

# LIONTRUST INVESTMENT FUNDS III

Annual Report &  
Financial Statements

For the period:

**1 January 2023**

to

**31 December 2023**

LIONTRUST FUND PARTNERS LLP

**LIONTRUST** 



## Contents

Management and Administration*	1
Statement of the Authorised Corporate Director's ("ACD") Responsibilities	5
Report of the ACD to the Shareholders*	5
Statement of the Depositary's Responsibilities and Report of the Depositary	8
Independent Auditor's Report to the Shareholders	9
Notes applicable to the financial statements of all Sub-funds	13
Liontrust UK Equity Fund*	17
Liontrust UK Focus Fund*	47
Liontrust Institutional UK Small Cap Fund*	74
Liontrust Tortoise Fund*	94
Liontrust UK Equity Income Fund*	120
Liontrust Global Equity Fund*	143
Liontrust Global Focus Fund*	175
Additional information (unaudited)	205

\* Collectively these comprise the Authorised Corporate Director's Report (herein referred to as the ACD's Report) along with the Investment objective and policy, Investment review, Portfolio Statement and Material portfolio changes of each Sub-fund.

## Management and Administration

### Management and Administration

The Authorised Corporate Director ("ACD") of Liontrust Investment Funds III (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.

#### Depository

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.

## Management and Administration (continued)

### Company Information

The Company is an investment company with variable capital under regulation 12 of the Open-Ended Investment Company Regulations 2001, incorporated in England and Wales under registered number IC000216 and authorised by the Financial Conduct Authority on 12 March 2003. At the year end the Company offered seven Sub-funds, the Liontrust UK Equity Fund, the Liontrust UK Focus Fund, the Liontrust Institutional UK Small Cap Fund, the Liontrust Tortoise Fund, the Liontrust UK Equity Income Fund, the Liontrust Global Equity Fund and the Liontrust Global Focus Fund (the "Sub-funds"). The Liontrust Institutional UK Small Cap Fund and Liontrust UK Equity Income Fund are closed to investment and will be terminated at a later date once the residual assets and liabilities are settled. Subsequent to the year end, the Liontrust Global Equity Fund and Liontrust Global Focus Fund closed to investment on 16 February 2024 following their merger into Liontrust Global Alpha Fund (a Sub-fund of Liontrust Investment Funds I) and the Liontrust Tortoise Fund closed to investment on 22 February 2024. As a result the financial statements for these Sub-funds have not been prepared on a going concern basis.

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.

### Remuneration policy

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

The table below provides an overview of the following for the year ended 31 March 2023:

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

	Headcount	Total Remuneration (\$'000)
ACD UK Staff <sup>1</sup>	102	15,629
of which		
Fixed remuneration	102	9,728
Variable remuneration	102	5,901
UCITS Remuneration Code Staff <sup>1, 2</sup>	13	1,488
of which		
Senior Management	2	35
Other control functions:		
Other code staff/risk takers	11	1,453

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

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

## Management and Administration (continued)

### Remuneration policy (continued)

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

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

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

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

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

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

### Scope of the policy

#### By entity

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

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

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

#### By individual

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

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

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

# Management and Administration (continued)

### Approach to the remuneration

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

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

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

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

### Securities Financing Transactions Regulation

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) or total return swaps are required on all reports & accounts published after 13 January 2017. During the period to 31 December 2023 and at the balance sheet date, the Sub-funds did not use SFT's or total return swaps, as such no disclosure is required.

### 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. Please note we have changed the reference and publication date of our annual Assessment of Value. Previously, the reference date was the end of August, with a publication date of December. Going forward, from 30 June 2023, the reference date will be 30 June, 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](http://www.liontrust.co.uk/learning/assessment-of-value).

### Significant Events During the Period

The resignation of the two investment managers of Liontrust Tortoise Fund was announced in June 2023. Matthew Smith and Tom Morris left Liontrust at the end of July 2023. The Sub-fund is now managed by the Liontrust Cashflow Solution team of James Inglis-Jones and Samantha Gleave.

### Changes to the Company

During the year to 31 December 2023, the following changes were made to the Company:

- The Liontrust Institutional UK Small Cap Fund closed on 21 July 2023.
- The Liontrust UK Equity Income Fund closed following its merger into the Liontrust Income Fund, a Sub-fund of Liontrust Investment Funds I on 13 October 2023.

Since the year end, the following changes were made to the Company:

- The Liontrust Global Equity Fund and Liontrust Global Focus Fund closed following their merger into the Liontrust Global Alpha Fund, a Sub-fund of Liontrust Investment Funds I on 16 February 2024.
- The Liontrust Tortoise Fund closed on 22 February 2024.



## Management and Administration (continued)

### Holdings in Other Funds of the Company

As at 31 December 2023, there were no shares in any Sub-fund held by other Sub-funds of the Company.

### Statement of the Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its Sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its Sub-funds or to cease operations, or have no realistic alternative but to do so. For the reasons stated in the Company Information, the financial statements for Liontrust Institutional UK Small Cap Fund, Liontrust Tortoise Fund, Liontrust UK Equity Income Fund, Liontrust Global Equity Fund and Liontrust Global Focus Fund have not been prepared on a going concern basis;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

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

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

### Report of the ACD to the Shareholders

The ACD, as sole director, presents its report and the audited financial statements of the Company for the year from 1 January 2023 to 31 December 2023.

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

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

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

### Management and Administration (continued)

#### Report of the ACD to the Shareholders (continued)

The ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements of all Sub-funds except for Liontrust Institutional UK Small Cap Fund, Liontrust Tortoise Fund, Liontrust UK Equity Income Fund, Liontrust Global Equity Fund and Liontrust Global Focus Fund as the assets of the Sub-funds consist predominantly of securities that are readily realisable and, accordingly, the Sub-funds have adequate financial resources to continue in operational existence for at least 12 months. The Liontrust Institutional UK Small Cap Fund closed on 22 July 2023 and Liontrust UK Equity Income Fund closed to investment following its merger into Liontrust Income Fund (a Sub-fund of Liontrust Investment Funds I) on 13 October 2023 and will be terminated at a later date once the residual assets and liabilities are settled. Subsequent to the year end, the Liontrust Global Equity Fund and Liontrust Global Focus Fund closed to investment on 16 February 2024 following their merger into Liontrust Global Alpha Fund (a Sub-fund of Liontrust Investment Funds I) and the Liontrust Tortoise Fund closed to investment on 22 February 2024. As a result the financial statements for these Sub-funds have not been prepared on a going concern basis.

#### Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist fund management company with £27.8 billion in assets under management as at 31 December 2023 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 seven fund management teams investing in Global Equities, Global Fixed Income, Sustainable Investment and Multi-Asset portfolios and funds.
- Our fund managers are independent thinkers and have the courage of their convictions in making investment decisions.
- Our fund managers have the freedom to manage their portfolios according to their own investment processes and market views without being distracted by other day-to-day aspects of running a fund management company.
- Each fund management team applies distinct and rigorous investment processes to the management of funds and portfolios that ensure the way we manage money is predictable and repeatable.
- Staying true to their documented investment processes helps to create an in-built risk control for our fund managers, especially in more challenging environments, by preventing them from investing in companies and funds for the wrong reasons.
- We aim to treat investors, clients, members, employees, suppliers and other stakeholders fairly and with respect. We are committed to the Principles of Treating Customers Fairly (TCF) and they are central to how we conduct business across all our functions.

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

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 Sub-funds may be negatively impacted even if they have no direct exposure to the regions involved in the conflict.



## Management and Administration (continued)

### Member's Statement

In accordance with COLL 4.5.8BR, we hereby certify the Annual Report and the Financial Statements were approved by the management committee of members of the ACD and authorised for issue on 25 April 2024.



**Antony Morrison**

Member

25 April 2024

# Statement of the Depositary's Responsibilities and Report of the Depositary

### To the Shareholders of Liontrust Investment Funds III ("the Company") for the year ended 31 December 2023.

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

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

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

The Depositary must ensure that:

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

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

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

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

25 April 2024

# Independent Auditor's Report to the Shareholders of Liontrust Investment Funds III (the "Company")

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of the Company for the year ended 31 December 2023 which comprise the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for the each of the Company's Sub-funds listed on the Contents page and the accounting policies set out on pages 13 to 16.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of each of the Sub-funds as at 31 December 2023 and of the net revenue/net expense and the net capital gains/net capital losses on the property of each of the Sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Emphasis of matter – non going concern basis of preparation

In respect of the Liontrust Institutional UK Small Cap Fund, Liontrust Tortoise Fund, Liontrust UK Equity Income Fund, Liontrust Global Equity Fund and Liontrust Global Focus Fund we draw attention to the disclosure made in note 1a Basis of accounting of the Notes applicable to the financial statements of all Sub-funds which explains that the financial statements of these Sub-funds have not been prepared on going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

### Going Concern

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

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

Our conclusions based on this work:

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

# Independent Auditor's Report to the Shareholders of Liontrust Investment Funds III (the "Company") (continued)

### Report on the audit of the financial statements (continued)

#### Going Concern (continued)

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company or its Sub-funds will continue in operation.

#### Fraud and breaches of laws and regulations – ability to detect

*Identifying and responding to risks of material misstatement due to fraud*

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

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

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

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

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

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

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

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

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



# Independent Auditor's Report to the Shareholders of Liontrust Investment Funds III (the "Company") (continued)

## Report on the audit of the financial statements (continued)

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

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

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

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

### Other information

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

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

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

### Matters on which we are required to report by exception

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

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

### Authorised Corporate Director's responsibilities

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

### Auditor's responsibilities

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

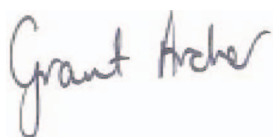
A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

# Independent Auditor's Report to the Shareholders of Liontrust Investment Funds III (the "Company") (continued)

### Report on the audit of the financial statements (continued)

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

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



**Grant Archer**

**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

KPMG LLP  
319 St Vincent Street  
Glasgow  
G2 5AS

25 April 2024

# Notes applicable to the financial statements of all Sub-funds

for the year ended 31 December 2023

## 1 Accounting Policies

### a) Basis of accounting

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

The ACD has made an assessment of the Company and its Sub-funds' ability to continue as a going concern and is satisfied it has the resources to continue in business for at least the next twelve months after the financial statements are signed and is not aware of any material uncertainties that may cast significant doubt on this assessment with the exception of Liontrust Institutional Small Cap Fund, Liontrust Tortoise Fund, Liontrust UK Equity Income Fund, Liontrust Global Equity Fund and the Liontrust Global Focus Fund. This assessment considers liquidity, fluctuations in global capital markets, known redemption levels, expense projections and key service provider's operational resilience.

The Liontrust Institutional UK Small Cap Fund closed on 21 July 2023 and the Liontrust UK Equity Income Fund closed on 13 October 2023 following its merger into Liontrust Income Fund (a Sub-fund of Liontrust Investment Funds I), both of these Sub-funds will be terminated at a later date once the residual assets and liabilities are settled. As a result the current year financial statements of these Sub-funds have not been prepared on a going concern basis. The prior year financial statements for these Sub-funds were prepared on a going concern basis.

Subsequent to the year end, the Liontrust Global Equity Fund and Liontrust Global Focus Fund closed to investment on 16 February 2024 following their merger into Liontrust Global Alpha Fund (a Sub-fund of Liontrust Investment Funds I) and the Liontrust Tortoise Fund closed to investment on 22 February 2024. These Sub-funds will be terminated at a later date once the residual assets and liabilities are settled. As a result the current year financial statements of these Sub-funds have not been prepared on a going concern basis. The prior year financial statements for these Sub-funds were prepared on a going concern basis.

### b) Valuation of investments

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

For Collective Investment Schemes (CIS) managed by other management groups, investments are valued at the bid price for dual priced funds and at the single price for single priced funds.

### c) Revenue

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

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

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

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

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

for the year ended 31 December 2023

### **1 Accounting Policies (continued)**

#### **c) Revenue (continued)**

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

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

#### **d) Expenses**

All expenses are recognised on an accruals basis and are charged against revenue except for costs associated with the purchase and sale of investments, the ACD's charge for the Liontrust UK Equity Income Fund and the Performance fee for the Liontrust Tortoise Fund which are allocated to the capital of the Sub-funds.

For the Liontrust Tortoise Fund, the ACD is entitled to a performance related fee of 20% of outperformance of the relevant index by each share class and is calculated to the end of the accounting year in December each year. The full amount of any performance fee is calculated on an accruals basis and is chargeable against capital in determining distribution. Further details of the calculation can be found in the prospectus.

#### **e) Allocation of income and expenses**

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

#### **f) Taxation**

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

#### **g) Exchange rates**

For all Sub-funds except Liontrust Global Focus Fund and Liontrust Global Equity Fund, transactions in foreign currencies are translated into Sterling at the rate of exchange ruling on the date of the transaction. Investments and other assets and liabilities denominated in foreign currencies are translated into Sterling at the exchange rates applicable at the end of the accounting period.

For Liontrust Global Focus Fund and Liontrust Global Equity Fund, transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transaction. Investments and other assets and liabilities denominated in foreign currencies are translated into US Dollars at the exchange rates applicable at the end of the accounting period.



