

LIONTRUST UK MICRO CAP FUND

Interim Report &
Financial Statements (unaudited)

For the period:

1 May 2024

to

31 October 2024

Managed in accordance with
The Liontrust Economic Advantage

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

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

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

Investment Adviser

Liontrust Investment Partners LLP
2 Savoy Court
London WC2R 0EZ

Authorised and regulated by the FCA.

Trustee

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

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

Independent Auditor

KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

Administrator and Registrar

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

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

Liontrust UK Micro Cap Fund

Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist fund management company with £26.0 billion in assets under management as at 30 September 2024 and that takes pride in having a distinct culture and approach to managing money. What makes Liontrust distinct?

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

Liontrust Asset Management PLC is the parent company of Liontrust Investment Partners LLP, Liontrust Fund Partners LLP and Liontrust Portfolio Management Limited which are authorised and regulated by the Financial Conduct Authority. Liontrust Asset Management PLC is also the parent company of Liontrust Europe 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.

Conflict in Ukraine

The ongoing war in Ukraine and the resultant geopolitical tensions including sanctions imposed on Russia and retaliatory action taken by Russia against foreign investors, continue to impact global financial markets (including stock, currency and commodities markets). Economic sanctions and the fallout from the conflict are affecting companies operating in a wide variety of sectors worldwide, including energy, financial services and defence, amongst others. As a result, the performance of the Fund may be negatively impacted even if they have no direct exposure to the regions involved in the conflict.

Manager's Investment Report

Investment Objective

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

Investment Policy

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

At least 75% of the companies held by the Fund will have a market capitalisation of less than £175m at the time of purchase. Companies within the Fund that grow above a market capitalisation of £275m will be held until suitable replacement investments are found or until such time as the Manager deems it to be in Unitholders' interest to dispose of them.

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

The Fund is permitted to use derivatives for the purposes of efficient portfolio management. The Fund is also permitted to use derivatives and for investment purposes, although the Fund will only do so on providing investors with 60 days' notice. Please refer to the Derivatives sections of the Prospectus for further details.

The Team

The award-winning Economic Advantage team have an average industry experience of 21 years. Anthony Cross joined Liontrust from Schroders in 1997 and was joined by Julian Fosh* in 2008. Julian had previously managed funds at Scottish Amicable Investment Managers, Britannic Investment Managers, Scottish Friendly Assurance Society and Saracen Fund Managers. Victoria Stevens and Matt Tonge joined the team in 2015. Victoria was previously Deputy Head of Corporate Broking at FinnCap, while Matt had spent nine years on the Liontrust dealing desk, latterly winning an industry award for his work in mid and small cap stocks. Alex Wedge joined the team in March 2020 from N+1 Singer, where he had spent over seven years, latterly as a senior member of the equity sales team. Natalie Bell joined the team in August 2022, having previously been a member of the Liontrust Responsible Capitalism team where she led engagement with investee companies. Alex Game joined the team in May 2024 from Unicorn Asset Management, where he had spent nearly 10 years and where he co-managed a range of funds including two UK equity funds and an AIM portfolio service.

** Julian Fosh is on a leave of absence. The Economic Advantage funds continue to be managed by the other members of the team in Julian's absence.*

The Process

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

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

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

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

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

Manager's Investment Report (continued)

Performance of the Fund

In the six months to 31 October 2024, an investment in the Fund returned -3.3% (institutional accumulation class). The FTSE Small Cap ex-Investment Trusts Index comparator benchmark returned 10.5%, the FTSE AIM All-Share Index comparator benchmark returned -2.1% and the average return made by the funds in the IA UK Smaller Companies sector, also a comparator benchmark, was 3.3%.

Since the Fund's launch on 9 March 2016, an investment in the Fund rose by 136% (institutional accumulation class) compared to a 87% return from the FTSE Small Cap ex-Investment Trusts Index, a 19% return from the FTSE AIM All-Share Index and a 70% return from the IA UK Smaller Companies sector comparator benchmarks.

