our weaker holdings for the review period. Both faced a period of zero revenues with countries in lockdown, with Basic-Fit Europe's largest low-cost gym operator and Technogym making and providing gym equipment. Looking long-term, however, while there are clear obstacles, we believe demand for low-cost fitness is undiminished and may even be bolstered after a period of lockdown as people need to reduce their expenditure.

Basic-Fit has taken 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.

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Fund review (continued)

Technogym, meanwhile, has taken a hit as several of its customers are cutting back or postponing planned capital expenditure. But repair and replacement cannot be put off indefinitely due to the wear and tear on equipment as gyms re-open and again, we believe the long-term prospects remain strong.

In terms of our best-performing holdings over the period, healthcare stocks such as Lonza and Roche Holding continue to contribute to returns. Lonza reported a rise in first-half sales and profits and 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.

Long-term holding Kingspan was also among our strongest performers over the six months: the company produces thermal insulation for buildings but its leading position has enabled it to grow revenues annually by an average of over 15% over the last 25 years. The company has also outlined a major 10-year strategy to reduce carbon emissions by 2030: its Planet Passionate strategy is made up of 12 targets, addressing the impact of Kingspan's business operations and manufacturing on the four key areas of energy, carbon, circularity and water. On energy for example, the target is to power 60% of all Kingspan operations directly from renewable sources, with a minimum of 20% of this generated on manufacturing sites (up from around 6% today).

As we said earlier, crises often super-charge societal changes that have been in action for years and this is happening across many of our themes. Our *Connecting people* theme continues to accelerate for example, with ongoing growth in data consumption as people communicate and stream more, mobile devices proliferate, and the next generation of 5G telecommunication rolls out. Increased communication is important for the development of a sustainable economy and global cohesion, but the challenge is to decouple this exponential growth from the environmental impacts.

Remote working has moved to a new phase during the Covid crisis and we believe this is unlikely to reverse – and holdings such as SAP, Cellnex Telecom and TeamViewer continue to thrive against this backdrop.

SAP released Q2 numbers towards the end of July and revealed business activity gradually improving over the period, and software licenses revenue, while still below normal levels, recovering more than expected. The company outlined several examples where it has offered solutions for clients facing Covid-related issues, including working with Deutsche Telekom to develop the Corona Warning App, the official German tracing app. Meanwhile, its Qualtrics back-to-business solution is helping many US states and communities restart their economies and, to address ongoing disruption to global supply chains, SAP has extended access to Ariba Discovery to the end of 2020 so buyers can post immediate sourcing needs and any supplier can respond.

Cellnex Telecom provides the physical infrastructure for increasing data consumption and communication while TeamViewer is a beneficiary of the shift to more flexible home working, allowing IT departments secure remote access into employee computers to fix issues.

As for other top contributors, we have seen ongoing performance from core holding ASML, with this Dutch business operating at the forefront of physics and enabling semiconductor companies to further increase computing power.

Infineon Technologies, meanwhile, completed its acquisition of Cypress Semiconductor Corporation in April, which the company said is a landmark step in its strategic development towards offering "the industry's most comprehensive portfolio for linking the real with the digital world and shaping digitalisation". This is another of our top-performing holdings playing a key role in combating the pandemic, with its semiconductors proving essential to control the motors in many ventilators, including those manufactured by global leader in medical devices ResMed.

Among negative performers over the period, Aquafil has struggled in recent months with this high-quality industrial business, focusing on recycled nylon, hit hard as its end markets seized up. Again, we believe its long-term returns on capital of close to 20% will return as the world moves through the crisis.

Two themes challenged in the short term but that we believe will benefit during the recovery are *Improving auto safety* and *Making transportation more efficient.* Although there have been positive related impacts during this crisis, such as fewer fatalities on our roads and less air travel, the auto and rail sectors have been hit hard and ultimately our themes rely on their success.

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Fund review (continued)

We note the stimulus packages announced by France include a potential €1bn in subsidies for the purchase of electric vehicles. At the same time, passenger rail numbers are beginning to recover and we believe rail's attractiveness versus air travel will continue to increase on viable routes. Two of our key holdings, auto parts supplier Hella Hueck and rail and truck braking mechanism company Knorr-Bremse, have outperformed in the early stages of recovery, although the former was hit hard in March and remains among our weaker names over the review period.

Other negative contributors included the small position we took in CTS Eventim earlier this year. This is Europe's largest ticketing company for live music and sports, enabling the shift towards a more experience-based economy and away from material consumption as an example of our sustainable leisure theme.

While the stock sold off aggressively during the crisis, we believe the market has misunderstood the ultimate impact on the business as the majority of events are postponed, not cancelled, and CTS Eventim has experienced no significant cash outflows. We are aware growth will be muted until there is a solution to the virus, but the company has a net cash balance sheet, low capital requirements, and the valuation when we bought reflected the very worst scenario. We take a long-term view, and over the next five to ten years, feel the increase in demand and supply for live events will recover; indeed, live events grew in absolute terms through the financial crisis despite a dramatic fall in disposable income.

We also added Spotify to the portfolio in July under the sustainable leisure theme, the music and podcast streaming service with over 300m users. As Spotify becomes increasingly dominant with a better user experience, it will continue to take market share in what is clearly a structural growth area, improving its pricing power and expanding its margins.

*Source: FE Analytics, primary share class, total return, net of fees and income reinvested, 31.01.20-31.07.20.

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.**

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
Avanza Bank	Roche Holding
CTS Eventim	SAP
Basic-Fit	Cellnex Telecom
SAP	InterXion
DNB	Ørsted
Smurfit Kappa	Legrand
Kingspan	ASML
Spotify	Lonza
KONE class 'B' shares	Siemens Gamesa
Infineon Technologies	Kerry class 'A' shares

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 set by the European Commission. It is based upon the rate by which the Sub-fund or a representative fund or Index's value has moved up and down in the past.
- The Sub-fund is categorised 5 primarily for its exposure to 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 3) or online at www.liontrust.co.uk.

Sustainable Future European Growth Fund (continued)

Portfolio Statement (unaudited)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	AUSTRIA (1.44%)	**4,065**	**1.44**
100,613	Verbund class 'A' shares	4,065	1.44
	BELGIUM (1.19%)	**3,445**	**1.22**
95,831	Umicore	3,445	1.22
	DENMARK (7.96%)	**20,888**	**7.40**
47,122	Christian Hansen	4,080	1.45
105,986	Novozymes class 'B' shares	4,831	1.71
38,073	Ørsted	4,155	1.47
138,029	Ringkjoebing Landbobank	7,822	2.77
	FINLAND (1.53%)	**8,269**	**2.93**
136,496	KONE class 'B' shares	8,269	2.93
	FRANCE (12.35%)	**31,601**	**11.20**
85,739	Air Liquide	10,780	3.82
476,193	AXA	7,234	2.56
159,443	Edenred	6,051	2.15
85,164	Schneider Electric	7,536	2.67
	GERMANY (14.08%)	**50,546**	**17.92**
141,801	CTS Eventim	4,277	1.52
130,437	Hella Hueck	4,320	1.53
44,414	Henkel non-voting preference shares	3,351	1.19
481,638	Infineon Technologies	9,180	3.25
56,599	Knorr-Bremse	5,072	1.80
125,363	Puma	7,452	2.64
90,922	SAP	10,970	3.89
143,838	TeamViewer	5,924	2.10

Sustainable Future European Growth Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	IRELAND; REPUBLIC OF (8.35%)	**27,125**	**9.62**
68,534	Kerry class 'A' shares	6,915	2.45
229,336	Kingspan	12,552	4.45
298,862	Smurfit Kappa	7,658	2.72
	ITALY (3.06%)	**7,384**	**2.62**
548,175	Aquafil	1,687	0.60
101,403	Banca Generali	2,300	0.82
525,207	Technogym	3,397	1.20
	LUXEMBOURG (1.41%)	**6,874**	**2.44**
134,878	Befesa	4,186	1.49
13,700	Spotify	2,688	0.95
	NETHERLANDS (13.34%)	**35,369**	**12.54**
46,663	ASML	12,597	4.47
312,318	Basic-Fit	6,134	2.17
131,059	Corbion	3,837	1.36
283,832	Unilever	12,801	4.54
	NORWAY (3.59%)	**11,514**	**4.08**
990,241	DNB	11,514	4.08
	SPAIN (8.94%)	**18,373**	**6.51**
194,869	Cellnex Telecom	9,340	3.31
187,491	Cellnex Telecom 0% rights 8/8/2020	593	0.21
379,266	Grifols	8,440	2.99
	SWEDEN (5.70%)	**20,968**	**7.43**
421,539	Assa Abloy	7,049	2.50
411,041	Avanza Bank	6,060	2.15
1,088,050	Svenska Handelsbanken series 'A' shares	7,859	2.78

Sustainable Future European Growth Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	SWITZERLAND (12.97%)	**29,460**	**10.44**
19,104	Lonza	9,094	3.22
10,388	Partners	7,666	2.72
47,972	Roche Holding	12,700	4.50
	Portfolio of investments	**275,881**	**97.79**
	Net other assets	**6,239**	**2.21**
	Total net assets	**282,120**	**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.

All investments are in ordinary shares unless otherwise stated.

Comparative figures in brackets show percentages for each category of holding at 31 January 2020.

Sustainable Future European Growth Fund (continued)

Performance record (unaudited)
as at 31 July 2020

Income record

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

For the six months ending	31 July 2020 per share (p)	31 July 2019 per share (p)
Class 2 Net Accumulation	1.3415	3.0030
Class 3 Net Accumulation	2.7128	5.0069

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2020			
Class 2 Net Accumulation	53,742,694	143,386	266.80
Class 3 Net Accumulation	36,428,525	138,734	380.84
31 January 2020			
Class 2 Net Accumulation	45,231,993	111,994	247.60
Class 3 Net Accumulation	35,608,209	125,562	352.62
31 January 2019			
Class 2 Net Accumulation	38,242,053	77,400	202.39
Class 3 Net Accumulation	40,536,108	116,290	286.88
31 January 2018			
Class 2 Net Accumulation	29,000,054	67,553	232.94
Class 3 Net Accumulation	41,981,008	138,005	328.73

Sustainable Future European Growth Fund (continued)

Statement of Total Return (unaudited)
for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Income				
Net capital gains		18,104		31,834
Revenue	2,986		4,371	
Expenses	(819)		(662)	
Interest payable and similar charges	(12)		(18)	
Net revenue before taxation	2,155		3,691	
Taxation	(542)		(644)	
Net revenue after taxation		1,613		3,047
Total return before distributions		**19,717**		**34,881**
Distributions		(1,613)		(3,047)
Change in net assets attributable to shareholders from investment activities		**18,104**		**31,834**

Statement of Change in Net Assets Attributable to Shareholders (unaudited)
for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Opening net assets attributable to shareholders		**237,556**		**193,690**
Amounts received on issue of shares	35,130		8,914	
Amounts paid on cancellation of shares	(10,379)		(21,283)	
		24,751		(12,369)
Dilution adjustment		–		8
Change in net assets attributable to shareholders from investment activities		18,104		31,834
Retained distribution on accumulation shares		1,709		2,976
Closing net assets attributable to shareholders		**282,120**		**216,139**

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

Sustainable Future European Growth Fund (continued)

Balance Sheet (unaudited)
as at 31 July 2020

	31.7.2020 (£'000)	31.1.2020 (£'000)
Assets		
Fixed assets		
Investments	275,881	227,844
Current assets:		
Debtors	2,170	2,038
Cash and bank balances	5,243	7,844
Total assets	**283,294**	**237,726**
Liabilities		
Creditors:		
Other creditors	(1,174)	(170)
Total liabilities	**(1,174)**	**(170)**
Net assets attributable to shareholders	**282,120**	**237,556**

Sustainable Future Global Growth Fund

Report for the period from 1 February 2020 to 31 July 2020

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 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

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 and for whatever reason, the risk that this would spread to the West was far from most investors' minds.