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

for the year ended 31 December 2023

### 1 Accounting Policies (continued)

#### h) Financial instruments

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

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

#### Distribution Policies

#### i) Basis of distribution

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

Any revenue attributable to accumulation shareholders is retained within a Sub-fund at the end of the distribution period and represents a reinvestment of income on behalf of the accumulation shareholders.

The ACD's charge and expenses are charged against revenue in respect of all the Sub-funds except for Liontrust UK Equity Income Fund where the ACD's fee is charged against capital.

#### j) Stock dividends

The ordinary element of a stock dividend is recognised as revenue to the extent that its market value is equivalent to the market value of the underlying shares on the date the shares are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash value of the dividend will be taken to the capital of a Sub-fund. The ordinary element of the stock dividend is treated as revenue and forms part of the distribution.

#### k) Special dividends

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

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

for the year ended 31 December 2023

**1 Accounting Policies (continued)**

**1) Functional currency**

For all Sub-funds except Liontrust Global Focus Fund and Liontrust Global Equity Fund, the base currency of the Sub-funds is Sterling and is taken to be the 'functional currency' of the Sub-funds. For Liontrust Global Equity Fund and Liontrust Global Focus Fund, the base currency of the Sub-funds is US Dollars and is taken to be the 'functional currency' of the Sub-funds.

# Liontrust UK Equity Fund

Report for the year from 1 January 2023 to 31 December 2023

## Investment Objective

To deliver a total return (the combination of income and capital growth) that at the end of any five year period is in excess of achieving a total return of the FTSE All-Share Total Return Index, after all costs and charges have been deducted. There is no guarantee that the objective will be achieved over any time period and capital is at risk.

## Investment Policy

The Sub-fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of UK companies. These are companies that are:

- listed or traded in the UK, and
- domiciled or incorporated in the UK.

The Sub-fund may also invest up to 20% of its scheme property by value in the shares of non-UK companies (which may include both companies in developed markets and companies in emerging markets), cash, deposits and money market instruments.

The Sub-fund may invest in these asset classes directly and indirectly. It may invest indirectly through other transferable securities (such as depositary receipts) or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Sub-fund does not have any restrictions on the industry sectors it can invest in.

## Investment Strategy

The Sub-fund is actively managed and does not have any particular style bias. The investment managers are flexible investors who will aim to outperform the market by investing in a combination of companies that are judged to be undervalued by the market. The characteristics of these companies could vary and may include growth companies, lowly valued out of favour companies and companies that are undertaking a restructuring perhaps within an industry undergoing significant change. The investment managers may also invest in companies where there is a catalyst for recovery such as management change or an improving business environment as well as seeking out the most attractive investments that are exposed to specific themes (for example consolidating industries or demographics) that are identified as being long term areas for structural growth.

The investment managers typically take a long-term time horizon of 3-5 years when selecting investments.

## Liontrust UK Equity Fund (continued)

### Investment review

#### Market Overview

During the 12 months to 31 December 2023, the Liontrust UK Equity Fund returned 11.3% (Class 'X' Accumulation shares, net of fees GBP) against a rise in the FTSE All Share Total Return Index of 7.9%\*.

Global markets were supported in 2023 by gas prices easing off their highs, easing global supply chains leading to lower costs for freight, and China's lifting of Covid restrictions. The US regional banking crisis shook confidence in March but authorities were quick to provide support, both in the US and then in Europe. Increasing interest in the Artificial Intelligence (AI) theme drove the US technology mega caps higher. Inflation peaked and fell, and investors grew increasingly confident that with inflation coming under control, central banks' rate hiking cycle was over and base rates would be cut early in 2024. The Fund's outperformance over the year was driven by stock specifics.

From November 2023, Imran Sattar became the sole lead manager of the Fund following a transition from a multi-manager structure. This multi-cap structure included a sleeve that was invested in the Liontrust Institutional UK Small Cap Fund, which was liquidated after its Fund Manager, John King, left Liontrust in May 2023.

#### Analysis of portfolio return

In terms of performance drivers over the year, the Sub-fund's underweight in consumer staples and overweight in consumer discretionary contributed the most to returns, while its overweight in industrials and underweights in energy and financials weighed.

From a stock perspective, overweights in **Centrica**, the energy and services company, and **3i**, the private equity company and owner of discount retailer Action, contributed the strongest to performance. Centrica, which owns British Gas, recovered strongly from the lows it reached during the Covid pandemic, driven by a very strong profit recovery and share buy-backs. 3i performed well on a strong operating performance from its largest investment, Action, the international discount store chain that continues to grow at pace throughout much of Europe.

The most significant detractors to relative performance included a zero weighting in Rolls Royce and an underweight in HSBC.

#### Transactions

Over the course of 2023, we added new holdings to the Sub-fund. We bought **Thermo Fisher**, the global diversified leader in the life sciences and tools market, taking advantage of its share price decline after it was hit by a more challenging macro-economic outlook generally, specific weakness in China and the impact of bioprocessing destocking. We bought **Haleon**, the consumer healthcare business, because it was well set to deliver strong earnings growth over the next few years and structural tailwinds would mean that this growth has duration. **Spirax Sarco**, the engineering firm, was added because we believe it is a world class niche engineering business with a long runway of growth opportunities ahead that will convert strongly into cash.

We also sold all our holdings in **Astrazeneca**, **Ascential** and **RS**. Global pharmaceutical and biotechnology company Astrazeneca was sold because of our concerns over its China exposure, US pricing pressure and the need for it to rebase medium-term margins. We sold out of **Ascential** following the announcement of the sales of its WGSN and Digital Commerce divisions for £1.2bn cash proceeds. RS Group was sold following lowered conviction in the business in a year that saw the CEO and FD change, and a profit warning issued.

#### Outlook

The main sources of continued uncertainty as we enter 2024 are political and monetary. Fed Funds Futures currently imply several interest rate cuts priced in over the next year - the consensual view is that the interest rate hiking cycle has peaked in the US, Europe, and UK. The path of interest rates during 2024 is likely to be a key determiner of aggregate stock price moves, alongside the political uncertainty of the presidential election in the US and the general election in the UK (for UK investors at least). Our focus remains on selecting companies with strong or improving market positions and with the agility to adapt to likely uncertainty and volatility in the prevailing economic environment. Many world class businesses in the UK equity market are trading on highly attractive valuations, which we believe compensate for some of the external risks.



