

LIONTRUST GLOBAL INCOME FUND

Interim Report &
Financial Statements (unaudited)

For the period:

1 July 2020

to

31 December 2020

Managed in accordance with
The Liontrust Cashflow Solution

LIONTRUST FUND PARTNERS LLP

LIONTRUST 

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

Management and Administration

Authorised Fund Manager ("Manager")

Liontrust Fund Partners LLP
2 Savoy Court
London WC2R 0EZ

Administration and Dealing enquiries 0344 892 0349
Administration and Dealing facsimile 0207 964 2562
Email Liontrustadmin@bnymellon.com
Website www.liontrust.co.uk

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

Investment Adviser

Liontrust Investment Partners LLP
2 Savoy Court
London WC2R 0EZ

Authorised and regulated by the FCA.

Trustee

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

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

Independent Auditors*

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

Administrator and Registrar

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

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

*For changes to the Company, please see page 20.

Liontrust Global Income Fund

Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist asset manager with £29.4 billion in assets under management (AUM) as at 31 December 2020 and which takes pride in having a distinct culture and approach to managing money. Our purpose is to have a positive impact on our investors, stakeholders and society. We aim to achieve this by providing the environment which enables our fund managers and employees to flourish, helping our investors achieve their financial goals, supporting companies in generating sustainable growth, and empowering and inspiring the wider community. What makes Liontrust distinct?

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

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

Manager's Investment Report

Investment Objective

The Fund aims to deliver a high level of income with the potential for capital growth over the long term (5 years or more).

Income Target Benchmark

The Fund aims to deliver a net target yield of at least the net yield of the MSCI World Index each year.

Investment Policy

The Fund will invest in companies globally. The 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 Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits. The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

The Team

James Inglis-Jones and Samantha Gleave manage the Liontrust Cashflow Solution Process. They first worked together in 1998. James has previously managed money at Fleming Investment Management, JP Morgan Fleming and Polar Capital while Samantha formerly worked at Sutherlands Limited, Fleming Investment Management, Credit Suisse First Boston and Bank of America Merrill Lynch. Samantha was in a No 1 ranked equity research sector team (Extel & Institutional Investor Surveys) at Credit Suisse and won awards for Top Stock Pick and Earnings Estimates at Bank of America Merrill Lynch.

The Process

The process is based on the belief the most important determinant of shareholder returns is company cash flows.

The fund managers believe stock prices are frequently mis-priced as they tend to reflect the often-unreliable forecasts of future profitability made by company managers. The fund managers find, in contrast, that historical analysis of company cash flows is a more reliable guide to future profitability and stock price valuation in the medium term. They invest in companies that generate strong cash returns from their capital, appear cheap on those cash flows and are run by managers committed to an intelligent use of capital.

Manager's Investment Report (continued)

Performance of the Fund

The Fund has an income target benchmark of the yield on the MSCI World Index. Its distributions over the 12 months to 31 December 2020 – expressed relative to the Fund's price on 31 December 2020 – give a 12 month yield of 3.7%. The MSCI World Index yield on the same basis was 2.0%.

In the six months to 31 December 2020 an investment in the Fund returned 20.3% (retail class), 20.8% (institutional class) and 20.6% (advised class). This compares with an average return of 10.1% in the IA Global Equity Income sector, a comparator benchmark.

Since the Cashflow team took over management of the Fund on 25 March 2009, an investment in the Fund has returned 215% (retail class) and 241% (institutional class). This compares with an average return of 225% in the IA Global Equity Income sector, comparator benchmark.

The Fund moved from the IA UK Equity Income sector to the IA Global Equity Income sector on 1 August 2013.

Source: Financial Express, bid to bid basis, total return net of fees, income reinvested, figures show performance up to 31 December 2020. The primary class post-Retail Distribution Review is the institutional class, whereas pre-Retail Distribution Review the bundled Retail class performance history is used, unadjusted for the lower fees of the post Retail Distribution Review classes.

An interim dividend of 2.40 pence per unit was paid to retail class unitholders, 2.59 pence per unit to institutional class unitholders and 2.56 pence per unit to advised class unitholders at the end of February 2021.