Six months later, a huge amount has changed as a result of the Covid-19 health crisis, with the global economy essentially put on hold as countries all over the world went into lockdown. The focus now is on the direction of employment and consumer sentiment and this type of black swan event demonstrates how perilous (and we would suggest futile) it is to make short-term predictions on the direction of markets.

Governments and central banks have been unified in their reaction to the crisis with swift and substantial monetary and fiscal stimulus, learning the lessons of 2008. These measures have 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.

Over the second half of July, global equity markets saw renewed weakness as second waves of the virus continue to emerge around the globe. It is clear the fight against this disease is far from over and the delicate balancing act between restarting economies and protecting those most vulnerable is sure to continue until vaccines are commercialised.

The situation is unique and dynamic with no contemporary examples to use a guide. As usual, therefore, it is impossible to predict the nature of economic recovery, whether V, U or even W shaped – although this has not stopped people from trying. Ultimately, we are long-term optimists and believe we will reach a new normal at some point, overcoming this challenge as we have others in the past. But instead of trying to work out when the market will recover, our process focuses on the structural shifts to a more sustainable economy and companies making the world cleaner, healthier and safer.

The impact of Covid-19 on our health, livelihoods and economies does not change our view that companies exposed to these themes will see strong growth in coming years and we would expect many of these areas to accelerate as the world recovers.

Overall, we are pleased with the fund's performance and satisfied with the actions our companies are taking to navigate these difficult times. We would caution against extrapolation however; our best explanation is that this crisis has resulted in an acceleration of how we think the world is likely to evolve, and as our fund was positioned to benefit from such changes, we have benefitted. Periods of market volatility can also allow us to increase positions in high-quality companies with strong prospects and we therefore remain confident the portfolio is well set for the long-term.

Fund review

The SF Global Growth fund returned 10.9% over the six months under review, outperforming the IA Global sector average of 0.6% and the MSCI World Index's -0.2%*.

It is ultimately impossible to know what impact the pandemic will have on sustainable issues: on the one hand, we would hope the current 'uniting against a common enemy' trend could be directed against climate change in the future; on the other, we may find governments have used much of their firepower fighting economic slowdown to be spending money on sustainable projects for some time to come. Our base case, however, remains that sustainable companies have better growth prospects and are more resilient than businesses not prioritising ESG – and these advantages remain underappreciated by the wider market.

Across the portfolios, we continue to concentrate on where we have expertise and confidence in our predictions, namely the 20 sustainable themes that identify companies set to benefit making our world cleaner, healthier and safer.

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? In the majority of cases, we remain confident in the long-term prospects across the portfolio.

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Fund review (continued)

It is important to note crises often accelerate changes that have already been in action for years and this is happening across many of our themes. Paypal was the strongest holding over the period, with digital payments (under our *Increasing financial resilience theme)* a good example of this kind of thematic step change.

PayPal continued to post revenue growth in March and April and announced 10m new active accounts in Q1 and a further 7.4m in April alone (the latter represents around 250,000 new customers a day, 135% more than in April 2019). The stock sold off in March and we took the opportunity to add to our holding. PayPal comfortably beat expectations for Q2 earnings season, posting sales growth of 25% and adjusted EPS growth of 49%.

Our thesis is largely based around engagement and what we look at is the number of new customers that sign up and how frequently they use PayPal when making a purchase (transactions per active account). The reason we focus on these metrics is that PayPal, like most payment companies, has very high incremental margins; simplistically, the more payment volumes PayPal processes, the more cash is generated for the company and its shareholders. To bring it back to our theme of making digital payments safer and easier, CEO Dan Schulman said on the Q2 call that, on average, merchants who offer PayPal as an option experience a 60% increase in purchase conversion. The fact people trust PayPal to process and store their details safely is what makes this company so well positioned for continued growth.

We see PayPal as a huge beneficiary of the shift to an online economy and our understanding is that e-commerce penetration rates have been brought forward in the region of three to five years by the pandemic. For reference, we had pencilled in free cash flow of $3.5bn for 2020 at our last price target review in October 2019; it now looks like Paypal will deliver something closer to $5bn.

DocuSign also remains among the top performers, with the share price more than doubling over the first half of 2020. DocuSign has created a unique product, which 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. Traditional paper-based signatures cost $37 per document on average and take around two weeks, whereas DocuSign's product costs between $1 and $2 and 83% of documents are signed within 24 hours, and 50% within 15 minutes.

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.

Elsewhere, familiar names such as Autodesk, Adobe and Cadence Design Systems again feature among our top contributors and our Connecting people theme is another that continues to accelerate as millions of people work from home, with solid performance from holdings such as Cellnex Telecom.

We continue to be proud of the work many of our healthcare companies are doing in the fight against Covid-19, across the spheres of therapies, testing and vaccines. In the second category, US firm IQVIA has come back strongly despite being one of the worst hit in March as the shares fell close to 45%. Again, we reviewed the stock during this period and felt that our thesis remains intact despite the potential interruption of medical trials from lockdowns. We added to this position at the end of March and in results announced in May, the company said it has shifted trials to a virtual model and subsequently seen no cancellation of contracts whatsoever.

Another strong contribution came from the smallest investment in the 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. The company takes pride in paying out on claims and targets a 70% payout ratio. The idea is that by being a digital-native business, it has cost advantages to pass onto customers, thereby increasing the moat around the business. Our theme is about providing financial resilience to individuals and covering them against unexpected shocks that would cause financial distress. Trupanion does exactly this in a manner we think is not only responsible but provides the business with advantages that are very difficult for competitors to replicate.

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Fund review (continued)

In terms of weaker performers, Compass has continued to struggle as would be expected of the world's largest catering business in a period of global lockdown. We like this business under our *Leading ESG management theme*, with best-in-class sustainability in terms of reducing food waste helping the company improve operating margins versus peers.

A large part of its revenues come from feeding people at work or at live events, however, and due to the current situation, these have been extremely challenged. Having spoken to Compass and done our own analysis, we believe 30-50% of the company is resilient to the crisis and considering the strong balance sheet, it should be able to manage its way through. We therefore decided to take part in the share placing in May at £10.50 in order to shore up the balance sheet and position the business to come out of the crisis in a stronger position.

In normal times, Compass generates a return on invested capital of 20% and solid earnings growth of 8-10%, so we are happy continuing to hold the stock and expect it to generate strong returns in the coming years.

We see a similar story with holdings such as Italian fitness equipment manufacturer Technogym, which is also among our weaker names over the period. Technogym is a leader in the global fitness equipment market with a 6% global market share and the number-one brand in Europe, as the company in the sector to provide a full solution from fitness equipment to gym management. The business has excellent fundamentals, with 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.

With widespread gym closures, the shares have obviously taken a hit. Several of Technogym's customers will be cutting back or postponing their planned capital expenditure but this repair and replacement cannot be postponed indefinitely due to the wear and tear on equipment as gyms reopen. On a longer-term view, we think the structural shift towards health and fitness will not be diminished by the crisis and this high-quality cyclical will provide the portfolio with some ballast in a recovering economy, whenever that occurs.

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.

Over the first quarter, we exited our position in Svenska Handelsbank. This was approaching our long-term price target and had performed relatively well during the crisis, falling 25%. Our calculation suggested that even after the decline, and its cut to earnings, the upside to our long-term valuation target was relatively limited.

Elsewhere, we initiated a position in Ansys, 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 meet our valuation criteria at that time. After falling over 40% from its highs in February, the stock did meet our target, even after adjusting for the lower revenues due to the current crisis.

Buying and selling a company within a couple of months is unusual for our team but this happened with Alphabet over the first quarter of 2020. Shares were hit hard in the selloff, down 30% peak to trough, and we felt a large part of this was due to the fact the company earns a substantial portion of revenues from the travel industry. The business has over $100bn in net cash and equivalents on the balance sheet, however, meaning it is extremely well placed to withstand any economic malaise. As such, the shares were trading at a seven-year low despite Alphabet being more ingrained and useful to individuals and businesses than ever before. We had previously taken profits in early February as we had identified better risk/reward for our capital elsewhere but felt the compelling opportunity could not be ignored.

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Fund review (continued)

Over the second half of the period, we sold Japanese bike parts manufacturer Shimano, which was close to our price target and we also have concerns about cycle sales over the next few months. We added Intuitive Surgical, a global leader in robotic-assisted surgery, which helps reduce errors and therefore costs for hospitals. Intuitive Surgical delivered strong results in July, with procedures already back to 95% of pre-Covid levels. Our thesis had always been that the procedures at which Intuitive Surgical's robots excel cannot be delayed too long and this has proved to be the case.

*Source: FE Analytics, primary share class, total return, net of fees and income reinvested, 31.01.20-31.07.20.

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.**

Material portfolio changes by value

Purchases	Sales
VeriSign	Roper Industries
Intuitive Surgical	St. James's Place Capital
Ansys	InterXion
Avanza Bank	Svenska Handelsbanken series 'A' shares
Alphabet class 'A' shares	Trimble Navigation
Visa	DocuSign
Compass	Shimano
Keyence	CSL
CSL	Alphabet class 'A' shares
PayPal	Autodesk

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 set by the European Commission. 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 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 3) or online at www.liontrust.co.uk.

Sustainable Future Global Growth Fund (continued)

Portfolio Statement (unaudited)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	AUSTRALIA (2.61%)	**15,033**	**1.87**
101,867	CSL	15,033	1.87
	CANADA (1.80%)	**18,441**	**2.30**
236,527	Waste Connections	18,441	2.30
	DENMARK (2.01%)	**13,853**	**1.73**
244,441	Ringkjoebing Landbobank	13,853	1.73
	GERMANY (4.03%)	**38,206**	**4.76**
341,510	Hella	11,310	1.41
617,563	Infineon Technologies	11,770	1.47
254,461	Puma	15,126	1.88
	IRELAND; REPUBLIC OF (4.01%)	**30,601**	**3.81**
153,581	Kerry class 'A' shares	15,497	1.93
275,963	Kingspan	15,104	1.88
	ITALY (2.31%)	**17,087**	**2.13**
394,360	Banca Generali	8,946	1.12
1,258,550	Technogym	8,141	1.01
	JAPAN (7.28%)	**43,053**	**5.36**
118,322	Daikin	15,714	1.96
54,333	Keyence	17,306	2.15
259,276	TechnoPro	10,033	1.25
	NETHERLANDS (2.80%)	**13,674**	**1.71**
1,434	Adyen	1,828	0.23
43,880	ASML	11,846	1.48
	SPAIN (2.70%)	**19,878**	**2.47**
389,059	Cellnex Telecom	18,648	2.32
389,059	Cellnex Telecom 0% rights 8/8/2020	1,230	0.15

Sustainable Future Global Growth Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	SWEDEN (1.62%)	**13,084**	**1.63**
887,449	Avanza Bank	13,084	1.63
	SWITZERLAND (2.33%)	**16,465**	**2.05**
62,196	Roche Holding	16,465	2.05
	UNITED KINGDOM (6.48%)	**34,914**	**4.35**
895,968	Abcam	11,486	1.43
1,216,151	Compass	12,776	1.59
963,578	Prudential	10,652	1.33
	UNITED STATES OF AMERICA (54.81%)	**501,175**	**62.45**
67,801	Adobe Systems	22,957	2.86
204,088	Alexion Pharmaceuticals	15,924	1.98
21,048	Alphabet class 'A' shares	23,860	2.97
82,546	American Tower class 'A' shares	16,439	2.05
77,700	Ansys	18,379	2.29
112,149	Autodesk	20,192	2.52
223,808	Cadence Design Systems	18,621	2.32
388,837	Charles Schwab	9,818	1.22
109,038	DocuSign	18,004	2.24
117,787	Ecolab	16,787	2.09
93,945	Eli Lilly	10,750	1.34
25,195	Equinix	15,071	1.88
169,533	First Republic Bank	14,525	1.81
55,781	Intuit	13,024	1.62
40,100	Intuitive Surgical	20,942	2.61
185,885	IQVIA	22,432	2.80
134,496	Nasdaq	13,449	1.68
63,107	Palo Alto Networks	12,302	1.53
207,392	PayPal	30,993	3.86
232,631	PerkinElmer	21,071	2.63
68,093	Rockwell Automation	11,317	1.41
120,006	Salesforce.com	17,816	2.22
83,038	Splunk	13,263	1.65
722,141	TerraForm Power	10,646	1.33
80,370	Thermo Fisher Scientific	25,347	3.16

Sustainable Future Global Growth Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED STATES OF AMERICA (continued)		
229,112	Trimble Navigation	7,768	0.97
429,541	Trupanion	16,550	2.06
112,000	VeriSign	18,051	2.25
171,496	Visa	24,877	3.10
	Portfolio of investments	**775,464**	**96.62**
	Net other assets	**27,105**	**3.38**
	Total net assets	**802,569**	**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.