## Liontrust UK Equity Fund (continued)

### Investment review (continued)

#### Outlook (continued)

*\*Source: Financial Express as at 31.12.23, total return, in Sterling, net of fees, income reinvested. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

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

#### Material portfolio changes by value

##### Purchases

Haleon  
BP  
Thermo Fisher Scientific  
Unilever  
Spirax-Sarco Engineering  
GSK  
Lloyds Banking  
Compass  
Verisk Analytics  
Rentokil Initial

##### Sales

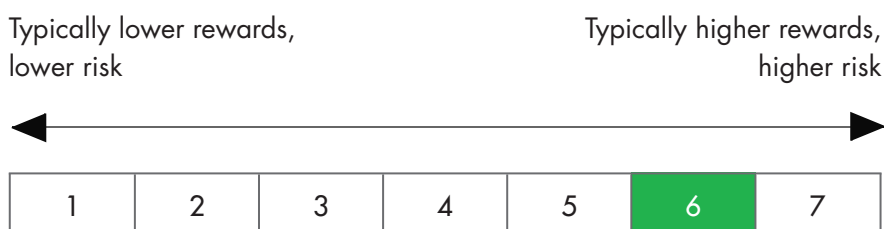
Shell  
3i  
RS  
AstraZeneca  
AVEVA  
Centrica  
Ascential  
St James's Place  
NatWest  
Unilever

## Liontrust UK Equity 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.



- This Synthetic Risk and Reward Indicator (SRRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRRI 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 Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- At least 80% of the Sub-fund will be invested in UK equities, with the balance in international equities (which for the avoidance of doubt could include emerging markets equities), cash or near cash.
- The Sub-fund is categorised 6 primarily for its exposure to UK equities.
- The SRRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-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 Sub-fund.
- The Sub-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 Sub-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 Sub-fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may invest in emerging markets which carries a higher risk than investment in more developed countries. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- Outside of normal conditions, the Sub-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.

## Liontrust UK Equity Fund (continued)

### Investment review (continued)

#### Risk and Reward profile (continued)

- 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 Sub-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](http://www.liontrust.co.uk).

## Liontrust UK Equity Fund (continued)

**Comparative Tables**

for the year ended 31 December 2023

<b>B Accumulation</b> <b>Accounting year ended</b>	<b>31 December 2023</b> <b>per share (p)</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	709.55	783.07	656.71
Return before operating charges	87.19	(73.52)	126.36
Operating charges	0.00	0.00	0.00
Return after operating charges	87.19	(73.52)	126.36
Distributions	(22.78)	(20.70)	(17.93)
Retained distributions on accumulation shares	22.78	20.70	17.93
<b>Closing net asset value per share</b>	<b>796.74</b>	<b>709.55</b>	<b>783.07</b>
After direct transaction costs of*	(1.85)	(1.26)	(1.16)
<b>Performance</b>			
Return after charges	12.29%	(9.39%)	19.24%
<b>Other information</b>			
Closing net asset value (£'000)	90,338	130,419	257,728
Closing number of shares	11,338,436	18,380,476	32,912,606
Operating charges**	0.00%	0.00%	0.00%
Direct transaction costs*	0.24%	0.18%	0.16%
<b>Prices</b>			
Highest share price	799.46	802.40	789.31
Lowest share price	718.89	635.99	651.29

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

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

## Liontrust UK Equity Fund (continued)

**Comparative Tables (continued)**

for the year ended 31 December 2023

<b>B Income</b>	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
<b>Accounting year ended</b>	<b>per share (p)</b>	<b>per share (p)</b>	<b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	527.51	599.96	515.10
Return before operating charges	64.47	(56.73)	98.85
Operating charges	0.00	0.00	0.00
Return after operating charges	64.47	(56.73)	98.85
Distributions	(16.78)	(15.72)	(13.99)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>575.20</b>	<b>527.51</b>	<b>599.96</b>
After direct transaction costs of*	(1.37)	(0.96)	(0.91)
<b>Performance</b>			
Return after charges	12.22%	(9.46%)	19.19%
<b>Other information</b>			
Closing net asset value (£'000)	5,909	38,095	65,003
Closing number of shares	1,027,387	7,221,654	10,834,426
Operating charges**	0.00%	0.00%	0.00%
Direct transaction costs*	0.24%	0.18%	0.16%
<b>Prices</b>			
Highest share price	584.06	614.89	611.80
Lowest share price	534.25	479.09	510.94

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

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

## Liontrust UK Equity Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2023

X Accumulation Accounting year ended	31 December 2023 per share (p)	31 December 2022 per share (p)	31 December 2021 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	184.16	204.57	172.68
Return before operating charges	22.61	(19.21)	33.14
Operating charges	(1.28)	(1.20)	(1.25)
Return after operating charges	21.33	(20.41)	31.89
Distributions	(4.63)	(4.19)	(3.46)
Retained distributions on accumulation shares	4.63	4.19	3.46
<b>Closing net asset value per share</b>	<b>205.49</b>	<b>184.16</b>	<b>204.57</b>
After direct transaction costs of*	(0.48)	(0.33)	(0.31)
<b>Performance</b>			
Return after charges	11.58%	(9.98%)	18.47%
<b>Other information</b>			
Closing net asset value (£'000)	176,105	262,716	391,644
Closing number of shares	85,701,513	142,653,043	191,446,336
Operating charges**	0.65%	0.65%	0.65%
Direct transaction costs*	0.24%	0.18%	0.16%
<b>Prices</b>			
Highest share price	206.20	209.60	206.21
Lowest share price	186.58	165.30	171.16

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

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

## Liontrust UK Equity Fund (continued)

**Comparative Tables (continued)**

for the year ended 31 December 2023

<b>X Income</b> <b>Accounting year ended</b>	<b>31 December 2023</b> <b>per share (p)</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	142.37	161.89	139.03
Return before operating charges	17.39	(15.28)	26.63
Operating charges	(0.98)	(0.94)	(1.00)
Return after operating charges	16.41	(16.22)	25.63
Distributions	(3.56)	(3.30)	(2.77)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>155.22</b>	<b>142.37</b>	<b>161.89</b>
After direct transaction costs of*	(0.37)	(0.26)	(0.24)
<b>Performance</b>			
Return after charges	11.53%	(10.02%)	18.43%
<b>Other information</b>			
Closing net asset value (£'000)	26,482	106,460	269,885
Closing number of shares	17,061,053	74,778,523	166,710,272
Operating charges**	0.65%	0.65%	0.65%
Direct transaction costs*	0.24%	0.18%	0.16%
<b>Prices</b>			
Highest share price	157.13	165.89	164.56
Lowest share price	143.88	129.07	137.83