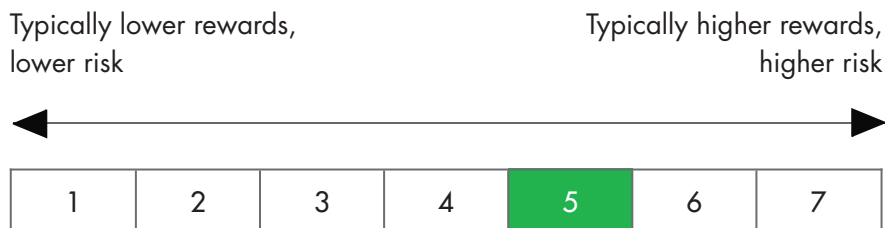
Source: Financial Express, bid to bid basis, total return, net of fees, income reinvested, figures show performance up to 31.10.2024. Please note that total return has been calculated at midday whereas the financial statements are at close of business.

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

Manager's Investment Report (continued)

Risk and Reward profile

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



- The Synthetic Risk and Reward Indicator ("SRRI") is based upon historical data and may not be relied upon to gauge the future risk profile of the Fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Fund or a representative fund or Index's value has moved up and down in the past.
- The Fund invests in UK equities. At least 75% of companies will have a market cap of less than £175m at the time of purchase.
- The Fund is categorised 5 primarily for its exposure to UK small cap equities.
- The SRRI may not fully take into account the following risks:
 - that a company may fail thus reducing its value within the Fund;
 - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.
- The Fund may, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Fund volatility in both up and down markets by hedging against the general market.
- Outside of normal conditions, the Fund may hold higher levels of cash which may be deposited with several credit counterparties (e.g. international banks). A credit risk arises should one or more of these counterparties be unable to return the deposited cash.
- The Fund is expected to invest in companies predominantly in a single country which may be subject to greater political, social and economic risks which could result in greater volatility than investments in more broadly diversified funds.
- As the Fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause the Fund to defer or suspend redemptions of its units. In addition the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings.
- The Fund may invest in companies listed on the Alternative Investment Market (AIM) which is primarily for emerging or smaller

Manager's Investment Report (continued)

Risk and Reward profile (continued)

companies. The rules are less demanding than those of the official List of the London Stock Exchange and therefore companies listed on AIM may carry a greater risk than a company with a full listing.

- The Fund's investment objective is to target capital growth for investors. Growth stocks tend to pay out lower levels of dividend resulting in lower income yields and may produce more volatile returns than the market as a whole.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Environmental, Social and Governance (ESG) Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG.

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

Manager's Investment Report (continued)

The Market

In the six months to 31 October 2024, the FTSE Small Cap ex-Investment Trusts Index returned 10.5%.

The UK stock market rose over the six-month period, notwithstanding a short period of volatility in August which emanated from the US. Weaker-than-expected employment data raised some fears that expectations of a soft US economic landing might prove too optimistic, but these were swiftly offset by a clear indication from the US Federal Reserve that it would start cutting interest rates in September.

While uncertainty ahead of the US election contributed to some global equity market weakness in October, the UK had looked set to enjoy a more supportive and stable political backdrop following the general election in July. However, UK investors – and the AIM market in particular – were affected by increasing uncertainty around the fiscal landscape.

Ahead of the Autumn Budget in October, speculation was rife over potential changes to the investment landscape, including the capital gains tax rate and the inheritance tax (IHT) status of AIM-listed shares. This destabilising backdrop contributed to the FTSE AIM All-Share Index falling 2.1% over the period.

Fund Review

In the six months to 31 October 2024, the Liontrust UK Micro Cap Fund returned -3.3% (institutional accumulation class), compared with the 10.5% and -2.1% respective returns of the FTSE Small Cap (excluding investment trusts) Index and FTSE AIM All-Share Index comparator benchmarks. The average return of funds in the IA UK Smaller Companies sector, also a comparator benchmark, was 3.3%. *

With the AIM market experiencing broad-based weakness, those companies reporting any trading headwinds were particularly heavily penalised.

Oxford Metrics was one of the portfolio's heaviest fallers after issuing a profit warning. The designer of smart sensors announced that a trend towards more extended buying cycles in the second half of its financial year has delayed decisions on a number of pipeline contracts. This meant that revenues in the year to 30 September were between £40 million and £42 million – about 15% below forecasts – while profits would be "materially below" market expectations. However, the company's valuation benefits from strong support in the form of a net cash position of c. £50 million, compared to a market capitalisation of around £80 million.