All investments are in ordinary shares unless otherwise stated.

Comparative figures in brackets show percentages for each category of holding at 31 January 2020.

Sustainable Future Global Growth Fund (continued)

Performance record (unaudited)
as at 31 July 2020

Income record

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

For the six months ending	31 July 2020 per share (p)	31 July 2019 per share (p)
Class 2 Net Accumulation	–	0.5546
Class 3 Net Accumulation	0.4829	1.3906
Class Z Net Accumulation*	–	0.8391

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2020			
Class 2 Net Accumulation	223,704,342	506,706	226.51
Class 3 Net Accumulation	91,443,794	295,863	323.55
Class Z Net Accumulation*	–	–	–
31 January 2020			
Class 2 Net Accumulation	136,860,395	276,242	201.84
Class 3 Net Accumulation	85,343,218	245,504	287.67
Class Z Net Accumulation*	10,852,511	15,144	139.55
31 January 2019			
Class 2 Net Accumulation	62,114,529	100,582	161.93
Class 3 Net Accumulation	71,641,195	164,556	229.69
Class Z Net Accumulation*	7,109,847	7,900	111.12
31 January 2018			
Class 2 Net Accumulation	45,350,733	69,279	152.76
Class 3 Net Accumulation	61,876,409	133,482	215.72
Class Z Net Accumulation*	1,000	1	103.99

* Share class closed 21 February 2020.

Sustainable Future Global Growth Fund (continued)

Statement of Total Return (unaudited)

for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Income				
Net capital gains		77,751		57,595
Revenue	2,706		2,745	
Expenses	(2,203)		(1,079)	
Interest payable and similar charges	(7)		(4)	
Net revenue before taxation	496		1,662	
Taxation	(394)		(220)	
Net revenue after taxation		102		1,442
Total return before distributions		**77,853**		**59,037**
Distributions		(358)		(1,442)
Change in net assets attributable to shareholders from investment activities		**77,495**		**57,595**

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

for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Opening net assets attributable to shareholders		**536,890**		**273,038**
Amounts received on issue of shares	220,928		100,099	
Amounts paid on cancellation of shares	(33,228)		(3,971)	
		187,700		96,128
Dilution adjustment		42		–
Change in net assets attributable to shareholders from investment activities		77,495		57,595
Retained distribution on accumulation shares		442		1,735
Closing net assets attributable to shareholders		**802,569**		**428,496**

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

Sustainable Future Global Growth Fund (continued)

Balance Sheet (unaudited)

as at 31 July 2020

	31.7.2020 (£'000)	31.1.2020 (£'000)
Assets		
Fixed assets		
Investments	775,464	508,909
Current assets:		
Debtors	13,163	5,701
Cash and bank balances	20,734	22,581
Total assets	**809,361**	**537,191**
Liabilities		
Creditors:		
Other creditors	(6,792)	(301)
Total liabilities	**(6,792)**	**(301)**
Net assets attributable to shareholders	**802,569**	**536,890**

Sustainable Future Managed Fund

Report for the period from 1 February 2020 to 31 July 2020

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

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 and for whatever reason, the risk that this would spread to the West was far from most investors' minds.

Six months later, a huge amount has changed as a result of the Covid-19 health crisis, with the global economy essentially put on hold as countries all over the world went into lockdown. The focus now is on the direction of employment and consumer sentiment and this type of black swan event demonstrates how perilous (and we would suggest futile) it is to make short-term predictions on the direction of markets.

Governments and central banks have been unified in their reaction to the crisis with swift and substantial monetary and fiscal stimulus, learning the lessons of 2008. These measures have 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.

Over the second half of July, global equity markets saw renewed weakness as second waves of the virus continue to emerge around the globe. It is clear the fight against this disease is far from over and the delicate balancing act between restarting economies and protecting those most vulnerable is sure to continue until vaccines are commercialised.

The situation is unique and dynamic with no contemporary examples to use a guide. As usual, therefore, it is impossible to predict the nature of economic recovery, whether V, U or even W shaped – although this has not stopped people from trying. Ultimately, we are long-term optimists and believe we will reach a new normal at some point, overcoming this challenge as we have others in the past. But instead of trying to work out when the market will recover, our process focuses on the structural shifts to a more sustainable economy and companies making the world cleaner, healthier and safer.

The impact of Covid-19 on our health, livelihoods and economies does not change our view that companies exposed to these themes will see strong growth in coming years and we would expect many of these areas to accelerate as the world recovers.

Overall, we are pleased with the fund's performance and satisfied with the actions our companies are taking to navigate these difficult times. We would caution against extrapolation however; our best explanation is that this crisis has resulted in an acceleration of how we think the world is likely to evolve, and as our fund was positioned to benefit from such changes, we have benefitted. Periods of market volatility can also allow us to increase positions in high-quality companies with strong prospects and we therefore remain confident the portfolio is well set for the long-term.

Fund review

The SF Managed fund returned 5.1% over the six months under review, outperforming the IA Mixed Investment 40-85% Shares sector average of -4.0%*.

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 – and we continued an averaging-in strategy into April.

We are currently moderately overweight equities and underweight cash and maintain our structural overweight to credit and underweight gilts, with the latter a negative contributor as government debt has outperformed.

It is ultimately impossible to know what impact the pandemic will have on sustainable issues: on the one hand, we would hope the current 'uniting against a common enemy' trend could be directed against climate change in the future; on the other, we may find governments have used much of their firepower fighting economic slowdown to be spending money on sustainable projects for some time to come. Our base case, however, remains that sustainable companies have better growth prospects and are more resilient than businesses not prioritising ESG – and these advantages remain underappreciated by the wider market.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Fund review (continued)

Across the portfolios, we continue to concentrate on where we have expertise and confidence in our predictions, namely the 20 sustainable themes that identify companies set to benefit making our world cleaner, healthier and safer.

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? In the majority of cases, we remain confident in the long-term prospects across the portfolio.

It is important to note crises often accelerate changes that have already been in action for years and this is happening across many of our themes. Paypal was the strongest holding over the period, with digital payments (under our Increasing financial resilience theme) a good example of this kind of thematic step change.

PayPal continued to post revenue growth in March and April and announced 10m new active accounts in Q1 and a further 7.4m in April alone (the latter represents around 250,000 new customers a day, 135% more than in April 2019). The stock sold off in March and we took the opportunity to add to our holding. PayPal comfortably beat expectations for Q2 earnings season, posting sales growth of 25% and adjusted EPS growth of 49%.

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We see PayPal as a huge beneficiary of the shift to an online economy and our understanding is that e-commerce penetration rates have been brought forward in the region of three to five years by the pandemic. For reference, we had pencilled in free cash flow of $3.5bn for 2020 at our last price target review in October 2019; it now looks like Paypal will deliver something closer to $5bn.

DocuSign also remains among the top performers, with the share price more than doubling over the first half of 2020. DocuSign has created a unique product, which 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. Traditional paper-based signatures cost $37 per document on average and take around two weeks, whereas DocuSign's product costs between $1 and $2 and 83% of documents are signed within 24 hours, and 50% within 15 minutes.

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Elsewhere, familiar names such as Autodesk, Adobe and Cadence Design Systems again feature among our top contributors and our *Connecting people* theme is another that continues to accelerate as millions of people work from home, with solid performance from holdings such as Cellnex Telecom.

We also continue to be proud of the work many of our healthcare companies are doing in the fight against Covid-19, across the spheres of therapies, testing and vaccines. In the second category, US firm IQVIA has come back strongly despite being one of the worst hit in March as the shares fell close to 45%. Again, we reviewed the stock during this period and felt that our thesis remains intact despite the potential interruption of medical trials from lockdowns. We added to this position at the end of March and in the results announced in May, the company said it has shifted trials to a virtual model and subsequently seen no cancellation of contracts whatsoever.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Fund review (continued)

Another strong contribution came from the smallest investment in the 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. The company takes pride in paying out on claims and targets a 70% payout ratio. The idea is that by being a digital-native business, it has cost advantages to pass onto customers, thereby increasing the moat around the business. Our theme is about providing financial resilience to individuals and covering them against unexpected shocks that would cause financial distress. Trupanion does exactly this in a manner we think is not only responsible but provides the business with advantages that are very difficult for competitors to replicate.

In terms of weaker performers, Compass has continued to struggle as would be expected of the world's largest catering business in a period of global lockdown. We like this business under our *Leading ESG improve operating margins versus peers*.

A large part of its revenues come from feeding people at work or at live events, however, and due to the current situation, these have been extremely challenged. Having spoken to Compass and done our own analysis, we believe 30-50% of the company is resilient to the crisis and considering the strong balance sheet, it should be able to manage its way through. We therefore decided to take part in the share placing in May at £10.50 in order to shore up the balance sheet and position the business to come out of the crisis in a stronger position.

In normal times, Compass generates a return on invested capital of 20% and solid earnings growth of 8-10%, so we are happy continuing to hold the stock and expect it to generate strong returns in the coming years.

We see a similar story with holdings such as Italian fitness equipment manufacturer Technogym, which is also among our weaker names over the period. Technogym is a leader in the global fitness equipment market with a 6% global market share and the number-one brand in Europe, as the company in the sector to provide a full solution from fitness equipment to gym management. The business has excellent fundamentals, with 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.

With widespread gym closures, the shares have obviously taken a hit. Several of Technogym's customers will be cutting back or postponing their planned capital expenditure but this repair and replacement cannot be postponed indefinitely due to the wear and tear on equipment when gyms start to reopen. On a longer-term view, we think the structural shift towards health and fitness will not be diminished by the crisis and this high-quality cyclical will provide the portfolio with some ballast in a recovering economy, whenever that occurs.

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.

Over the first quarter, we exited our position in Svenska Handelsbank. This was approaching our long-term price target and had performed relatively well during the crisis, falling 25%. Our calculation suggested that even after the decline, and its cut to earnings, the upside to our long-term valuation target was relatively limited.

Elsewhere, we initiated a position in Ansys, 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 meet 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.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Fund review (continued)

Buying and selling a company within a couple of months is unusual for our team but this happened with Alphabet over the first quarter. Shares were hit hard in the selloff, down 30% peak to trough, and we felt a large part of this was due to the fact the company earns a substantial portion of revenues from the travel industry. The business has over $100bn in net cash and equivalents on the balance sheet, however, meaning it is extremely well placed to withstand any economic malaise.

As such, the shares were trading at a seven-year low despite Alphabet being more ingrained and useful to individuals and businesses than ever before. We had previously taken profits in early February as we had identified better risk/reward for our capital elsewhere but felt the compelling opportunity could not be ignored.