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

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



## Liontrust UK Equity Fund (continued)

## Portfolio Statement

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (99.02%)</b>	<b>293,748</b>	<b>98.30</b>
	<b>UNITED KINGDOM (90.59%)</b>	<b>275,852</b>	<b>92.31</b>
	<b>Advertising (2.93%)</b>		
	<b>Aerospace &amp; Defence (1.50%)</b>	<b>5,992</b>	<b>2.00</b>
539,573	BAE Systems	5,992	2.00
	<b>Airlines (0.90%)</b>	<b>4,165</b>	<b>1.39</b>
816,659	easyJet	4,165	1.39
	<b>Apparel (0.63%)</b>		
	<b>Banks (7.06%)</b>	<b>17,009</b>	<b>5.69</b>
776,868	HSBC	4,936	1.65
6,417,351	Lloyds Banking	3,061	1.02
4,109,510	NatWest	9,012	3.02
	<b>Beverages (1.10%)</b>	<b>2,304</b>	<b>0.77</b>
220,259	Fevertree Drinks	2,304	0.77
	<b>Biotechnology (0.23%)</b>		
	<b>Building Materials (1.58%)</b>		
	<b>Chemicals (0.06%)</b>		
	<b>Commercial Services (14.61%)</b>	<b>40,946</b>	<b>13.72</b>
126,576	4imprint	5,784	1.94
177,178	Ashtead	9,677	3.24
3,599,383	Hays	3,931	1.32
1,061,338	QinetiQ	3,277	1.10
247,918	RELX	7,708	2.58
2,398,196	Rentokil Initial	10,569	3.54
	<b>Computers (1.79%)</b>	<b>3,032</b>	<b>1.01</b>
1,870,610	Serco	3,032	1.01
	<b>Cosmetics &amp; Personal Care (4.24%)</b>	<b>23,708</b>	<b>7.93</b>
3,219,092	Haleon	10,354	3.46

## Liontrust UK Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Cosmetics &amp; Personal Care (continued)</b>		
950,831	PZ Cussons	1,457	0.49
313,121	Unilever	11,897	3.98
	<b>Distribution &amp; Wholesale (3.36%)</b>	<b>3,239</b>	<b>1.08</b>
395,190	RS	3,239	1.08
	<b>Diversified Financial Services (4.97%)</b>	<b>13,870</b>	<b>4.64</b>
1,881,220	AJ Bell	5,888	1.97
184,622	Hargreaves Lansdown	1,352	0.45
71,491	London Stock Exchange	6,630	2.22
	<b>Electricity (0.01%)</b>		
	<b>Electronics (0.28%)</b>	<b>1,531</b>	<b>0.51</b>
473,015	Rotork	1,531	0.51
	<b>Engineering &amp; Construction (0.25%)</b>		
	<b>Food Producers (3.43%)</b>	<b>12,113</b>	<b>4.05</b>
153,241	Greggs	3,984	1.33
1,107,465	Marks & Spencer	3,017	1.01
1,760,417	Tesco	5,112	1.71
	<b>Food Services (2.71%)</b>	<b>13,601</b>	<b>4.55</b>
633,772	Compass	13,601	4.55
	<b>Forest Products &amp; Paper (0.63%)</b>	<b>1,845</b>	<b>0.62</b>
120,109	Mondi	1,845	0.62
	<b>Gas (2.14%)</b>	<b>9,516</b>	<b>3.18</b>
6,772,789	Centrica	9,516	3.18
	<b>Healthcare Products (1.64%)</b>	<b>3,838</b>	<b>1.28</b>
1,571,479	ConvaTec	3,838	1.28

## Liontrust UK Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Healthcare Services (0.18%)</b>		
	<b>Home Builders (0.90%)</b>		
	<b>Home Furnishings (0.73%)</b>	<b>5,873</b>	<b>1.97</b>
722,051	Howden Joinery	5,873	1.97
	<b>Household Products (0.95%)</b>	<b>2,880</b>	<b>0.96</b>
53,137	Reckitt Benckiser	2,880	0.96
	<b>Insurance (0.62%)</b>	<b>3,550</b>	<b>1.19</b>
132,273	Admiral	3,550	1.19
	<b>Internet (1.19%)</b>	<b>12,676</b>	<b>4.25</b>
775,473	Auto Trader	5,582	1.87
1,447,258	Baltic Classifieds	3,423	1.15
637,716	Rightmove	3,671	1.23
	<b>Investment Companies (0.12%)</b>		
	<b>Leisure Time (0.05%)</b>		
	<b>Lodging (0.51%)</b>	<b>7,820</b>	<b>2.62</b>
213,943	Whitbread	7,820	2.62
	<b>Machinery Construction &amp; Mining (1.89%)</b>	<b>5,614</b>	<b>1.88</b>
297,611	Weir	5,614	1.88
	<b>Machinery Diversified (0.71%)</b>	<b>6,918</b>	<b>2.31</b>
65,851	Spirax-Sarco Engineering	6,918	2.31
	<b>Media (0.01%)</b>		
	<b>Mining (1.31%)</b>	<b>4,952</b>	<b>1.66</b>
251,284	Anglo American	4,952	1.66
	<b>Miscellaneous Manufacturing (1.74%)</b>	<b>7,183</b>	<b>2.40</b>
200,526	Diploma	7,183	2.40

## Liontrust UK Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Oil &amp; Gas Producers (7.29%)</b>	<b>29,411</b>	<b>9.84</b>
1,142,811	BP	5,327	1.78
937,306	Shell	24,084	8.06
	<b>Packaging &amp; Containers (1.04%)</b>		
	<b>Pharmaceuticals (5.96%)</b>	<b>19,101</b>	<b>6.40</b>
96,609	AstraZeneca	10,239	3.43
611,098	GSK	8,862	2.97
	<b>Private Equity (3.13%)</b>	<b>7,202</b>	<b>2.41</b>
297,614	3i	7,202	2.41
	<b>Real Estate Investment &amp; Services (0.05%)</b>		
	<b>Retail (3.02%)</b>	<b>5,963</b>	<b>2.00</b>
543,538	Dunelm	5,963	2.00
996,819	Patisserie Holdings~	0	0.00
	<b>Software (2.89%)</b>		
	<b>Telecommunications (0.23%)</b>		
	<b>Textiles (0.02%)</b>		
	<b>UNITED STATES OF AMERICA (2.68%)</b>	<b>11,947</b>	<b>4.00</b>
	<b>Commercial Services (1.22%)</b>	<b>5,408</b>	<b>1.81</b>
28,865	Verisk Analytics	5,408	1.81
	<b>Healthcare Products (0.00%)</b>	<b>6,539</b>	<b>2.19</b>
15,691	Thermo Fisher Scientific	6,539	2.19
	<b>Machinery Construction &amp; Mining (0.01%)</b>		
	<b>Mining (0.67%)</b>		
	<b>Software (0.74%)</b>		
	<b>Water (0.04%)</b>		

Liontrust UK Equity Fund (continued)

Portfolio Statement (continued)