Nexteq also reported disappointing trading and additionally concerned investors by announcing an overhaul of its management team. Nexteq's Quixant division supplies computer platforms for the casino gaming and slot machine market, while its Denistron business provides display components into a diverse range of industrial sectors. Both units have seen soft demand so far in 2024, with Nexteq cutting financial guidance on two occasions. Its Chair, CEO and CFO are leaving the company. We have engaged with the company to seek reassurances in the capabilities of the day-to-day management team while the management positions are filled and the founder took up the role of Executive Chair in the interim.

The top positions in the portfolio's six-month leaderboard were **Intercede** and **Beeks Financial Cloud**.

Cyber security software specialist Intercede performed well early in 2024 after upgrading financial guidance on the strength of trading. Interim results in June consolidated on these share price gains with a positive update on its acquisitive growth strategy as well as upbeat comments on pipeline visibility. Most significantly, in August Intercede announced a strategic partnership with Microsoft to combine Intercede's credential management systems with Microsoft Entra ID to allow enterprise administrators to create phishing-resistant FIDO (Fast IDentity Online) passkeys.

Beeks Financial Cloud is a financial markets cloud computing and connectivity provider. Its shares rallied strongly after deepening its relationship with the Johannesburg Stock Exchange (JSE) during the quarter. Beeks originally launched services with JSE in September 2023 before receiving a large contract extension in March 2024 due to stronger-than-anticipated customer demand. The contract has now been extended to include JSE's Terco data centre over a multi-year period. Beeks also confirmed that the provisional cloud contract with "one of the largest exchange groups globally" – initially announced in February – has now commenced having received regulatory approval and service deployment.

At the end of October, the UK Autumn Budget ultimately revealed that the Chancellor had decided not to fully remove IHT relief from AIM shares, the scenario priced in by the market. Instead, a 50% relief will be applied.

Manager's Investment Report (continued)

Fund Review (continued)

Although many AIM constituents staged a small relief rally on the remaining two days in October, valuations overall remain depressed. One of the consequences of the UK market's low valuation, particularly amid small companies, is a pickup in takeover activity; private equity and corporate acquirers have continued to seek out UK assets at a discount to their intrinsic value.

Gresham House, **Instem** and **Sopheon** exited the portfolio last year due to takeover activity, and **Crimson Tide** and **Eckoh** became the latest holdings in the portfolio to be targeted.

Eckoh, the secure payment products and customer contact solutions, accepted a 54p-a-share offer from private equity group Bridgepoint which is scheduled to complete in the first quarter of 2025.

Crimson Tide, the provider of cloud-based mobile workflow solutions, firstly received an all-share offer from Checkit, an augmented workflow and smart sensor automation company – which it rejected – before bid interest emerged from Ideagen on more attractive terms: a cash bid at a higher level. While Crimson Tide indicated a willingness to consider Ideagen's offer, the latter's bid interest was ultimately withdrawn – prompting a slide in Crimson Tide's share price that saw the Fund's position finish the six months in the red.

Portfolio Activity

A position was initiated in **Facilities by ADF**. ADF is a market leader provider of equipment and services to the UK film and TV industry. The Fund participated in a capital raise to acquire AutoTrak, a leading provider of portable roadway products to the UK film and TV sector.

The Fund's holdings in fintech provider **Fintel** and defence technology mini-conglomerate **Cohort** were sold after they grew to exceed the £275 million market cap level at which the Fund begins a managed exit from positions.

We took the decision to exit the position in **Avingtrans** due to a shift in the perceived risk/reward dynamics. The company made the decision to invest heavily in its Medical and Industrial Imaging division, and while Avingtrans is excited by the growth potential of this market, the level of the forecast increased divisional losses and impact on the free cash generation of the business, which informed the decision to exit the position.

Surgical Innovations was also sold; it been a disappointing performer over a number of years, struggling to generate consistent profits and cash and demonstrate an ability to deliver compounding returns.

Outlook

We were relieved that the Chancellor did not fully remove IHT relief from AIM shares in the Autumn Budget. By retaining 50% relief, the government recognises the vital role played by the AIM market in the UK's economic growth.

Equally important is that the policy uncertainty that has been hanging over AIM has now been put to bed. With the IHT removal risk now crystallised with a better-than-feared scenario, AIM shareholders and UK investors more broadly can look forward more confidently, focusing on company fundamentals. UK equities continue to trade at a substantial discount to their intrinsic value, especially at this end of the market. This investment opportunity is based on company fundamentals, rather than any preferential tax treatment, and we remain confident that the high-quality companies our funds seek out will ultimately re-rate to close this valuation anomaly.