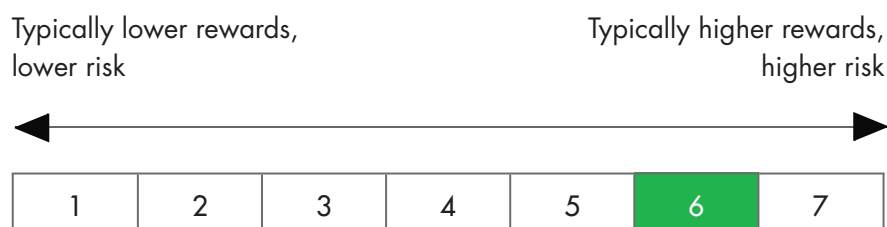
Source: Liontrust Fund Partners LLP.

Past performance is not a guide to future performance, investments can result in a total loss of capital.

Manager's Investment Report (continued)

Risk and Reward profile

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



- The Synthetic Risk Reward Indicator ("SRRI") is based upon historical data and may not be relied upon to gauge the future risk profile of the Fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Fund's risk and reward category has been calculated using the methodology 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 Fund is categorised 6 for its exposure to high yielding global companies.
- The SRRI may not fully take into account the following risks:
 - That a company may fail thus reducing its value within the Fund;
 - Any company which has high overseas earnings may carry a higher currency risk;
 - 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 Fund.
- The 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 Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 1) or online at www.liontrust.co.uk.

Manager's Investment Report (continued)

The Market

The MSCI ACWI High Dividend Yield Index returned 6.7% in the six months to 31 December 2020.

The defining event of the review period was November's vaccine progress. Pfizer and BioNTech released successful late-stage trial results for their vaccine candidate, sparking a surge in stock prices. This was followed the very next week by Moderna reporting similarly effective results and throughout the rest of the month other vaccine candidates from around the world also provided promising updates.

The arrival of the vaccine was timely as, after a period of easing restrictions during the summer, coronavirus cases had begun mounting once again. The UK was one of the worst hit regions in the world and its government confirmed the presence of a new, faster spreading strain of the virus.

Away from the pandemic, Joe Biden won a keenly watched US presidential election. The contest was tighter than pre-election polls suggested and the touted "blue wave" failed to materialise, but ultimately the Democratic candidate won the required electoral college votes in a record turnout. Incumbent Donald Trump refused to concede and claimed, without evidence, wide-spread voter fraud. However, Trump's accusations were largely ignored by investors who instead concentrated on the prospects of a Democrat leader in a post-pandemic world.

Meanwhile, the EU and UK finally agreed on a trade deal, bringing an end to much of the significant uncertainty surrounding the situation as the Brexit transition period came to a close. The threat of a no-deal exit had loomed large throughout the month, but an agreement which maintained tariff-free trade on most goods was eventually reached and swiftly ratified by officials on both sides. Markets reacted positively, with sterling ending the year at its highest level against the US dollar.

Analysis of Portfolio Returns

The Fund has an income target benchmark of the yield on the MSCI World Index. Its distributions over the 12 months to 31 December 2020 – expressed relative to the Fund's price on 31 December 2019 – give a 12 month yield of 3.7%. The MSCI World Index yield on the same basis was 2.0%.

The Fund returned 20.8% (institutional class) over the six months to 31 December 2020. This compares with the 6.7% return of the MSCI ACWI High Dividend Yield Index comparator benchmark and the 10.1% average return from funds in the IA Global Equity Income sector – also a comparator benchmark.

The Fund's outperformance was accrued during the final two months of 2020, after the vaccine news caused a surge in stockmarkets. Within this environment, value stocks outperformed. The value cohort consisted of stocks which had been sold the most during the initial crash, and the prospect of a return to normality provided a relief rally. The MSCI World Value Index returned 8.5% following the vaccine announcement in early November, compared to the 2.6% return made by the MSCI World Growth Index. The Fund benefited from this trend, given its value tilt.

From a sector view, the Fund's financials and consumer discretionary holdings provided the biggest boost in attribution terms. Consumer discretionary (+22%) was also the best performing sector in the MSCI World over the period, followed by materials (+18%) and industrials (+17%). Energy (-2.7%) was the only sector to end lower during the six months.