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>FINLAND (0.00%)</b>	<b>4,453</b>	<b>1.49</b>
	<b>Machinery Diversified (0.00%)</b>	<b>4,453</b>	<b>1.49</b>
113,628	Kone	4,453	1.49
	<b>SWITZERLAND (1.56%)</b>	<b>906</b>	<b>0.30</b>
	<b>Pharmaceuticals (1.56%)</b>	<b>906</b>	<b>0.30</b>
3,977	Roche	906	0.30
	<b>CANADA (0.97%)</b>	<b>590</b>	<b>0.20</b>
	<b>Mining (0.97%)</b>	<b>590</b>	<b>0.20</b>
41,567	Barrick Gold	590	0.20
	<b>AUSTRALIA (0.00%)</b>	<b>0</b>	<b>0.00</b>
	<b>Mining (0.00%)</b>	<b>0</b>	<b>0.00</b>
	<b>FRANCE (1.09%)</b>	<b>0</b>	<b>0.00</b>
	<b>Aerospace &amp; Defence (0.35%)</b>		
	<b>Oil &amp; Gas Producers (0.74%)</b>		
	<b>IRELAND (1.13%)</b>	<b>0</b>	<b>0.00</b>
	<b>Airlines (0.48%)</b>		
	<b>Retail (0.65%)</b>		
	<b>JERSEY (0.20%)</b>	<b>0</b>	<b>0.00</b>
	<b>Diversified Financial Services (0.20%)</b>	<b>0</b>	<b>0.00</b>
	<b>NETHERLANDS (0.80%)</b>	<b>0</b>	<b>0.00</b>
	<b>Healthcare Products (0.30%)</b>		
	<b>Telecommunications (0.50%)</b>		

## Liontrust UK Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>COLLECTIVE INVESTMENT SCHEMES (1.06%)</b>	<b>0</b>	<b>0.00</b>
	<b>GERMANY (0.00%)</b>	<b>0</b>	<b>0.00</b>
4,576,733	Speymill Deutsche Immobilien~	0	0.00
	<b>UNITED KINGDOM (1.06%)</b>	<b>0</b>	<b>0.00</b>
	<b>Portfolio of investments</b>	<b>293,748</b>	<b>98.30</b>
	<b>Net other assets</b>	<b>5,086</b>	<b>1.70</b>
	<b>Total net assets</b>	<b>298,834</b>	<b>100.00</b>

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 December 2022.

~ Delisted securities.

## Liontrust UK Equity Fund (continued)

### Statement of Total Return

for the year ended 31 December 2023

	Notes	(£'000)	1.1.2023 to 31.12.2023 (£'000)	(£'000)	1.1.2022 to 31.12.2022 (£'000)
Income					
Net capital gains/(losses)	2		41,799		(119,733)
Revenue	3	11,723		22,377	
Expenses	4	(1,669)		(3,287)	
Interest payable and similar charges	6	(4)		(2)	
Net revenue before taxation		10,050		19,088	
Taxation	5	(37)		(358)	
Net revenue after taxation			10,013		18,730
<b>Total return before distributions</b>			<b>51,812</b>		<b>(101,003)</b>
Distributions	7		(10,013)		(18,730)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>41,799</b>		<b>(119,733)</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2023

	(£'000)	1.1.2023 to 31.12.2023 (£'000)	(£'000)	1.1.2022 to 31.12.2022 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>537,690</b>		<b>984,260</b>
Amounts received on issue of shares	9,996		54,089	
Amounts paid on cancellation of shares	(298,507)		(393,633)	
		(288,511)		(339,544)
Dilution adjustment		169		914
Stamp duty reserve tax refund		-		5
Change in net assets attributable to shareholders from investment activities		41,799		(119,733)
Retained distributions on accumulation shares		7,687		11,788
<b>Closing net assets attributable to shareholders</b>		<b>298,834</b>		<b>537,690</b>



## Liontrust UK Equity Fund (continued)

**Balance Sheet**

as at 31 December 2023

	Notes	31.12.2023 (£'000)	31.12.2022 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		293,748	538,103
<b>Current assets:</b>			
Debtors	8	469	1,209
Cash and bank balances	9	5,140	201
<b>Total assets</b>		<b>299,357</b>	<b>539,513</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Distribution payable		(304)	(1,573)
Other creditors	10	(219)	(250)
<b>Total liabilities</b>		<b>(523)</b>	<b>(1,823)</b>
<b>Net assets attributable to shareholders</b>		<b>298,834</b>	<b>537,690</b>

## Liontrust UK Equity Fund (continued)

**Notes to the financial statements**

for the year ended 31 December 2023

**1 Accounting policies**

The accounting policies for the Sub-fund are set out on pages 13 to 16.

**2 Net capital gains/(losses)**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
The net capital gains/(losses) comprise:		
Non-derivative securities	41,811	(119,700)
Foreign currency losses	(12)	(33)
<b>Net capital gains/(losses)</b>	<b>41,799</b>	<b>(119,733)</b>

**3 Revenue**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Bank interest	87	2
Interest distributions on CIS holdings	206	190
Non-taxable overseas dividends	661	2,291
Stock Dividends	64	–
UK dividends	10,705	19,894
<b>Total revenue</b>	<b>11,723</b>	<b>22,377</b>

**4 Expenses**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge*	1,669	3,287
<b>Total expenses</b>	<b>1,669</b>	<b>3,287</b>

\* The audit fee for the year (borne out of the ACD's charge), excluding VAT, was £9,200 (2022: £9,200). Where the fee exceeds the ACD's charge, the shortfall will be met by the ACD.

## Liontrust UK Equity Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**5 Taxation**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
<b>a) Analysis of the tax charge for the year</b>		
Overseas tax	37	358
<b>Total tax charge [see note(b)]</b>	<b>37</b>	<b>358</b>

**b) Factors affecting the tax charge for the year**

The taxation assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Net revenue before taxation	10,050	19,088
Corporation tax at 20% (2022 - 20%)	2,010	3,818
Effects of:		
Movement in unrecognised tax losses	276	619
Overseas tax	37	358
Revenue not subject to tax	(2,286)	(4,437)
<b>Total tax charge [see note(a)]</b>	<b>37</b>	<b>358</b>

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

**c) Deferred tax**

At the year end there is a potential deferred tax asset of £30,341,000 (2022: £30,065,000) due to tax losses of £151,704,000 (2022: £150,324,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

**6 Interest payable and similar charges**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Overdraft interest	4	2
<b>Total interest payable and similar charges</b>	<b>4</b>	<b>2</b>

## Liontrust UK Equity Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2023

## 7 Distributions

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Interim distribution	5,799	11,141
Final distribution	2,906	5,895
	<b>8,705</b>	<b>17,036</b>
Amounts deducted on cancellation of shares	1,361	2,124
Amounts received on issue of shares	(53)	(430)
<b>Distributions</b>	<b>10,013</b>	<b>18,730</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	10,013	18,730
<b>Distributions</b>	<b>10,013</b>	<b>18,730</b>

The distribution per share is set out in the tables on page 46.