We feel that there is currently a compelling opportunity for investors in UK shares. The UK is at a clear valuation discount to historic averages and measures of intrinsic value but there is the potential for government policy intervention (focused on pension fund domestic equity allocations in particular) to help turn the tide of investor sentiment and capital flows, which would be of particular benefit to smaller company valuations.

While the re-rating potential of UK equities, small caps in particular, is significant, the timing and magnitude of the catalysts remains uncertain. In the meantime, we are optimistic about the portfolio's ability to continue to deliver attractive compounding longer term investment returns supported by an attractive combination of earnings growth and increasingly shareholder yield (both dividend and share buybacks).

Manager's Investment Report (continued)

Outlook (continued)

**Source: Financial Express, bid to bid basis, total return, net of fees, income reinvested, 31.10.2024. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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

Fund Managers

November 2024

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

Manager's Investment Report (continued)

Material portfolio changes by value

Purchases

Facilities by ADF
Kooth
Gaming Realms
Focusrite
James Cropper
Pebble
Inspiration Healthcare
IG Design
Cake Box
Tribal

Sales

Fintel
Cohort
Intercede
Eckoh
Avingtrans
Property Franchise
Keystone Law
Beeks Financial Cloud
Kitwave
Tristel

Authorised Status

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

Certification of Financial Statements by Partners of the Manager

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



Martin Kearney

Partner, Chief Risk Officer



Antony Morrison

Partner, Head of Finance

Liontrust Fund Partners LLP
16 December 2024

Performance Tables (unaudited)

as at 31 October 2024

Net asset value

Period end	Units in Issue	Net Asset Value (£'000)	Net Asset Value per unit (p)
31 October 2024			
Institutional Accumulation	45,411,239	107,170	236.00
30 April 2024			
Institutional Accumulation	58,506,508	142,632	243.79
30 April 2023			
Institutional Accumulation	72,807,652	162,625	223.36
30 April 2022			
Institutional Accumulation	82,124,352	199,906	243.42

Portfolio Statement (unaudited)

as at 31 October 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (92.83%)	98,365	91.78
	UNITED KINGDOM (92.83%)	98,365	91.78
	Advertising (0.83%)	1,246	1.16
2,595,239	Pebble	1,246	1.16
	Auto Parts & Equipment (1.00%)	1,648	1.54
1,017,050	Quartix	1,648	1.54
	Banks (2.01%)		
	Beverages (1.41%)	1,634	1.52
4,667,799	Virgin Wines UK	1,634	1.52
	Biotechnology (2.49%)	2,730	2.55
75,841	Bioventix	2,730	2.55
	Commercial Services (12.46%)	12,596	11.76
3,114,932	Facilities by ADF	1,620	1.51
1,937,388	Gateley	2,460	2.30
537,671	Keystone Law	3,118	2.91
2,650,910	Mind Gym	504	0.47
693,035	Science	3,119	2.91
3,760,660	Tribal	1,775	1.66
	Computers (8.77%)	7,548	7.05
4,536,254	Eckoh	2,377	2.22
1,138,232	Intercede	2,106	1.97
3,127,519	Netcall	3,065	2.86
	Diversified Financial Services (3.52%)	6,218	5.80
283,661	Arbuthnot Banking	2,553	2.38
3,761,460	Frenkel Topping	1,655	1.54
3,317,473	Record	2,010	1.88
	Electronics (2.55%)	2,787	2.60
1,359,104	Croma Security Solutions	883	0.82
865,255	Solid State	1,904	1.78