Over the second half of the period, we sold Japanese bike parts manufacturer Shimano, which was close to our price target and we also have concerns about cycle sales over the next few months. We added Intuitive Surgical, a global leader in robotic-assisted surgery, which helps reduce errors and therefore costs for hospitals. Intuitive Surgical delivered strong results in July, with procedures already back to 95% of pre-Covid levels. Our thesis had always been that the procedures at which Intuitive Surgical's robots excel cannot be delayed too long and this has proved to be the case.

Among other weaker holdings, we sold our position in Cineworld, with the company struggling alongside other consumer-facing businesses as they endure a period of zero revenues. 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 has 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.

Our UK housebuilder names such as Crest Nicholson and Countryside Properties also remain among the weaker contributors, with short-term results worse than expected – but we remain confident in these over the longer term.

*Source: FE Analytics, primary share class, total return, net of fees and income & interest reinvested, 31.01.20-31.07.20.

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.**

Material portfolio changes by value

Purchases	Sales
Intuitive Surgical	InterXion
VeriSign	Roper Industries
Ansys	DocuSign
Avanza Bank	Svenska Handelsbanken series 'A' shares
Keyence	GlaxoSmithKline
Alphabet class 'A' shares	Alphabet class 'A' shares
Alexion Pharmaceuticals	Unilever
Royal Bank of Scotland 3.622% Bonds 14/8/2030	Shimano
Visa	Eli Lilly
Cadence Design Systems	London Stock Exchange

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

- 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 set by the European Commission. It is based upon the rate by which the Sub-fund or a representative fund or Index's value has moved up and down in the past.
- The Sub-fund is categorised 5 primarily for its exposure to a diversified portfolio of 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 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 3) or online at www.liontrust.co.uk.

Sustainable Future Managed Fund (continued)

Portfolio Statement (unaudited)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	DEBT SECURITIES (16.57%)	**285,520**	**17.29**
	STERLING DENOMINATED DEBT SECURITIES (13.87%)	**250,196**	**15.14**
£2,500,000	Annington Funding 3.184% European Medium Term Notes 12/7/2029	2,786	0.17
£4,900,000	Assicurazioni Generali 6.269% Guaranteed Perpetual Subordinated Floating Rate Bonds	5,451	0.33
£3,000,000	AT&T 7% Guaranteed Senior European Medium Term Bonds 30/4/2040	5,035	0.31
£8,250,000	Aviva 5.125% European Medium Term Notes 4/6/2050	9,532	0.58
£3,900,000	AXA 5.453% Subordinated Perpetual Floating Rate Notes	4,383	0.27
£2,500,000	Banco Santander 1.75% European Medium Term Notes 17/2/2027	2,475	0.15
£5,600,000	British Telecommunications 3.125% European Medium Term Notes 21/11/2031	6,340	0.38
£6,600,000	Cadent Finance 2.25% European Medium Term Notes 10/10/2035	7,163	0.43
£455,000	Clarion Funding 2.625% European Medium Term Notes 18/1/2029	504	0.03
£3,000,000	Compass 2% European Medium Term Notes 5/9/2025	3,134	0.19
£3,000,000	Coventry Building Society 6.875% Perpetual Bonds	3,058	0.19
£3,000,000	CPUK Finance 3.69% European Medium Term Notes 28/2/2047	3,052	0.18
£2,900,000	Direct Line Insurance 4.75% Perpetual Bonds	2,654	0.16
£4,536,000	Dwr Cymru Financing 2.5% European Medium Term Notes 31/3/2036	5,309	0.32
£6,281,000	Dwr Cymru Financing UK 1.625% European Medium Term Notes 31/3/2026	6,337	0.38
£3,800,000	GlaxoSmithKline Capital 5.25% Guaranteed European Medium Term Bonds 19/12/2033	5,707	0.35
£6,000,000	HSBC 3% Senior Floating Rate Notes 22/7/2028	6,429	0.39
£4,500,000	HSBC 7% Guaranteed Subordinated European Medium Term Bonds 7/4/2038	6,374	0.39
£7,050,000	Legal & General 5.125% Bonds 14/11/2048	7,969	0.48
£6,600,000	Liberty Living Finance 3.375% Bonds 28/11/2029	6,756	0.41
£4,800,000	Logicor 2019-1 UK 1.875% Bonds 17/11/2026	4,908	0.30
£7,500,000	Motability Operations 1.75% European Medium Term Notes 3/7/2029	7,997	0.48
£4,627,000	National Express 2.375% Bonds 20/11/2028	4,493	0.27
£8,000,000	Nationwide Building Society 5.875% Perpetual Bonds	8,100	0.49
£1,785,000	Next 3.625% Bonds 18/5/2028	1,822	0.11
£4,900,000	NGG Finance 5.625% Floating Rate Notes 18/6/2073	5,627	0.34
£455,000	Optivo Finance 2.857% Bonds 7/10/2035	536	0.03
£3,500,000	Orange 8.125% Guaranteed Senior European Medium Term Bonds 20/11/2028	5,402	0.33
£4,100,000	Pension Insurance 5.625% Bonds 20/9/2030	4,844	0.29
£3,000,000	Pension Insurance 8% Bonds 23/11/2026	3,882	0.24
£2,950,000	Phoenix 5.625% Bonds 28/4/2031	3,349	0.20
£5,500,000	Prudential 5.625% Bonds 20/10/2051	6,295	0.38
£1,500,000	Rothesay Life 5.5% Bonds 17/9/2029	1,622	0.10

Sustainable Future Managed Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	STERLING DENOMINATED DEBT SECURITIES (continued)		
£4,000,000	Royal Bank of Scotland 3.125% European Medium Term Notes 28/3/2027	4,280	0.26
£8,500,000	Royal Bank of Scotland 3.622% Bonds 14/8/2030	8,934	0.54
£3,288,000	Severn Trent Utilities Finance 2% European Medium Term Notes 2/6/2040	3,533	0.21
£3,750,000	Severn Trent Water Utilities 6.25% Guaranteed Bonds 7/6/2029	5,394	0.33
£5,800,000	SP Transmission 2% Bonds 13/11/2031	6,252	0.38
£6,477,000	SSE 3.74% Perpetual Bonds	6,663	0.40
£2,700,000	Stagecoach 4% Bonds 29/9/2025	2,706	0.16
£10,360,000	Standard Chartered 5.125% Subordinated European Medium Term Notes 6/6/2034	11,964	0.72
£5,500,000	Telefónica Emisiones 5.375% Guaranteed European Medium Term Bonds 2/2/2026	6,726	0.41
£2,691,000	Tesco Corporate Treasury Services 2.75% Bonds 27/4/2030	2,882	0.17
£2,400,000	Travis Perkins 4.5% Bonds 7/9/2023	2,397	0.15
£8,000,000	Verizon Communications 1.875% Bonds 19/9/2030	8,430	0.51
£5,500,000	Vodafone 5.9% Guaranteed Senior European Medium Term Bonds 26/11/2032	8,135	0.49
£5,000,000	Western Power Distribution 3.5% Bonds 16/10/2026	5,499	0.33
£3,550,000	WM Morrison Supermarkets 4.75% European Medium Term Notes 4/7/2029	4,465	0.27
£2,500,000	Yorkshire Building Society 3.375% European Medium Term Notes 13/9/2028	2,611	0.16
	UNITED STATES DOLLAR DENOMINATED DEBT SECURITIES (2.70%)	**35,324**	**2.15**
$3,000,000	Allianz 5.5% Perpetual	2,303	0.14
$4,000,000	AXA 5.5% Perpetual European Medium Term Notes	3,074	0.19
$7,500,000	BNP Paribas 7.195% Guaranteed Perpetual Subordinated Floating Rate Bonds	6,207	0.38
$5,600,000	Cloverie for Zurich Insurance 5.625% Bonds 24/6/2046	4,899	0.30
$5,100,000	Demeter Investments 5.75% Bonds 15/8/2050	4,269	0.26
$9,250,000	HBOS Capital Funding 6.85% Perpetual Bonds	7,145	0.43
$6,000,000	Lloyds Bank 12% Perpetual Bonds	5,331	0.32
$2,800,000	SCOR 5.25% Perpetual Bonds	2,096	0.13

Sustainable Future Managed Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (78.15%)	**1,297,325**	**78.55**
	AUSTRALIA (1.42%)	**19,001**	**1.15**
128,758	CSL	19,001	1.15
	CANADA (1.01%)	**21,221**	**1.28**
272,184	Waste Connections	21,221	1.28
	CHANNEL ISLANDS; GUERNSEY (0.57%)	**8,110**	**0.49**
6,097,886	Renewables Infrastructure	8,110	0.49
	DENMARK (1.35%)	**19,188**	**1.16**
338,584	Ringkjoebing Landbobank	19,188	1.16
	GERMANY (1.99%)	**38,064**	**2.30**
373,747	Hella Hueck	12,378	0.75
593,956	Infineon Technologies	11,320	0.68
241,671	Puma	14,366	0.87
	IRELAND; REPUBLIC OF (10.78%)	**163,455**	**9.90**
70,692	Kerry class 'A' shares	7,133	0.43
383,310	Kingspan	20,979	1.27
3,000,000	Liontrust GF Sustainable Future European Corporate Bond Fund**	28,324	1.72
9,837,558	Liontrust GF Sustainable Future Global Growth Fund**	91,633	5.55
605,765	Smurfit Kappa	15,386	0.93
	ITALY (1.22%)	**19,329**	**1.17**
472,789	Banca Generali	10,726	0.65
1,329,859	Technogym	8,603	0.52
	JAPAN (3.31%)	**48,154**	**2.92**
125,451	Daikin	16,661	1.01
67,310	Keyence	21,439	1.30
259,823	TechnoPro	10,054	0.61

Sustainable Future Managed Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	NETHERLANDS (1.94%)	**17,424**	**1.05**
1,787	Adyen	2,278	0.14
56,102	ASML	15,146	0.91
	SPAIN (1.37%)	**23,553**	**1.43**
460,981	Cellnex Telecom	22,095	1.34
460,981	Cellnex Telecom 0% rights 8/8/2020	1,458	0.09
	SWEDEN (0.83%)	**13,110**	**0.79**
889,227	Avanza Bank	13,110	0.79
	SWITZERLAND (1.30%)	**19,004**	**1.15**
71,788	Roche Holding	19,004	1.15
	UNITED KINGDOM (20.33%)	**281,532**	**17.05**
1,657,140	3i	14,739	0.89
1,291,605	Abcam	16,558	1.00
837,227	AJ Bell	3,608	0.22
984,735	Compass	10,345	0.63
1,799,775	Countryside Properties	5,101	0.31
2,998,410	Crest Nicholson	5,607	0.34
339,847	Croda International	19,439	1.18
1,818,806	DFS Furniture	2,735	0.17
427,000	Ethical Property*	301	0.02
1,067,140	GB	7,118	0.43
945,661	GlaxoSmithKline	14,467	0.88
1,466,802	Greencoat UK Wind	2,144	0.13
115,894	GW Pharmaceuticals ADR (each representing 12 ordinary share)	11,269	0.68
237,427	Halma	5,171	0.31
714,535	Hargreaves Lansdown	12,497	0.76
3,480,561	Helios Towers	5,430	0.33
300,474	Intertek	16,154	0.98
9,066,276	IP	6,020	0.36
1,332,747	John Laing	3,934	0.24
7,040,429	Legal & General	15,059	0.91

Sustainable Future Managed Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED KINGDOM (continued)		
214,738	London Stock Exchange	18,210	1.10
1,811,758	National Express	2,743	0.17
547,585	Oxford Biomedica	4,474	0.27
2,085,572	Paragon	6,553	0.40
1,607,461	Porvair	8,391	0.51
1,076,283	Prudential	11,898	0.72
4,811,842	SDCL Energy Efficiency Income Trust	5,341	0.32
892,678	Softcat	11,248	0.68
1,200,597	St. James's Place Capital	11,310	0.68
3,001,058	Trainline	12,274	0.74
249,150	Unilever	11,394	0.69
	UNITED STATES OF AMERICA (30.73%)	**606,180**	**36.71**
67,833	Adobe	22,968	1.39
252,803	Alexion Pharmaceuticals	19,725	1.19
26,999	Alphabet class 'A' shares	30,606	1.85
110,386	American Tower class 'A' shares	21,983	1.33
84,300	Ansys	19,940	1.21
137,996	Autodesk	24,846	1.50
288,860	Cadence Design Systems	24,033	1.46
393,795	Charles Schwab	9,943	0.60
114,499	DocuSign	18,905	1.14
156,148	Ecolab	22,255	1.35
111,061	Eli Lilly	12,709	0.77
35,570	Equinix	21,277	1.29
192,225	First Republic Bank	16,469	1.00
64,203	Intuit	14,991	0.91
44,900	Intuitive Surgical	23,449	1.42
301,273	IQVIA	36,357	2.20
167,656	Nasdaq	16,764	1.02
77,027	Palo Alto Networks	15,016	0.91
246,705	PayPal	36,868	2.23
286,375	PerkinElmer	25,939	1.57
83,671	Rockwell Automation	13,906	0.84

Sustainable Future Managed Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED STATES OF AMERICA (continued)		
121,802	Salesforce.com	18,082	1.10
97,487	Splunk	15,570	0.94
1,043,046	TerraForm Power	15,377	0.93
89,873	Thermo Fisher Scientific	28,344	1.72
255,540	Trimble Navigation	8,664	0.52
534,092	Trupanion	20,578	1.25
122,900	VeriSign	19,807	1.20
212,388	Visa	30,809	1.87
	Portfolio of investments	**1,582,845**	**95.84**
	Net other assets	**68,632**	**4.16**
	Total net assets	**1,651,477**	**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.