The Fund's best performing holdings over the six months included **Pandora**, **Bank of Ireland Group** and **Peugeot**:

Danish jeweller Pandora issued a Q3 trading update in which it raised guidance for full year sales, albeit still forecasting a significant fall. It now expects a 2020 sales fall of between 14% and 17%, compared with its previous forecast of 14% to 20%. It also updated operating margin guidance to the top end of its previous range: from 16% - 19% to 17.5% - 19%. A better-than-expected sales performance in Q3, with organic sales falling 5%, was driven by 89% year-on-year growth in online sales.

Bank of Ireland also issued robust Q3 results. The company described trading conditions as generally improving compared to Q2, with a 30% increase in Irish mortgage completions and a doubling in bespoke mortgage completions for its UK business. Data for October showed the fastest rise in Irish mortgage approvals since 2011, which further boosted the company's share price.

Manager's Investment Report (continued)

Analysis of Portfolio Returns (continued)

Peugeot's shares recovered steadily throughout the review period. In its final trading update ahead of the January completion of its merger with Fiat Chrysler, the car maker saw a 0.8% fall in total revenue during the third quarter, but automotive revenue rose 1.2%.

The largest detractors from Fund performance over the six months included **Kimberly-Clark**, **Yuexiu Transport Infrastructure** and **Lukoil**.

Personal goods giant Kimberly-Clark recorded a solid 3% increase in third quarter organic sales, although adverse currency effects knocked 2 percentage points off the rise. It has upgraded its full-year organic sales growth target to 5% (from 4% - 5%) and also increased its earnings per share guidance from US\$7.40 - US\$7.60 to US\$7.50 – US\$7.65. However, investors had been expecting larger upgrades to guidance and the shares slid as a result.

Toll road operator Yuexiu reported interim results that were in line with market expectations that had previously been downgraded. Earlier in the year, earnings forecasts fell as toll revenue declined significantly for most road assets, reflecting Covid-19 prevention and control measures. However, positive average daily toll revenue growth year-on-year was reported during May and June and expectations increased for a recovery in traffic volume and toll revenue during the second half of the year.

Lukoil shares fell alongside other energy companies, as oil prices suffered a slight dip during September and October. Although Lukoil's shares rebounded following the vaccine news – tracking oil prices – they ended lower over the six months. The Russian company had seen an improvement in trading, however, as it reported a return to a profit in Q3 following two quarters of losses. It stated that weaker global economic activity had weighed on the company since the pandemic began, but an improved Exploration and Production performance in the third quarter – supported by higher oil prices – allowed it to register a 40% quarter-on-quarter rise in earnings before interest, taxes, depreciation and amortisation.

Portfolio Activity

The Cashflow Solution investment process is centred on an annual review of the published report & accounts of companies in our stock universe. For each company, we scrutinise their accounts, conducting forensic analysis in order to ensure we understand the forces driving developments in the balance sheet and cash flow statements, while also analysing any unusual accounting policies that basic screening alone could miss.

The review is usually completed within the second calendar quarter, but the resulting portfolio changes are phased in order to manage the Fund's income generation.

The most recent annual review saw a shift to emphasise the more value-orientated of the investment process's secondary scores. We use these scores to highlight the best opportunities available within the top quintile of stocks as ranked by our proprietary cash flow scores.

There were a handful of sales from the portfolio. These included: **Endesa**, **Genworth MI Canada**, **Play Communications**, **Rai Way**, **Telenor** and **Telstra Corp**.

A number of positions were opened: **Aggreko**, **Bank of Ireland Group**, **BP**, **Citigroup**, **LyondellBasell Industries** and **Qualicorp Consultoria e Corretora de Seguros**.

Outlook

We remain reasonably constructive on markets. Market momentum in Europe and the UK is recovering and valuations – whilst not as cheap as they were six months ago – continue to be somewhat attractive. There is also little sign of corporate overinvestment.