Portfolio Statement (unaudited) (continued)

as at 31 October 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Entertainment (0.45%)	1,707	1.59
4,515,473	Gaming Realms	1,707	1.59
	Food Producers (4.60%)	4,599	4.29
1,304,997	Cake Box	2,414	2.25
688,238	Kitwave	2,185	2.04
	Forest Products & Paper (0.74%)	1,169	1.09
477,204	James Cropper	1,169	1.09
	Healthcare Products (2.05%)	1,948	1.82
7,213,805	EKF Diagnostics	1,948	1.82
	Healthcare Services (4.75%)	4,101	3.82
6,052,287	hVIVO	1,695	1.58
586,791	Tristel	2,406	2.24
	Home Furnishings (0.46%)	1,018	0.95
433,075	Focusrite	1,018	0.95
	Household Products (2.25%)	2,322	2.17
273,170	Churchill China	2,322	2.17
	Housewares (2.09%)	2,189	2.04
1,541,331	IG Design	2,189	2.04
	Internet (3.82%)	5,334	4.98
539,610	Eagle Eye Solutions	2,536	2.37
1,155,333	Gear4Music	1,906	1.78
11,147,615	Totally	892	0.83
	Investment Companies (1.93%)	2,066	1.93
7,123,224	Mercia Asset Management	2,066	1.93

Portfolio Statement (unaudited) (continued)

as at 31 October 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Leisure Time (1.96%)	2,579	2.41
1,781,048	On the Beach	2,579	2.41
	Media (1.46%)	1,269	1.18
5,285,648	Bigblu Broadband	1,269	1.18
	Metal & Hardware (1.48%)		
	Miscellaneous Manufacturing (2.11%)	2,379	2.22
1,034,376	Animalcare	2,379	2.22
	Pharmaceuticals (0.85%)	995	0.93
6,219,659	Inspiration Healthcare	995	0.93
	Real Estate Investment & Services (3.03%)	3,005	2.80
683,051	Property Franchise	3,005	2.80
	Retail (3.82%)	4,486	4.19
3,401,417	Brickability	2,279	2.13
3,855,821	CMO	540	0.50
4,066,659	Zoo Digital	1,667	1.56
	Semiconductors (1.70%)	1,680	1.57
641,391	CML Microsystems	1,680	1.57
	Software (14.38%)	14,710	13.72
2,880,115	ActiveOps	3,600	3.36
563,816	Bango	609	0.57
808,901	Beeks Financial Cloud	2,168	2.02
2,738,147	Essensys	712	0.66
2,397,724	Microlise	3,045	2.84
1,999,062	Nexteq	1,439	1.34
2,328,920	Oxford Metrics	1,327	1.24
1,508,436	Vianet	1,810	1.69

Portfolio Statement (unaudited) (continued)

as at 31 October 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Telecommunications (3.86%)	4,402	4.10
3,135,664	Calnex Solutions	1,662	1.55
596,066	Crimson Tide	626	0.58
880,843	Fonix Mobile	2,114	1.97
	Portfolio of investments	98,365	91.78
	Net other assets	8,805	8.22
	Total net assets	107,170	100.00

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 30 April 2024.

Financial Statements (unaudited)

Statement of Total Return (unaudited)

for the period ended 31 October 2024

	(£'000)	1.5.2024 to 31.10.2024 (£'000)	(£'000)	1.5.2023 to 31.10.2023 (£'000)
Income				
Net capital losses		(4,127)		(13,907)
Revenue	1,674		2,051	
Expenses	(841)		(1,044)	
Interest payable and similar charges	–		–	
Net revenue before taxation	833		1,007	
Taxation	–		–	
Net revenue after taxation		833		1,007
Total return before distributions		(3,294)		(12,900)
Distributions		–		(95)
Change in unitholders' funds from investment activities		(3,294)		(12,995)

Statement of Change in Unitholders' Funds (unaudited)

for the period ended 31 October 2024

	(£'000)	1.5.2024 to 31.10.2024 (£'000)	(£'000)	1.5.2023 to 31.10.2023 (£'000)
Opening net assets		142,632		162,625
Amounts received on issue of units	7,735		8,402	
Amounts paid on cancellation of units	(39,903)		(28,019)	
		(32,168)		(19,617)
Change in unitholders' funds from investment activities		(3,294)		(12,995)
Closing net assets		107,170		130,013

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 October 2024

	31.10.2024 (£'000)	30.4.2024 (£'000)
Assets		
Fixed assets		
Investments	98,365	132,404
Current assets:		
Debtors	2,404	1,377
Cash and bank balances	7,931	9,895
Total assets	108,700	143,676
Liabilities		
Creditors:		
Other creditors	(1,530)	(1,044)
Total liabilities	(1,530)	(1,044)
Net assets	107,170	142,632
Unitholders' funds	107,170	142,632

Accounting Policies

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

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2024 and are described in those financial statements.