All investments are in ordinary shares unless otherwise stated.

Comparative figures in brackets show percentages for each category of holding at 31 January 2020.

* Unquoted security.

** Related party investment.

Sustainable Future Managed Fund (continued)

Performance record (unaudited)
as at 31 July 2020

Income record

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

For the six months ending	31 July 2020 per share (p)	31 July 2019 per share (p)
Class 2 Net Income	0.5940	1.1065
Class 3 Net Income	1.1742	1.8470
Class 6 Net Accumulation	0.7623	1.4041
Class 7 Net Accumulation	1.1672	1.7889

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2020			
Class 2 Net Income	212,753,609	367,297	172.64
Class 3 Net Income	408,360,985	942,673	230.84
Class 6 Net Accumulation	153,360,942	340,285	221.88
Class 7 Net Accumulation	536,443	1,222	227.87
31 January 2020			
Class 2 Net Income	174,183,008	285,482	163.90
Class 3 Net Income	397,682,903	871,433	219.13
Class 6 Net Accumulation	98,726,159	207,259	209.93
Class 7 Net Accumulation	1,902,134	4,094	215.24
31 January 2019			
Class 2 Net Income	100,721,355	137,834	136.85
Class 3 Net Income	360,484,066	659,400	182.92
Class 6 Net Accumulation	36,862,906	63,938	173.45
Class 7 Net Accumulation	851,358	1,509	177.19
31 January 2018			
Class 2 Net Income	52,729,110	70,658	134.00
Class 3 Net Income	342,014,376	612,585	179.11
Class 6 Net Accumulation	18,229,194	30,583	167.77
Class 7 Net Accumulation	864,349	1,476	170.79

Sustainable Future Managed Fund (continued)

Statement of Total Return (unaudited)
for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Income				
Net capital gains		85,412		141,458
Revenue	11,855		12,166	
Expenses	(4,467)		(2,873)	
Interest payable and similar charges	(1)		–	
Net revenue before taxation	7,387		9,293	
Taxation	(3,447)		(615)	
Net revenue after taxation		3,940		8,678
Total return before distributions		**89,352**		**150,136**
Distributions		(6,724)		(8,678)
Change in net assets attributable to shareholders from investment activities		**82,628**		**141,458**

Statement of Change in Net Assets Attributable to Shareholders (unaudited)
for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Opening net assets attributable to shareholders		**1,368,268**		**862,681**
Amounts received on issue of shares	211,987		144,030	
Amounts paid on cancellation of shares	(12,581)		(3,111)	
		199,406		140,919
Change in net assets attributable to shareholders from investment activities		82,628		141,458
Retained distribution on accumulation shares		1,175		958
Closing net assets attributable to shareholders		**1,651,477**		**1,146,016**

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

Sustainable Future Managed Fund (continued)

Balance Sheet (unaudited)
as at 31 July 2020

	31.7.2020 (£'000)	31.1.2020 (£'000)
Assets		
Fixed assets		
Investments	1,582,845	1,295,992
Current assets:		
Debtors	25,502	13,294
Cash and bank balances	65,008	65,635
Total assets	**1,673,355**	**1,374,921**
Liabilities		
Creditors:		
Distribution payable	(6,058)	(5,664)
Other creditors	(15,820)	(989)
Total liabilities	**(21,878)**	**(6,653)**
Net assets attributable to shareholders	**1,651,477**	**1,368,268**

Sustainable Future Managed Growth Fund

Report for the period from 1 February 2020 to 31 July 2020

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

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 and for whatever reason, the risk that this would spread to the West was far from most investors' minds.

Six months later, a huge amount has changed as a result of the Covid-19 health crisis, with the global economy essentially put on hold as countries all over the world went into lockdown. The focus now is on the direction of employment and consumer sentiment and this type of black swan event demonstrates how perilous (and we would suggest futile) it is to make short-term predictions on the direction of markets.

Governments and central banks have been unified in their reaction to the crisis with swift and substantial monetary and fiscal stimulus, learning the lessons of 2008. These measures have 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.

Over the second half of July, global equity markets saw renewed weakness as second waves of the virus continue to emerge around the globe. It is clear the fight against this disease is far from over and the delicate balancing act between restarting economies and protecting those most vulnerable is sure to continue until vaccines are commercialised.

The situation is unique and dynamic with no contemporary examples to use a guide. As usual, therefore, it is impossible to predict the nature of economic recovery, whether V, U or even W shaped – although this has not stopped people from trying. Ultimately, we are long-term optimists and believe we will reach a new normal at some point, overcoming this challenge as we have others in the past. But instead of trying to work out when the market will recover, our process focuses on the structural shifts to a more sustainable economy and companies making the world cleaner, healthier and safer.

The impact of Covid-19 on our health, livelihoods and economies does not change our view that companies exposed to these themes will see strong growth in coming years and we would expect many of these areas to accelerate as the world recovers.

Overall, we are pleased with the fund's performance and satisfied with the actions our companies are taking to navigate these difficult times. We would caution against extrapolation however; our best explanation is that this crisis has resulted in an acceleration of how we think the world is likely to evolve, and as our fund was positioned to benefit from such changes, we have benefitted. Periods of market volatility can also allow us to increase positions in high-quality companies with strong prospects and we therefore remain confident the portfolio is well set for the long-term.

Fund review

The SF Managed Growth fund returned 12.3% over the six months under review, outperforming the IA Flexible Investment sector average of -3.4%*.

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, which meant we avoided having to make any call on market bottom. At the end of July, we were moderately overweight equities and underweight cash.

It is ultimately impossible to know what impact the pandemic will have on sustainable issues: on the one hand, we would hope the current 'uniting against a common enemy' trend could be directed against climate change in the future; on the other, we may find governments have used much of their firepower fighting economic slowdown to be spending money on sustainable projects for some time to come. Our base case, however, remains that sustainable companies have better growth prospects and are more resilient than businesses not prioritising ESG – and these advantages remain underappreciated by the wider market.

Across the portfolios, we continue to concentrate on where we have expertise and confidence in our predictions, namely the 20 sustainable themes that identify companies set to benefit making our world cleaner, healthier and safer.

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Fund review (continued)

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? In the majority of cases, we remain confident in the long-term prospects across the portfolio.

It is important to note crises often accelerate changes that have already been in action for years and this is happening across many of our themes. Paypal was the strongest holding over the period, with digital payments (under our *Increasing financial resilience* theme) a good example of this kind of thematic step change.

PayPal continued to post revenue growth in March and April and announced 10m new active accounts in Q1 and a further 7.4m in April alone (the latter represents around 250,000 new customers a day, 135% more than in April 2019). The stock sold off in March and we took the opportunity to add to our holding. PayPal comfortably beat expectations for Q2 earnings season, posting sales growth of 25% and adjusted EPS growth of 49%.

Our thesis is largely based around engagement and what we look at is the number of new customers that sign up and how frequently they use PayPal when making a purchase (transactions per active account). The reason we focus on these metrics is that PayPal, like most payment companies, has very high incremental margins; simplistically, the more payment volumes PayPal processes, the more cash is generated for the company and its shareholders. To bring it back to our theme of making digital payments safer and easier, CEO Dan Schulman said on the Q2 call that, on average, merchants who offer PayPal as an option experience a 60% increase in purchase conversion. The fact people trust PayPal to process and store their details safely is what makes this company so well positioned for continued growth.

We see PayPal as a huge beneficiary of the shift to an online economy and our understanding is that e-commerce penetration rates have been brought forward in the region of three to five years by the pandemic. For reference, we had pencilled in free cash flow of $3.5bn for 2020 at our last price target review in October 2019; it now looks like Paypal will deliver something closer to $5bn.

DocuSign also remains among the top performers, with the share price more than doubling over the first half of 2020. DocuSign has created a unique product, which 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. Traditional paper-based signatures cost $37 per document on average and take around two weeks, whereas DocuSign's product costs between $1 and $2 and 83% of documents are signed within 24 hours, and 50% within 15 minutes.

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.

Elsewhere, familiar names such as Autodesk, Adobe and Cadence Design Systems again feature among our top contributors and our *Connecting people* theme is another that continues to accelerate as millions of people work from home, with solid performance from holdings such as Cellnex Telecom.

We continue to be proud of the work many of our healthcare companies are doing in the fight against Covid-19, across the spheres of therapies, testing and vaccines. In the second category, US firm IQVIA has come back strongly despite being one of the worst hit in March as the shares fell close to 45%. Again, we reviewed the stock during this period and felt that our thesis remains intact despite the potential interruption of medical trials from lockdowns. We added to this position at the end of March and in results announced in May, the company said it has shifted trials to a virtual model and subsequently seen no cancellation of contracts whatsoever.

Another strong contribution came from the smallest investment in the 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.

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Fund review (continued)

Another strong contribution came from the smallest investment in the 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. The company takes pride in paying out on claims and targets a 70% payout ratio. The idea is that by being a digital-native business, it has cost advantages to pass onto customers, thereby increasing the moat around the business. Our theme is about providing financial resilience to individuals and covering them against unexpected shocks that would cause financial distress. Trupanion does exactly this in a manner we think is not only responsible but provides the business with advantages that are very difficult for competitors to replicate.

In terms of weaker performers, Compass has continued to struggle as would be expected of the world's largest catering business in a period of global lockdown. We like this business under our *Leading ESG management* theme, with best-in-class sustainability in terms of reducing food waste helping the company improve operating margins versus peers.

A large part of its revenues come from feeding people at work or at live events, however, and due to the current situation, these have been extremely challenged. Having spoken to Compass and done our own analysis, we believe 30-50% of the company is resilient to the crisis and considering the strong balance sheet, it should be able to manage its way through. We therefore decided to take part in the share placing in May at £10.50 in order to shore up the balance sheet and position the business to come out of the crisis in a stronger position.

In normal times, Compass generates a return on invested capital of 20% and solid earnings growth of 8-10%, so we are happy continuing to hold the stock and expect it to generate strong returns in the coming years.

We see a similar story with holdings such as Italian fitness equipment manufacturer Technogym, which is also among our weaker names over the period. Technogym is a leader in the global fitness equipment market with a 6% global market share and the number-one brand in Europe, as the company in the sector to provide a full solution from fitness equipment to gym management. The business has excellent fundamentals, with 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.