## 8 Debtors

	31.12.2023 (£'000)	31.12.2022 (£'000)
Accrued revenue	340	893
Amounts receivable for issue of shares	–	98
Overseas withholding tax	129	121
Sales awaiting settlement	–	97
<b>Total debtors</b>	<b>469</b>	<b>1,209</b>

## 9 Cash and bank balances

	31.12.2023 (£'000)	31.12.2022 (£'000)
Cash and bank balances	5,140	201
<b>Total cash and bank balances</b>	<b>5,140</b>	<b>201</b>

## Liontrust UK Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 10 Creditors

	31.12.2023 (£'000)	31.12.2022 (£'000)
Accrued ACD's charge	111	207
Amounts payable for cancellation of shares	108	43
<b>Total other creditors</b>	<b>219</b>	<b>250</b>

#### 11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: £nil).

#### 12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company. Prior to 30 September 2022, the ACD of the Sub-fund was Link Fund Solutions Limited.

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

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £111,000 (2022: £207,000).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was £1,669,000. The total expenses due to Liontrust Fund Partners LLP and its associates for the period from 1 October 2022 to 31 December 2022 was £606,000. The total expenses due to Link Fund Solutions Limited and its associates for the period 1 January 2022 to 30 September 2022 was £2,681,000.

#### 13 Risk management policies

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

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

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

## Liontrust UK Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

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

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

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

#### Market price risk

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

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

As at 31 December 2023 and 31 December 2022 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 December 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.5%.

As at 31 December 2022, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 11.0%.

Some limitations of sensitivity analysis are;

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

## Liontrust UK Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Market price risk (continued)

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

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

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

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

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

##### Currency risk

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

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

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

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

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

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

However, in line with the Sub-fund's objectives of investing primarily in the UK and Ireland, the Sub-fund is expected to have only minimal foreign currency exposures.



### Liontrust UK Equity Fund (continued)

#### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Currency risk (continued)

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

##### Interest rate risk

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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

##### Liquidity risk

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

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-fund may not be able to sell a position for full value or at all in the short-term. This may affect performance and could cause the Sub-fund to defer or suspend redemptions of its shares. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

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

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

##### Counterparty credit risk

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

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

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

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have

## Liontrust UK Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Counterparty credit risk (continued)

been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan. The Sub-fund currently does not engage in stock lending. The ACD is required to provide shareholder 60 days' prior written notice.

At the balance sheet date, there were no counterparties to open derivative contracts (2022: none). At the year end collateral of £Nil (2022: £Nil) was received; collateral pledged was £Nil (2022: £Nil) and none (2022: none) of the Sub-fund's financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2023 and at 31 December 2022 was A (Standard & Poor's rating).

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

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

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

##### Maturity profile of financial liabilities

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

##### Fair value of financial assets and liabilities

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

##### Valuation of financial investments

<b>31.12.2023</b>	<b>Assets (£'000)</b>	<b>Liabilities (£'000)</b>
Level 1: Quoted prices	293,748	—
	<b>293,748</b>	<b>—</b>

## Liontrust UK Equity Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**13 Risk management policies (continued)****Valuation of financial investments (continued)**

<b>31.12.2022</b>	<b>Assets (£'000)</b>	<b>Liabilities (£'000)</b>
Level 1: Quoted prices	532,397	—
Level 2: Observable market data	5,706	—
	<b>538,103</b>	<b>—</b>

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

**14 Share movement**

For the year ending 31 December 2023

	<b>Opening shares</b>	<b>Shares issued</b>	<b>Shares redeemed</b>	<b>Shares converted</b>	<b>Closing shares</b>
B Accumulation	18,380,476	—	(7,042,040)	—	11,338,436
B Income	7,221,654	—	(6,194,267)	—	1,027,387
X Accumulation	142,653,043	4,947,018	(61,880,722)	(17,826)	85,701,513
X Income	74,778,523	204,209	(57,945,072)	23,393	17,061,053

## Liontrust UK Equity Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**15 Portfolio transaction costs**  
for the year ending 31 December 2023

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	160,562	71	0.04	677	0.42
<b>Total purchases</b>	<b>160,562</b>	<b>71</b>		<b>677</b>	
<b>Total purchases including transaction costs</b>	<b>161,310</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	441,578	197	0.04	3	–
<b>Total sales</b>	<b>441,578</b>	<b>197</b>		<b>3</b>	
<b>Total sales net of transaction costs</b>	<b>441,378</b>				
<b>Total transaction costs</b>		<b>268</b>		<b>680</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.07%</b>		<b>0.17%</b>	

## Liontrust UK Equity Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2023

15 Portfolio transaction costs (continued)  
for the year ending 31 December 2022

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	232,399	113	0.05	975	0.42
<b>Total purchases</b>	<b>232,399</b>	<b>113</b>		<b>975</b>	
<b>Total purchases including transaction costs</b>	<b>233,487</b>				
Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	547,040	227	0.04	3	–
<b>Total sales</b>	<b>547,040</b>	<b>227</b>		<b>3</b>	
<b>Total sales net of transaction costs</b>	<b>546,810</b>				
<b>Total transaction costs</b>		<b>340</b>		<b>978</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.05%</b>		<b>0.13%</b>	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.10% (2022: 0.31%).

## Liontrust UK Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 16 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the X Accumulation share class has increased by 3.17% to 17 April 2024. The other share classes in the Sub-fund have moved by a similar magnitude.

## Liontrust UK Equity Fund (continued)

### Distribution Tables

for the year ended 31 December 2023

#### Final distribution

Group 1 - Shares purchased prior to 1 July 2023

Group 2 - Shares purchased 1 July 2023 to 31 December 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2024 Pence per share	Distribution paid 28.2.2023 Pence per share
B Accumulation - Group 1	9.3883	—	9.3883	9.3041
B Accumulation - Group 2	9.3883	—	9.3883	9.3041
B Income - Group 1	6.8785	—	6.8785	6.9886
B Income - Group 2	6.8785	—	6.8785	6.9886
X Accumulation - Group 1	1.7945	—	1.7945	1.8306
X Accumulation - Group 2	1.0580	0.7365	1.7945	1.8306
X Income - Group 1	1.3676	—	1.3676	1.4287
X Income - Group 2	0.6442	0.7234	1.3676	1.4287

#### Interim distribution

Group 1 - Shares purchased prior to 1 January 2023

Group 2 - Shares purchased 1 January 2023 to 30 June 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2023 Pence per share	Distribution paid 31.8.2022 Pence per share
B Accumulation - Group 1	13.3937	—	13.3937	11.3986
B Accumulation - Group 2	13.3937	—	13.3937	11.3986
B Income - Group 1	9.9033	—	9.9033	8.7277
B Income - Group 2	9.9033	—	9.9033	8.7277
X Accumulation - Group 1	2.8357	—	2.8357	2.3596
X Accumulation - Group 2	1.4712	1.3645	2.8357	2.3596
X Income - Group 1	2.1933	—	2.1933	1.8669
X Income - Group 2	1.3975	0.7958	2.1933	1.8669

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

# Liontrust UK Focus Fund

Report for the year from 1 January 2023 to 31 December 2023

## Investment Objective

To deliver a total return (the combination of income and capital growth) that at the end of any five year period is in excess of achieving a total return of the FTSE All-Share Total Return Index, after all costs and charges have been deducted. There is no guarantee that the objective will be achieved over any time period and capital is at risk.