Manager's Investment Report (continued)

Outlook (continued)

We remain of the view that value styles should continue to work well. Valuation spreads have begun to narrow from very wide levels and historically when spreads start to narrow from very wide levels, value-based strategies have tended to prosper for periods of between one and two years. Momentum strategies by contrast may continue to be volatile, having recorded a very poor performance in the fourth quarter of the year. We have been concerned about momentum for some time owing to the style's rising levels of trailing volatility. Currently, trailing volatility is very high and this is usually not a good sign for momentum's future returns.

James Inglis-Jones & Samantha Gleaves

Fund Managers

January 2021

Past performance is not a guide to future performance, investments can result in a total loss of capital.

Material portfolio changes by value

Purchases

Bank of Ireland
Aggreko
Citigroup
BP
International Consolidated Airlines
Carnival
Qualicorp Consultoria e Corretora de Seguros
PLAY Communications
WPP
Keller

Sales

Genworth
PLAY Communications
Telenor
Rai Way
Telstra
Endesa
International Consolidated Airlines rights 3/10/20
Gaztransport et Technigaz
Kimberly-Clark
Poste Italiane

Authorised Status

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

Certification of Financial Statements by Partners of the Manager

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



John Ions

Chief Executive



Antony Morrison

Partner, Head of Finance

Liontrust Fund Partners LLP
22 February 2021

Performance Tables (unaudited)

as at 31 December 2020

Income record

Any distributions payable are paid on a semi-annual basis (31 August and 28 February). The table shows distributions declared over the specified periods.

For the six months ending	31 December 2020 per share (p)	31 December 2019 per share (p)
Advised Income	2.5600	4.2484
Institutional Income	2.5916	4.2435
Retail Income	2.3971	3.9546

Net asset value

Period end	Units in Issue	Net Asset Value (£'000)	Net Asset Value per unit (p)
31 December 2020			
Advised Income	194,741	300	154.02
Institutional Income	48,628,204	75,880	156.04
Retail Income	35,318,587	50,872	144.04
30 June 2020			
Advised Income	206,307	267	129.61
Institutional Income	51,262,838	67,232	131.15
Retail Income	37,112,697	45,103	121.53
30 June 2019			
Advised Income	168,811	271	160.68
Institutional Income	57,141,565	92,629	162.10
Retail Income	39,778,800	60,208	151.36
30 June 2018			
Advised Income	171,427	278	162.01
Institutional Income	57,588,978	93,884	163.02
Retail Income	42,566,057	65,288	153.38

Portfolio Statement (unaudited)

as at 31 December 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (96.18%)	128,404	101.06
	AUSTRALIA (4.10%)	1,875	1.48
947,120	GWA	1,875	1.48
	BRAZIL (0.93%)	2,696	2.12
546,506	Qualicorp Consultoria e Corretora de Seguros	2,696	2.12
	CANADA (5.30%)	3,663	2.88
69,435	Magna International	3,663	2.88
	DENMARK (1.92%)	4,043	3.18
49,000	Pandora	4,043	3.18
	FRANCE (5.37%)	7,178	5.65
37,291	Gaztransport et Technigaz	2,664	2.10
222,704	Peugeot	4,514	3.55
	GERMANY (2.95%)	4,693	3.69
592,355	Deutsche Pfandbriefbank	4,693	3.69
	HONG KONG (3.12%)	3,620	2.85
386,345	VTech	2,196	1.73
2,864,000	Yuexiu Transport Infrastructure	1,424	1.12
	IRELAND (0.00%)	4,482	3.53
1,531,618	Bank of Ireland	4,482	3.53
	ITALY (5.45%)	3,160	2.49
422,370	Poste Italiane	3,160	2.49
	NEW ZEALAND (1.37%)	2,140	1.68
2,241,349	Air New Zealand	2,140	1.68
	NORWAY (2.30%)	0	0.00
	POLAND (1.12%)	0	0.00