With widespread gym closures, the shares have obviously taken a hit. Several of Technogym's customers will be cutting back or postponing their planned capital expenditure but this repair and replacement cannot be postponed indefinitely due to the wear and tear on equipment as gyms reopen. On a longer-term view, we think the structural shift towards health and fitness will not be diminished by the crisis and this high-quality cyclical will provide the portfolio with some ballast in a recovering economy, whenever that occurs.

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.

Over the first quarter, we exited our position in Svenska Handelsbank. This was approaching our long-term price target and had performed relatively well during the crisis, falling 25%. Our calculation suggested that even after the decline, and its cut to earnings, the upside to our long-term valuation target was relatively limited.

Elsewhere, we initiated a position in Ansys, 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 meet our valuation criteria at that time. After falling over 40% from its highs in February, the stock did meet our target, even after adjusting for the lower revenues due to the current crisis.

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Fund review (continued)

Buying and selling a company within a couple of months is unusual for our team but this happened with Alphabet over the first quarter of 2020. Shares were hit hard in the selloff, down 30% peak to trough, and we felt a large part of this was due to the fact the company earns a substantial portion of revenues from the travel industry. The business has over $100bn in net cash and equivalents on the balance sheet, however, meaning it is extremely well placed to withstand any economic malaise. As such, the shares were trading at a seven-year low despite Alphabet being more ingrained and useful to individuals and businesses than ever before. We had previously taken profits in early February as we had identified better risk/reward for our capital elsewhere but felt the compelling opportunity could not be ignored.

Over the second half of the period, we sold Japanese bike parts manufacturer Shimano, which was close to our price target and we also have concerns about cycle sales over the next few months. We added Intuitive Surgical, a global leader in robotic-assisted surgery, which helps reduce errors and therefore costs for hospitals. Intuitive Surgical delivered strong results in July, with procedures already back to 95% of pre-Covid levels. Our thesis had always been that the procedures at which Intuitive Surgical's robots excel cannot be delayed too long and this has proved to be the case.

*Source: FE Analytics, primary share class, total return, net of fees and income reinvested, 31.01.20-31.07.20.

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.

Material portfolio changes by value

Purchases	Sales
VeriSign	Roper Industries
Intuitive Surgical	St. James's Place Capital
Ansys	InterXion
Visa	DocuSign
Avanza Bank	Svenska Handelsbanken series 'A' shares
Alphabet class 'A' shares	Shimano
Compass	Alphabet class 'A' shares
Keyence	CSL
Waste Connections	Autodesk
CSL	Cellnex Telecom

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 set by the European Commission. 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 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 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 on page 3) or online at www.liontrust.co.uk.

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement (unaudited)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	AUSTRALIA (2.39%)	**8,001**	**1.86**
54,219	CSL	8,001	1.86
	CANADA (1.43%)	**9,730**	**2.26**
124,800	Waste Connections	9,730	2.26
	DENMARK (1.64%)	**5,804**	**1.35**
102,408	Ringkjoebing Landbobank	5,804	1.35
	GERMANY (3.97%)	**19,077**	**4.44**
173,809	Hella	5,756	1.34
286,711	Infineon Technologies	5,465	1.27
132,164	Puma	7,856	1.83
	IRELAND; REPUBLIC OF (4.22%)	**16,349**	**3.81**
81,330	Kerry class 'A' shares	8,207	1.91
148,751	Kingspan	8,142	1.90
	ITALY (2.29%)	**8,861**	**2.06**
200,940	Banca Generali	4,559	1.06
665,074	Technogym	4,302	1.00
	JAPAN (6.84%)	**21,402**	**4.98**
58,700	Daikin	7,796	1.82
26,900	Keyence	8,568	1.99
130,200	TechnoPro	5,038	1.17
	NETHERLANDS (3.13%)	**8,354**	**1.94**
769	Adyen	980	0.23
27,314	ASML	7,374	1.71
	SPAIN (2.90%)	**10,117**	**2.36**
198,010	Cellnex Telecom	9,491	2.21
198,010	Cellnex Telecom 0% rights 8/8/2020	626	0.15

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	SWEDEN (1.50%)	**6,805**	**1.58**
461,599	Avanza Bank	6,805	1.58
	SWITZERLAND (1.90%)	**6,915**	**1.61**
26,121	Roche	6,915	1.61
	UNITED KINGDOM (5.66%)	**17,583**	**4.09**
435,105	Abcam	5,578	1.30
626,652	Compass	6,583	1.53
490,413	Prudential	5,422	1.26
	UNITED STATES OF AMERICA (52.49%)	**255,889**	**59.55**
34,200	Adobe Systems	11,580	2.69
109,300	Alexion Pharmaceuticals	8,528	1.98
10,800	Alphabet class 'A' shares	12,243	2.85
37,900	American Tower class 'A' shares	7,548	1.76
40,800	Ansys	9,651	2.25
60,200	Autodesk	10,839	2.52
116,700	Cadence Design Systems	9,709	2.26
192,506	Charles Schwab	4,861	1.13
56,500	DocuSign	9,329	2.17
58,455	Ecolab	8,331	1.94
47,900	Eli Lilly	5,481	1.28
15,420	Equinix	9,224	2.15
87,103	First Republic Bank	7,463	1.74
29,100	Intuit	6,794	1.58
20,600	Intuitive Surgical	10,758	2.50
93,500	IQVIA	11,283	2.63
62,936	Nasdaq	6,293	1.46
34,000	Palo Alto Networks	6,628	1.54
106,700	PayPal	15,945	3.71
89,717	PerkinElmer	8,126	1.89
35,500	Rockwell Automation	5,900	1.37
57,372	Salesforce.com	8,517	1.98
43,300	Splunk	6,916	1.61

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED STATES OF AMERICA (continued)		
357,600	TerraForm Power	5,272	1.23
40,270	Thermo Fisher Scientific	12,701	2.96
122,700	Trimble Navigation	4,160	0.97
222,100	Trupanion	8,557	1.99
60,300	VeriSign	9,718	2.26
93,300	Visa	13,534	3.15
	Portfolio of investments	**394,887**	**91.89**
	Net other assets	**34,839**	**8.11**
	Total net assets	**429,726**	**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.

All investments are in ordinary shares unless otherwise stated.

Comparative figures in brackets show percentages for each category of holding at 31 January 2020.

Sustainable Future Managed Growth Fund (continued)

Performance record (unaudited)
as at 31 July 2020

Income record

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

For the six months ending	31 July 2020 per share (p)	31 July 2019 per share (p)
Class 2 Net Accumulation	–	0.4777
Class 3 Net Accumulation	0.4161	1.2945

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2020			
Class 2 Net Accumulation	103,675,472	241,453	232.89
Class 3 Net Accumulation	56,580,180	188,273	332.75
31 January 2020			
Class 2 Net Accumulation	75,908,026	155,721	205.14
Class 3 Net Accumulation	53,882,200	157,571	292.44
31 January 2019			
Class 2 Net Accumulation	35,839,454	60,070	167.61
Class 3 Net Accumulation	51,949,363	123,532	237.79
31 January 2018			
Class 2 Net Accumulation	26,042,986	41,415	159.02
Class 3 Net Accumulation	51,511,180	115,707	224.63

Sustainable Future Managed Growth Fund (continued)

Statement of Total Return (unaudited)
for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Income				
Net capital gains		47,268		33,587
Revenue	1,446		1,682	
Expenses	(1,217)		(689)	
Interest payable and similar charges	(2)		–	
Net revenue before taxation	227		993	
Taxation	(202)		(130)	
Net revenue after taxation		25		863
Total return before distributions		**47,293**		**34,450**
Distributions		(214)		(863)
Change in net assets attributable to shareholders from investment activities		**47,079**		**33,587**

Statement of Change in Net Assets Attributable to Shareholders (unaudited)
for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Opening net assets attributable to shareholders		**313,292**		**183,602**
Amounts received on issue of shares	73,687		47,062	
Amounts paid on cancellation of shares	(4,567)		(5,358)	
		69,120		41,704
Change in net assets attributable to shareholders from investment activities		47,079		33,587
Retained distribution on accumulation shares		235		953
Closing net assets attributable to shareholders		**429,726**		**259,846**

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

Sustainable Future Managed Growth Fund (continued)

Balance Sheet (unaudited)
as at 31 July 2020

	31.7.2020 (£'000)	31.1.2020 (£'000)
Assets		
Fixed assets		
Investments	394,887	283,086
Current assets:		
Debtors	7,001	2,847
Cash and bank balances	31,412	27,537
Total assets	**433,300**	**313,470**
Liabilities		
Creditors:		
Other creditors	(3,574)	(178)
Total liabilities	**(3,574)**	**(178)**
Net assets attributable to shareholders	**429,726**	**313,292**

Sustainable Future UK Growth Fund

Report for the period from 1 February 2020 to 31 July 2020

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

Market review

The MSCI UK Index returned -18.8%* over the six months under review, with all subsectors apart from materials in negative territory (and that one only barely in the black). Highlighting why the UK has been hit harder than many other markets, energy was the worst-performing sector, down more than 40%.

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.

At the end of July, a huge amount has changed as a result of the Covid-19 health crisis, with the global economy essentially put on hold for a period as countries all over the world went into lockdown and economies struggling to cope with the fallout. The focus now is on the direction of employment and consumer sentiment but for us, this type of black swan event demonstrates how perilous (and we would suggest futile) it is to make short-term market predictions.

After a very difficult March as the ramifications of Covid-19 became clear, the second half of the review period saw markets retrace some of their losses, with stimulus effort from central banks and governments seen as sufficient to avert a financial crisis.

As we have stressed, however, we see little value in economic guesswork, and across our portfolios, we concentrate on where we have confidence in our predictions, namely our 20 sustainable themes.

As we look forward, we expect the adaptations we have made to our interactions will allow for some economic recovery until the advent of a vaccine. There will be volatility ahead and risk of a second wave, but we believe the structural trends of our themes will continue to support the growth of the companies in the portfolio while delivering a cleaner, healthier and safer future. Our base case remains that sustainable businesses have better growth prospects and are more resilient than those not prioritising ESG – and these advantages remain underappreciated by the wider market.

From a sustainable standpoint, June also saw two remarkable events linked to climate change, BP writing down £17bn of oil reserves due to the likelihood demand will fall over the coming decades, and the fact it has been two months without coal being burnt in the UK for electricity generation. Just 10 years ago, coal was around 25% of electricity production.

Our UK portfolios are well aligned with this de-carbonisation of our energy system, holding large operating renewable energy generators such as Greencoat Wind and The Renewable Infrastructure Group, as well as small local wind energy company Thrive Renewables. We are also invested in companies that avoid the need to consume electricity in the first place (so-called negawatts) such as SDCL Energy Efficiency Investment Trust, which provides capital to invest in technology designed to reduce energy consumption, and long-term holding (and perennial contributor to returns) Kingspan, which provides thermal insulation to buildings.

Fund review

The Sustainable Future UK Growth Fund returned -11.6% over the six months under review, outperforming the IA UK All Companies peer group average of -17.6% and the MSCI UK Index's -18.8%*.

With the UK hit particularly 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 the review period as the worst-performing areas rallied hardest.

There is a long way to go but the path to more normal levels of business is looking clearer as economies slowly move out of lockdown. We spent a long time revisiting our positions in the wake of the outbreak, and the fact we have 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 Group 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.

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Fund review (continued)

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.

Oxford BioMedica was our strongest contributor over the period, boosted by a share placing and promotion to the FTSE 250 in June. 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 Pharma, to vaccine development by GlaxoSmithKline and Oxford BioMedica, we have seen our companies demonstrating how to do well financially by doing good for the world.

Over the period, GW Pharmaceuticals also saw strong share price growth as its cannabinoid Epidiolex drug was reclassified as Schedule 5 in the UK, reducing costs and ensuring the medicine can be dispensed more easily.