Securities Financing Transactions (unaudited)

as at 31 October 2024

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

Return and cost

The table below shows the net income earned by the Fund from securities lending activity during the period to 31 October 2024.

	Collective Investment Undertaking (£'000)	Manager of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	18	–	8	26
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Securities lending

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 October 2024. The income earned from securities lending are also shown for the period ended 31 October 2024. 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)
1.03	0.98	18

Securities Financing Transactions (unaudited)(continued)

as at 31 October 2024

Securities lending (continued)

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 31 October 2024.

Counterparty	Counterparty's country of establishment	Securities Lending Amount on loan (£'000)	Collateral received (£'000)
BNP Paribas	France	197	213
HSBC Bank	UK	15	16
J.P. Morgan Securities Plc	UK	594	654
Merrill Lynch International	UK	214	229
UBS	Switzerland	27	30
Total		1,047	1,142

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

Collateral

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

The following table provides an analysis by currency of the underlying cash and non-cash collateral received/posted by way of title transfer collateral arrangement by the Fund, in respect of securities lending transactions, as at 31 October 2024.

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Securities lending transactions				
AUD	-	-	61	-
CAD	-	-	64	-
CHF	-	-	130	-
DKK	-	-	16	-
EUR	-	-	94	-
GBP	-	-	237	-
HKD	-	-	245	-
JPY	-	-	145	-
NOK	-	-	14	-
SEK	-	-	16	-
USD	-	-	120	-
Total	-	-	1,142	-

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

Securities Financing Transactions (unaudited)(continued)

as at 31 October 2024

Collateral (continued)

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received/posted by the Fund by way of title transfer collateral arrangement in respect of securities lending transactions, as at 31 October 2024.

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	–	2	–	2	75	–	79
Equities							
Recognised equity index	–	–	–	–	–	1,063	1,063
Total	–	2	–	2	75	1,063	1,142

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 October 2024, 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).

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 October 2024.

Issuer	Value (£'000)	% of the Fund's NAV
J.P.Morgan Securities Plc	654	0.61
Merrill Lynch International	229	0.21
BNP Paribas Financial Markets	213	0.20
UBS	30	0.03
HSBC Bank	16	0.02
Total	1,142	1.07

Additional Information (unaudited)

Trust Deed: The Fund was established by a Trust Deed made between the Manager and the Trustee dated 11 February 2016.

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 accumulation units only.

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 £5m, the minimum additional investment is £100,000 and the amount you may sell back to the Manager at any one time is £50,000. Please refer to the Prospectus for more details.

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

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

Initial charge	%	Ongoing charges figure*	%	Included within the OCF is the Annual Management Charge**	%
Institutional Accumulation	Up to 2	Institutional Accumulation	1.34	Institutional Accumulation	1.25

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

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

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

Capital Gains Tax: As an authorised unit trust, any capital gains made within the Fund is exempt from UK Capital Gains Tax. An individual investor is subject to capital gains tax on gains made on their investment, however an individual's first £3,000 of net gains on disposals in the 2024-2025 tax year are exempt from tax (2023-2024: £6,000).

Income Tax: UK tax resident individuals are now entitled to a new tax-free dividend allowance in place of the dividend tax credit.

Consequently, all income from dividend distributions is now regarded as gross income.

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

Additional Information (unaudited) (continued)

Assessment of Value: The regulator - the FCA - has asked every asset manager to assess the value of the funds they run. Assessing value goes beyond performance and costs and encompasses a minimum of seven criteria mandated by the FCA. The assessment of value of the Fund and other UK-domiciled funds managed by Liontrust will be conducted as at 30 June each year, with a publication deadline of end of October. The assessment of value report can be viewed on the Liontrust website www.liontrust.co.uk/learning/assessment-of-value.

Task Force on Climate-Related Disclosures (TCFD) Product Reports: Under the rules of the Financial Conduct Authority (FCA), Liontrust is required to publish information annually on product level (fund) TCFD disclosures so that investors may have a better understanding of the climate-related risks and opportunities associated with this Fund and its underlying holdings. This report is published in line with the requirements of the FCA and TCFD. The individual TCFD Product Reports can be viewed within the individual Fund pages on the Liontrust website (www.liontrust.co.uk/our-funds).

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



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