Portfolio Statement (unaudited) (continued)

as at 31 December 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	RUSSIA (3.08%)	2,869	2.26
56,391	Lukoil ADR	2,869	2.26
	SOUTH AFRICA (3.46%)	4,543	3.57
1,416,230	Emira Property Fund+	460	0.36
638,457	FirstRand	1,627	1.28
397,967	Vodacom	2,456	1.93
	SPAIN (4.00%)	2,402	1.89
345,170	Merlin Properties+	2,402	1.89
	SWEDEN (7.42%)	8,278	6.52
258,196	Axfood	4,447	3.50
192,039	Lundin Energy	3,831	3.02
	SWITZERLAND (3.58%)	3,671	2.89
14,281	Roche	3,671	2.89
	UNITED KINGDOM (18.17%)	34,548	27.20
347,372	3i	4,016	3.16
575,590	Aggreko	3,612	2.84
197,257	Anglo American	4,812	3.79
920,706	Ashmore	3,983	3.13
1,318,381	BP	3,386	2.67
1,896,727	International Consolidated Airlines	3,056	2.41
455,866	Keller	3,164	2.49
101,069	Rio Tinto	5,573	4.39
368,125	WPP	2,946	2.32
	UNITED STATES OF AMERICA (22.54%)	34,543	27.18
20,890	Amgen	3,474	2.73
284,940	Carnival	3,909	3.08
81,941	Citigroup	3,655	2.88
33,570	Kimberly-Clark	3,275	2.58
48,699	LyondellBasell Industries	3,250	2.56
41,294	Manpower	2,734	2.15
392,188	Navient	2,813	2.21
81,960	Seagate Technology	3,638	2.86

Portfolio Statement (unaudited) (continued)

as at 31 December 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
EQUITIES (continued)			
UNITED STATES OF AMERICA (continued)			
37,043	Target	4,720	3.71
183,344	Xerox	3,075	2.42
Portfolio of investments		128,404	101.06
Net other liabilities		(1,352)	(1.06)
Total net assets		127,052	100.00

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

Comparative figures shown in brackets relate to 30 June 2020.

Stocks shown as ADRs represent American Depositary Receipts.

+ Real Estate Investment Trust (REIT).

Financial Statements (unaudited)

Statement of Total Return (unaudited)

for the period ended 31 December 2020

	(£'000)	1.7.2020 to 31.12.2020 (£'000)	(£'000)	1.7.2019 to 31.12.2019 (£'000)
Income				
Net capital gains		20,946		611
Revenue	2,364		4,328	
Expenses	(706)		(921)	
Interest payable and similar charges	(1)		(2)	
Net revenue before taxation	1,657		3,405	
Taxation	(203)		(398)	
Net revenue after taxation		1,454		3,007
Total return before distributions		22,400		3,618
Distributions		(2,160)		(3,928)
Change in net assets attributable to unitholders from investment activities		20,240		(310)

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

for the period ended 31 December 2020

	(£'000)	1.7.2020 to 31.12.2020 (£'000)	(£'000)	1.7.2019 to 31.12.2019 (£'000)
Opening net assets attributable to unitholders		112,602		153,108
Amounts received on issue of units	4,004		6,746	
Amounts paid on cancellation of units	(9,794)		(12,544)	
		(5,790)		(5,798)
Change in net assets attributable to unitholders from investment activities		20,240		(310)
Unclaimed distributions		–		2
Closing net assets attributable to unitholders		127,052		147,002

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

Financial Statements (unaudited) (continued)

Balance Sheet (unaudited)

as at 31 December 2020

	31.12.2020 (£'000)	30.6.2020 (£'000)
Assets		
Fixed assets		
Investments	128,404	108,299
Current assets:		
Debtors	784	26,725
Cash and bank balances	194	303
Total assets	129,382	135,327
Liabilities		
Creditors:		
Bank overdrafts	–	(6)
Distribution payable	(2,112)	(3,045)
Other creditors	(218)	(19,674)
Total liabilities	(2,330)	(22,725)
Net assets attributable to unitholders	127,052	112,602

Accounting Policies

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

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2020 and are described in those financial statements.

Securities Financing Transactions

as at 31 December 2020

Securities Lending

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

The following table details the value of securities on loan as a proportion of the Fund's total lendable assets and Net Asset Value (NAV) as at 31 December 2020. The income earned from securities lending are also shown for the period ended 31 December 2020. Total lendable assets represents the aggregate value of assets forming part of the Fund's securities lending programme. This excludes any assets held by the Fund that are not considered lendable due to any market, regulatory, investment or other restriction.