Long-term holding Kingspan was also among our strongest performers over the six months: the company produces thermal insulation for buildings but its leading position has enabled it to grow revenues annually by an average of over 15% over the last 25 years. The company has also outlined a major 10-year strategy to reduce carbon emissions by 2030: its Planet Passionate strategy is made up of 12 targets, addressing the impact of Kingspan's business operations and manufacturing on the four key areas of energy, carbon, circularity and water. On energy for example, the target is to power 60% of all Kingspan operations directly from renewable sources, with a minimum of 20% of this generated on manufacturing sites (up from around 6% today).

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, also 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 owns and operates telecom towers in rapidly urbanising parts of Africa, and after buying the stock at IPO last October, we have already increased the position.

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. Since we first bought the stock in 2016, its share price has tripled and we continue to see huge growth prospects – this is one of several holdings we topped up amid Covid volatility.

Other contributors over the period included chemical company Croda International and Ceres Power, a technology business developing fuel cells for transport. Amid a challenging Q2 reporting season, both were able to post solid performance.

Despite a modest reduction in sales over the first half of 2020, Croda reported resilient margins and a strong balance sheet, while Ceres indicated revenue and other operating income for the 12 months to 30 June 2020 would be around 20-25% more than the prior period. The latter's CEO Phil Caldwell said the pandemic has only intensified the urgency for climate action and Ceres 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.

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. Highlighting its resilience amid recent upheavals, Hargreaves reported $4bn of net new business in the first four months of 2020 and 94,000 new clients joining the firm.

In terms of recent portfolio activity, we added Oxford Instruments, a provider of high technology products, systems and tools to the world's leading industrial companies and scientific research communities, as well as Avast, another position exposed to cyber security demand. Avast is consistently rated as one of the best anti-virus and privacy protection services and we believe it will continue to grow.

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Fund review (continued)

A number of our holdings also sought additional capital over the review period as they look to get through the next few months and we feel this offers an opportunity to both stand by, and increase our position in, favoured companies for the long term such as The Gym Group, DFS Furniture, and National Express (all of which, as would be expected from their respective businesses, remain among the weaker names over six months).

High-quality furniture seller DFS Furniture continues to do well in terms of online sales and has a track record of growth during difficult periods, increasing its market share from 18% to around 25% in 2008/09. It has subsequently grown market share to 35% and we feel this is one of several consumer holdings that can emerge from Covid-19 stronger despite a severe decline in revenues – and this underlying belief in our thesis gave us the confidence to participate in the capital raising.

With National Express, we note the company's coaches returning to the roads in July after a three-month hiatus. National Express raised £240m in additional capital to reduce debt on its balance sheet and we participated as we see safe, efficient mass transport as the only way to reduce congestion and emissions in our cities. The company has committed to never buying another diesel bus in the UK, pledging to invest in battery and hydrogen over the coming years and potentially linking up with Ceres Power.

Among other weaker stocks, Compass has continued to struggle, as would be expected of the world's largest catering business in a period of global lockdown. We like this business under our *Leading ESG management* theme, with best-in-class sustainability in terms of reducing food waste helping the company improve operating margins versus peers.

A large part of its revenues come from feeding people at work or at live events, however, and due to the current situation, these have been extremely challenged. Having spoken to Compass and done our own analysis, we believe 30-50% of the company is resilient to the crisis and considering the strong balance sheet, it should be able to manage its way through. In normal times, this is a business that generates a return on invested capital of 20% and earnings growth of 8-10%, so we are happy continuing to hold the stock and expect it to generate strong returns in the coming years.

Our housebuilder names such as Crest Nicholson and Countryside Properties, as well as The Gym Group, also remain among the weaker contributors, with short-term results worse than expected – but as stated, we remain confident in these longer-term.

* Source: FE Analytics, primary share class, total return, net of fees and income reinvested, 31.01.20-31.07.20.

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Material portfolio changes by value

Purchases	Sales
National Express	Kingspan
Oxford Instruments	Legal & General
Compass	Unilever
Countryside Properties	Intertek
Avast	Compass
Syncona	Hargreaves Lansdown
Softcat	Cineworld
Intertek	Kerry class 'A' shares
Hargreaves Lansdown	Prudential
Unilever	Smurfit Kappa

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 Fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Sub-Fund's risk and reward category has been calculated using the methodology set by the European Commission. It is based upon the rate by which the Fund or a representative fund or index's value has moved up and down in the past.
- The Sub-Fund is categorised 5 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 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.

For full details of the Sub-fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 3) or online at www.liontrust.co.uk.

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (unaudited)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	CHANNEL ISLANDS; GUERNSEY (2.49%)		
	Financial Services (2.49%)	**20,967**	**3.60**
2,275,469	Renewables Infrastructure	3,026	0.52
7,553,935	Syncona	17,941	3.08
	CHANNEL ISLANDS; JERSEY (0.09%)		
	Financial Services (0.09%)	**295**	**0.05**
1,283,051	Trufin	295	0.05
	IRELAND; REPUBLIC OF (10.81%)	**56,858**	**9.78**
	Containers & Packaging (4.07%)	**20,675**	**3.55**
813,964	Smurfit Kappa	20,675	3.55
	Construction & Materials (4.61%)	**25,393**	**4.37**
463,941	Kingspan	25,393	4.37
	Food Producers (2.13%)	**10,790**	**1.86**
106,934	Kerry class 'A' shares	10,790	1.86
	UNITED KINGDOM (83.17%)	**494,847**	**85.09**
	Chemicals (2.99%)	**24,011**	**4.13**
419,781	Croda International	24,011	4.13
	Electricity (0.74%)	**7,676**	**1.32**
1,734,590	Ceres Power	7,676	1.32
	Electronic & Electrical Equipment (1.26%)	**22,888**	**3.94**
523,319	Halma	11,398	1.96
853,661	Oxford Instruments	11,490	1.98

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED KINGDOM (continued)		
	Equity Investment Instruments (1.84%)	**9,584**	**1.65**
3,023,525	Greencoat UK Wind	4,420	0.76
7,210,777	US Solar Fund	5,164	0.89
	Financial Services (20.47%)	**121,343**	**20.86**
1,745,858	3i	15,528	2.67
3,830,632	AJ Bell	16,510	2.84
610,170	Capital for Colleagues	198	0.03
3,337,250	Distribution Finance Capital	1,268	0.22
954,123	Hargreaves Lansdown	16,688	2.87
11,575,002	IP	7,686	1.32
4,466,779	John Laing	13,186	2.27
279,584	London Stock Exchange	23,709	4.07
770,239	Mortgage Advice Bureau	4,467	0.77
2,926,003	Paragon	9,193	1.58
11,630,307	SDCL Energy Efficiency Income Trust	12,910	2.22
	Food Producers (2.81%)	**17,483**	**3.01**
382,314	Unilever	17,483	3.01
	General Retailers (3.69%)	**22,142**	**3.81**
6,043,283	DFS Furniture	9,089	1.56
3,191,370	Trainline	13,053	2.25
	Household Goods & Home Construction (5.02%)	**19,173**	**3.30**
5,143,780	Countryside Properties	14,577	2.51
2,457,549	Crest Nicholson	4,596	0.79
	Industrial Engineering (2.37%)	**8,911**	**1.53**
1,707,180	Porvair	8,911	1.53

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED KINGDOM (continued)		
	Life Insurance (9.36%)	**39,919**	**6.86**
5,066,361	Legal & General	10,837	1.86
1,540,776	Prudential	17,033	2.93
1,279,040	St. James's Place Capital	12,049	2.07
	Mobile Telecommunications (1.97%)	**13,450**	**2.31**
8,621,958	Helios Towers	13,450	2.31
	Non-Life Insurance (0.17%)	**1,201**	**0.21**
684,066	Thrive Renewables*	1,201	0.21
	Pharmaceuticals & Biotechnology (10.46%)	**65,828**	**11.32**
1,279,123	Abcam	16,398	2.82
1,253,407	GlaxoSmithKline	19,175	3.30
134,314	GW Pharmaceuticals ADR (each representing 12 ordinary share)	13,060	2.24
2,104,669	Oxford Biomedica	17,195	2.96
	Real Estate Investment & Services (0.06%)	**269**	**0.05**
382,000	Ethical Property*	269	0.05
	Real Estate Investment Trusts (1.13%)	**7,570**	**1.30**
10,313,618	PRS REIT†	7,570	1.30
	Software & Computer Services (4.73%)	**45,050**	**7.74**
1,592,256	Avast	9,148	1.57
1,860,520	GB	12,410	2.13
1,864,435	Softcat	23,492	4.04
	Support Services (6.58%)	**38,556**	**6.63**
322,749	Intertek	17,351	2.98
11,126,721	Learning Technologies	14,787	2.54
1,036,843	Smart Metering Systems	6,418	1.11

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED KINGDOM (continued)		
	Travel & Leisure (7.52%)	**29,793**	**5.12**
1,406,151	Compass	14,772	2.54
5,476,972	Gym	7,295	1.25
5,102,913	National Express	7,726	1.33
	Portfolio of investments	**572,967**	**98.52**
	Net other assets	**8,624**	**1.48**
	Total net assets	**581,591**	**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.

All investments are in ordinary shares unless otherwise stated.

Comparative figures in brackets show percentages for each category of holding at 31 January 2020.

† Real Estate Investment Trust (REIT).

* Unquoted securities.

Sustainable Future UK Growth Fund (continued)

Performance record (unaudited)
as at 31 July 2020

Income record

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

For the six months ending	31 July 2020 per share (p)	31 July 2019 per share (p)
Class 2 Net Accumulation	0.9127	2.3698
Class 3 Net Accumulation	1.9670	4.0930
Class M Accumulation*	0.4389	–
Class M Income*	0.4419	–

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2020			
Class 2 Net Accumulation	157,161,275	336,786	214.29
Class 3 Net Accumulation	77,719,471	239,383	308.01
Class M Accumulation*	10,000	9	86.09
Class M Income*	6,319,716	5,413	85.65
31 January 2020			
Class 2 Net Accumulation	123,737,138	301,469	243.64
Class 3 Net Accumulation	75,976,487	265,491	349.44
31 January 2019			
Class 2 Net Accumulation	77,881,435	153,296	196.83
Class 3 Net Accumulation	71,589,441	201,186	281.03
31 January 2018			
Class 2 Net Accumulation	62,677,806	127,636	203.64
Class 3 Net Accumulation	63,593,410	184,085	289.47

* Share classes launched on 11 February 2020

Sustainable Future UK Growth Fund (continued)

Statement of Total Return (unaudited)
for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Income				
Net capital (losses)/gains		(70,507)		55,605
Revenue	4,677		6,299	
Expenses	(1,869)		(1,328)	
Interest payable and similar charges	(1)		–	
Net revenue before taxation	2,807		4,971	
Taxation	–		–	
Net revenue after taxation		2,807		4,971
Total return before distributions		**(67,700)**		**60,576**
Distributions		(2,807)		(4,971)
Change in net assets attributable to shareholders from investment activities		**(70,507)**		**55,605**

Statement of Change in Net Assets Attributable to Shareholders (unaudited)
for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Opening net assets attributable to shareholders		**566,960**		**354,482**
Amounts received on issue of shares	98,921		49,023	
Amounts paid on cancellation of shares	(16,746)		(3,872)	
		82,175		45,151
Change in net assets attributable to shareholders from investment activities		(70,507)		55,605
Retained distribution on accumulation shares		2,963		5,285
Closing net assets attributable to shareholders		**581,591**		**460,523**

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

Sustainable Future UK Growth Fund (continued)

Balance Sheet (unaudited)
as at 31 July 2020

	31.7.2020 (£'000)	31.1.2020 (£'000)
Assets		
Fixed assets		
Investments	572,967	547,436
Current assets:		
Debtors	1,871	5,515
Cash and bank balances	7,421	16,586
Total assets	**582,259**	**569,537**
Liabilities		
Creditors:		
Distribution payable	(28)	–
Other creditors	(640)	(2,577)
Total liabilities	**(668)**	**(2,577)**
Net assets attributable to shareholders	**581,591**	**566,960**

UK Ethical Fund

Report for the period from 1 February 2020 to 31 July 2020

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.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.