	Securities on loan	
% of lendable assets	% of NAV	Income earned (£'000)
6.79	6.12	4

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

The following table details the value of securities on loan (individually identified in the Fund's portfolio statement) and associated collateral received, analysed by counterparty as at 31 December 2020.

Counterparty	Counterparty's country of establishment	Securities Lending	Collateral received (£'000)
		Amount on loan (£'000)	
Citigroup Global Markets Limited	UK	1,129	1,243
Credit Suisse International	Switzerland	496	549
J.P. Morgan Securities Plc	UK	136	150
Merrill Lynch International	UK	3,936	4,209
The Bank of Nova Scotia	Canada	49	54
UBS	Switzerland	2,029	2,282
Total		7,775	8,487

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

Collateral

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

Securities Financing Transactions (continued)

as at 31 December 2020

Collateral (continued)

The following table provides an analysis by currency of the underlying cash and non-cash collateral received / posted by way of title transfer collateral arrangement by the Fund, in respect of securities lending transactions, as at 31 December 2020.

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Securities lending transactions				
AUD	-	-	20	-
CHF	-	-	86	-
CNY	-	-	65	-
EUR	-	-	304	-
GBP	-	-	280	-
HKD	-	-	130	-
JPY	-	-	648	-
USD	-	-	6,954	-
Total	-	-	8,487	-

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

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received / posted by the Fund by way of title transfer collateral arrangement in respect of securities lending transactions, as at 31 December 2020.

Collateral type and quality	Maturity Tenor					Open transactions (£'000)	Total (£'000)
	1 - 7 days (£'000)	8 - 30 days (£'000)	31 - 90 days (£'000)	91 - 365 days (£'000)	More than 365 days (£'000)		
Collateral received - securities lending							
Fixed income							
Investment grade	—	—	—	53	3,613	—	3,666
Equities							
Recognised equity index	—	—	—	—	—	4,821	4,821
Total	—	—	—	53	3,613	4,821	8,487

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

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

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

As at 31 December 2020, all non-cash collateral received by the Fund in respect of securities lending transactions is held by the Fund's Trustee (or through its delegates).

Securities Financing Transactions (continued)

as at 31 December 2020

Collateral (continued)

The following table lists the top ten issuers (or all the issuers if less than ten) by value of non-cash collateral received by the Fund by way of the title transfer collateral arrangement across securities lending transactions as at 31 December 2020.

Issuer	Value (£'000)	% of the Fund's NAV
Merrill Lynch International	4,209	3.31
UBS AG	2,282	1.80
Citigroup Global Markets Limited	1,243	0.98
Credit Suisse International	549	0.43
JP Morgan Securities, Plc.	150	0.12
The Bank of Nova Scotia	54	0.04
Total	8,487	6.68

Additional Information

Trust Deed: The Fund was established by a Trust Deed made between the Manager and the Trustee dated 1 May 1990.

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

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

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

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

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

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

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

Initial charge	%	Ongoing charges figure*	%	Included within the OCF is the Annual Management Charge**	%
Advised Income	up to 2	Advised Income	1.15	Advised Income	1.00
Institutional Income	Nil	Institutional Income	0.90	Institutional Income	0.75
Retail Income	up to 5	Retail Income	1.65	Retail Income	1.50

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

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

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

Capital Gains Tax: As an authorised unit trust, any capital gains made within the Fund is exempt from UK Capital Gains Tax. An individual investor is subject to capital gains tax on gains made on their investment, however an individual's first £12,300 of net gains on disposals in the 2020-2021 tax year are exempt from tax (2019-2020: £12,000).

Additional Information (continued)

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

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

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

Changes to the Company:

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

Important information: It is important to remember that the price of units, 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 units may be subject to an initial charge and this is likely to have an impact on the realisable value of your investment, particularly in the short term. You should always regard unit trust investment as long term. The annual management fee of the Fund is deducted from capital. Whilst this results in the dividend paid to investors being higher than would be the case were the annual management fee charged to income, the potential for capital growth may be reduced.



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