UK Ethical Fund (continued)

Investment review

Market review

The MSCI UK Index returned -18.8%* over the six months under review, with all subsectors apart from materials in negative territory (and that one only barely in the black). Highlighting why the UK has been hit harder than many other markets, energy was the worst-performing sector, down more than 40%.

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.

At the end of July, a huge amount has changed as a result of the Covid-19 health crisis, with the global economy essentially put on hold for a period as countries all over the world went into lockdown and economies struggling to cope with the fallout. The focus now is on the direction of employment and consumer sentiment but for us, this type of black swan event demonstrates how perilous (and we would suggest futile) it is to make short-term market predictions.

After a very difficult March as the ramifications of Covid-19 became clear, the second half of the review period saw markets retrace some of their losses, with stimulus effort from central banks and governments seen as sufficient to avert a financial crisis.

As we have stressed, however, we see little value in economic guesswork, and across our portfolios, we concentrate on where we have confidence in our predictions, namely our 20 sustainable themes.

As we look forward, we expect the adaptations we have made to our interactions will allow for some economic recovery until the advent of a vaccine. There will be volatility ahead and risk of a second wave, but we believe the structural trends of our themes will continue to support the growth of the companies in the portfolio while delivering a cleaner, healthier and safer future. Our base case remains that sustainable businesses have better growth prospects and are more resilient than those not prioritising ESG – and these advantages remain underappreciated by the wider market.

From a sustainable standpoint, June also saw two remarkable events linked to climate change, BP writing down £17bn of oil reserves due to the likelihood demand will fall over the coming decades, and the fact it has been two months without coal being burnt in the UK for electricity generation. Just 10 years ago, coal was around 25% of electricity production.

Our UK portfolios are well aligned with this de-carbonisation of our energy system, holding large operating renewable energy generators such as Greencoat Wind and The Renewable Infrastructure Group, as well as small local wind energy company Thrive Renewables. We are also invested in companies that avoid the need to consume electricity in the first place (so-called negawatts) such as SDCL Energy Efficiency Investment Trust, which provides capital to invest in technology designed to reduce energy consumption, and long-term holding (and perennial contributor to returns) Kingspan, which provides thermal insulation to buildings.

Fund review

The UK Ethical Fund returned -16.3% over the six months under review, outperforming the IA UK All Companies peer group average of -17.6% and the MSCI UK Index's -18.8%*.

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 the period as the worst-performing areas rallied hardest.

There is a long way to go but the path to more normal levels of business is looking clearer as economies slowly move out of lockdown. We spent a long time revisiting our positions in the wake of the outbreak, and the fact we have 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 Group 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.

UK Ethical Fund (continued)

Investment review (continued)

Fund review (continued)

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.

With our favoured healthcare names excluded from this portfolio (due to stricter constraints on animal testing), long-term holding Kingspan was our strongest performer over the six months. The company produces thermal insulation for buildings but its leading position has enabled it to grow revenues annually by an average of over 15% over the last 25 years.

Kingspan has also outlined a major 10-year strategy to reduce carbon emissions by 2030: its Planet Passionate strategy is made up of 12 targets, addressing the impact of business operations and manufacturing on the four key areas of energy, carbon, circularity and water. On energy for example, the target is to power 60% of all operations directly from renewable sources, with a minimum of 20% of this generated on manufacturing sites (up from around 6% today).

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, also among the strongest performers over the period.

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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. Since we first bought the stock in 2016, its share price has tripled and we continue to see huge growth prospects – this is one of several holdings we topped up amid Covid volatility.

Other contributors over the period included Ceres Power, a technology business developing fuel cells for transport, which was able to post solid results amid a challenging Q2 earnings season. Ceres indicated revenue and other operating income for the 12 months to 30 June 2020 would be around 20-25% more than the prior period. CEO Phil Caldwell said the pandemic has only intensified the urgency for climate action and Ceres 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.

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UK Ethical Fund (continued)

Investment review (continued)

Fund review (continued)

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* Source: FE Analytics, primary share class, total return, net of fees and income reinvested, 31.01.20-31.07.20.

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Material portfolio changes by value

Purchases	Sales
Oxford Instruments	Pennon
Hargreaves Lansdown	London Stock Exchange
Countryside Properties	Intertek
Compass	Hargreaves Lansdown
Avast	Kingspan
John Laing	Legal & General
London Stock Exchange	Compass
Helios Towers	Cineworld
National Express	Prudential
Intertek	John Laing

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 set by the European Commission. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund is categorised 5 primarily because of its exposure to 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 3) or online at www.liontrust.co.uk.

UK Ethical Fund (continued)

Portfolio Statement (unaudited)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	CHANNEL ISLANDS; GUERNSEY (1.59%)	**9,219**	**1.60**
	Equity Investment Instruments (1.59%)	**9,219**	**1.60**
6,931,313	Renewables Infrastructure	9,219	1.60
	CHANNEL ISLANDS; JERSEY (0.10%)	**381**	**0.07**
	Financial Services (0.10%)	**381**	**0.07**
1,655,472	Trufin	381	0.07
	IRELAND; REPUBLIC OF (9.01%)	**56,683**	**9.83**
	Construction & Materials (9.01%)	**56,683**	**9.83**
588,036	Kingspan	32,184	5.58
964,541	Smurfit Kappa	24,499	4.25
	UNITED KINGDOM (85.57%)	**509,174**	**88.27**
	Chemicals (2.15%)	**13,709**	**2.38**
2,646,533	Treatt	13,709	2.38
	Consumer Services (4.17%)	**19,579**	**3.39**
1,863,746	Compass	19,579	3.39
	Electronic & Electrical Equipment (1.24%)	**26,861**	**4.66**
670,264	Halma	14,598	2.53
911,060	Oxford Instruments	12,263	2.13
	Equity Investment Instruments (2.43%)	**15,892**	**2.75**
7,074,692	Greencoat UK Wind	10,343	1.79
7,747,508	US Solar Fund	5,549	0.96

UK Ethical Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	Financials (21.33%)	**137,754**	**23.88**
5,335,068	AJ Bell	22,994	3.99
915,253	Capital for Colleagues	297	0.05
4,237,259	Distribution Finance Capital	1,610	0.28
1,527,416	Hargreaves Lansdown	26,715	4.63
6,290,086	John Laing	18,568	3.22
339,842	London Stock Exchange	28,819	5.00
1,129,645	Mortgage Advice Bureau	6,552	1.13
5,164,914	Paragon	16,228	2.81
14,388,377	SDCL Energy Efficiency Income Trust	15,971	2.77
	Gas, Water & Multiutilities (4.71%)	**21,348**	**3.70**
2,500,175	Ceres Power	11,063	1.92
1,142,760	National Grid	10,285	1.78
	General Retailers (2.75%)	**12,295**	**2.13**
8,175,088	DFS Furniture	12,295	2.13
	Household Goods & Home Construction (6.01%)	**25,064**	**4.34**
6,439,600	Countryside Properties	18,250	3.16
3,643,857	Crest Nicholson	6,814	1.18
	Life Insurance (11.53%)	**60,922**	**10.56**
10,515,208	Legal & General	22,492	3.90
1,980,968	Prudential	21,900	3.80
1,754,822	St. James's Place Capital	16,530	2.86
	Mobile Telecommunications (1.96%)	**22,528**	**3.91**
14,441,145	Helios Towers	22,528	3.91
	Non-life Insurance (0.25%)	**1,922**	**0.33**
1,095,006	Thrive Renewables*	1,922	0.33

UK Ethical Fund (continued)

Portfolio Statement (unaudited) (continued)
as at 31 July 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	Real Estate Investment & Services (1.49%)	**8,635**	**1.50**
788,000	Ethical Property*	556	0.10
11,007,096	PRS REIT†	8,079	1.40
	Software & Computer Services (5.44%)	**50,216**	**8.71**
1,629,638	Avast	9,362	1.63
2,172,475	GB	14,490	2.51
2,092,414	Softcat	26,364	4.57
	Support Services (8.24%)	**52,017**	**9.02**
387,293	Intertek	20,821	3.61
16,383,592	Learning Technologies	21,774	3.78
1,522,084	Smart Metering Systems	9,422	1.63
	Travel & Leisure (11.87%)	**40,432**	**7.01**
8,488,816	Gym	11,307	1.96
8,195,885	National Express	12,409	2.15
4,087,000	Trainline	16,716	2.90
	Portfolio of investments	**575,457**	**99.77**
	Net other assets	**1,352**	**0.23**
	Net assets	**576,809**	**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.

All investments are in ordinary shares unless otherwise stated.

Comparative figures in brackets show percentages for each category of holding at 31 January 2020.

* Unquoted securities

† Real Estate Investment Trust (REIT).

UK Ethical Fund (continued)

Performance record (unaudited)
as at 31 July 2020

Income record

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

For the six months ending	31 July 2020 per share (p)	31 July 2019 per share (p)
Class 2 Net Accumulation	1.3535	3.7488
Class 3 Net Income	1.7872	4.0954

Net asset value

Period end	Shares in Issue	Net Asset Value (£'000)	Net Asset Value per share (p)
31 July 2020			
Class 2 Net Accumulation	93,377,764	257,287	275.53
Class 3 Net Income	127,541,777	319,522	250.52
31 January 2020			
Class 2 Net Accumulation	72,654,479	240,336	330.79
Class 3 Net Income	126,271,093	381,657	302.25
31 January 2019			
Class 2 Net Accumulation	40,453,864	103,001	254.61
Class 3 Net Income	126,198,723	299,610	237.41
31 January 2018			
Class 2 Net Accumulation	27,293,801	71,290	261.19
Class 3 Net Income	125,325,102	311,274	248.37

UK Ethical Fund (continued)

Statement of Total Return (unaudited)
for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Income				
Net capital (losses)/gains		(107,339)		65,093
Revenue	5,159		7,887	
Expenses	(1,672)		(1,153)	
Interest payable and similar charges	(1)		–	
Net revenue before taxation	3,486		6,734	
Taxation	–		–	
Net revenue after taxation		3,486		6,734
Total return before distributions		**(103,853)**		**71,827**
Distributions		(3,486)		(6,734)
Change in net assets attributable to shareholders from investment activities		**(107,339)**		**65,093**

Statement of Change in Net Assets Attributable to Shareholders (unaudited)
for the period ended 31 July 2020

	(£'000)	1.2.2020 to 31.7.2020 (£'000)	(£'000)	1.2.2019 to 31.7.2019 (£'000)
Opening net assets attributable to shareholders		**621,993**		**402,611**
Amounts received on issue of shares	83,240		28,574	
Amounts paid on cancellation of shares	(22,349)		(9,891)	
		60,891		18,683
Change in net assets attributable to shareholders from investment activities		(107,339)		65,093
Retained distribution on accumulation shares		1,264		1,829
Closing net assets attributable to shareholders		**576,809**		**488,216**

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

UK Ethical Fund (continued)

Balance Sheet (unaudited)
as at 31 July 2020

	31.7.2020 (£'000)	31.1.2020 (£'000)
Assets		
Fixed assets		
Investments	575,457	598,792
Current assets:		
Debtors	1,638	6,362
Cash and bank balances	3,058	21,014
Total assets	**580,153**	**626,168**
Liabilities		
Creditors:		
Distribution payable	(2,279)	(3,877)
Other creditors	(1,065)	(298)
Total liabilities	**(3,344)**	**(4,175)**
Net assets attributable to shareholders	**576,809**	**621,993**

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. 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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