## Investment Policy

The Sub-fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of UK companies. These are companies that are:

- listed or traded in the UK, and
- domiciled or, incorporated in the UK.

The Sub-fund will be focused and will have holdings in no more than 60 companies.

The Sub-fund may also invest up to 20% of its scheme property by value in the shares of non-UK companies (which may include companies in emerging markets), cash, deposits and money market instruments.

The Sub-fund may invest in these asset classes directly and indirectly. It may invest indirectly through transferable securities (such as depositary receipts) or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Sub-fund does not have any restrictions on the industry sectors or the size of companies it can invest in.

## Investment Strategy

The Sub-fund is actively managed and does not have any particular style bias. The investment managers are flexible investors who will aim to outperform the market by investing in a combination of companies that are judged to be undervalued by the market. The characteristics of these companies could vary and may include growth companies, lowly valued out of favour companies and companies that are undertaking a restructuring perhaps within an industry undergoing significant change. The investment managers may also invest in companies where there is a catalyst for recovery such as management change or an improving business environment as well as seeking out the most attractive investments that are exposed to specific themes (for example consolidating industries or demographics) that are identified as being long term area for structural growth.

The investment managers typically take a long-term time horizon of 3-5 years when selecting investments.



### Liontrust UK Focus Fund (continued)

#### Investment review

##### Market review

During the 12 months to 31 December 2023, the Liontrust UK Focus Fund returned 18.7% (Class 'X' Accumulation shares, net of fees GBP) against a rise in the FTSE All Share Total Return Index of 7.9%.

Global markets were supported in 2023 by gas prices easing off their highs, easing global supply chains leading to lower costs for freight, and China's lifting of Covid restrictions. The US regional banking crisis shook confidence in March, but authorities were quick to provide support, both in the US and then in Europe. Increasing interest in the Artificial Intelligence (AI) theme drove the US technology mega caps higher. Inflation peaked and fell, and investors grew increasingly confident that with inflation coming under control, central banks' rate hiking cycle was over and base rates would be cut early in 2024. The Sub-fund's outperformance over the year was driven by stock specifics.

From February 2023, Imran Sattar became the sole lead manager of the Sub-fund after co-managing the Sub-fund with Chris Field.

##### Analysis of portfolio return

In terms of performance drivers over the year, the Sub-fund's overweight in the consumer discretionary sector and underweight in consumer staples contributed the most to returns, while an overweight in industrials and underweight in healthcare detracted the most.

In terms of the most significant stock contributors, our overweights in **3i**, the private equity company and owner of discount retailer Action, and **Diploma**, the value-add distributor, contributed the most to returns. 3i performed well on a strong operating performance from Action, its largest investment, which continues to grow at pace throughout much of Europe. Diploma consistently delivered strong free cashflow generation, which enabled it to organically fund continued bolt-on M&A deals. In November, it announced strong full-year results and better than expected margins. The strong performance was expected to continue into 2024.

Zero exposure to **HSBC** and an overweight in **RS** detracted the most from relative performance.

##### Transactions

Over the course of 2023, we added new holdings to the Sub-fund. We bought **Thermo Fisher**, the global diversified leader in the life sciences and tools market, taking advantage of its share price decline after it was hit by a more challenging macro-economic outlook generally, specific weakness in China and the impact of bioprocessing destocking. We bought **Haleon**, the consumer healthcare business, because it was well set to deliver strong earnings growth over the next few years and structural tailwinds would mean that this growth has duration. **Spirax Sarco**, the engineering firm, was added because we believe it is a world class niche engineering business with a long runway of growth opportunities ahead that will convert strongly into cash.

We sold all our holdings in **Ascential** and **St James Place**. We sold out of **Ascential** following the announcement of the sales of its WGSN and Digital Commerce divisions for £1.2bn cash proceeds. The position in **St James Place**, the wealth manager, was closed following the announcement of the fees being cut on the back of consumer duty regulations. There was a risk that flows would remain weak and fees would require further downward adjustments.

##### Outlook

The main sources of continued uncertainty as we enter 2024 are political and monetary. Fed Funds Futures currently imply several interest rate cuts priced in over the next year - the consensual view is that the interest rate hiking cycle has peaked in the US, Europe, and UK. The path of interest rates during 2024 is likely to be a key determiner of aggregate stock price moves, alongside the political uncertainty of the presidential election in the US and the general election in the UK (for UK investors at least). Our focus remains on selecting companies with strong or improving market positions and with the agility to adapt to likely uncertainty and volatility in the prevailing economic environment. Many world class businesses in the UK equity market are trading on highly attractive valuations, which we believe compensate for some of the external risks.

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

## Liontrust UK Focus Fund (continued)

### Investment review (continued)

#### Outlook (continued)

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

#### Material portfolio changes by value

##### Purchases

Spirax-Sarco Engineering  
Thermo Fisher Scientific  
Diploma  
Haleon  
Compass  
AJ Bell  
Rightmove  
Rentokil Initial  
Verisk Analytics  
Auto Trader

##### Sales

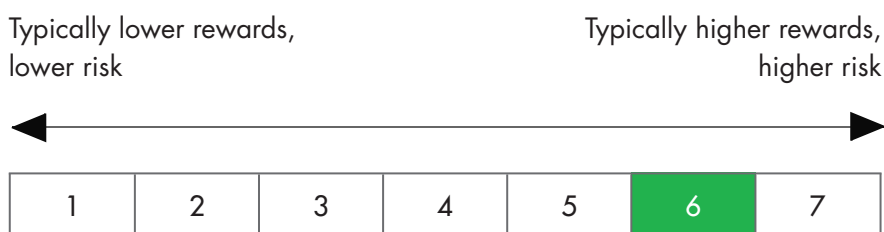
3i  
AVEVA  
Ascential  
Shell  
RELX  
RS  
St James's Place  
Equifax  
Serco  
Rentokil Initial

## Liontrust UK Focus 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.



- This Synthetic Risk and Reward Indicator (SRRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRRI shown is not guaranteed to remain the same and may shift overtime.
- 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 Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- At least 80% of the Sub-fund will be invested in UK equities, with the balance in international equities (which for the avoidance of doubt could include emerging markets equities), cash or near cash.
- The Sub-fund is categorised 6 primarily for its exposure to UK equities.
- The SRRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-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 Sub-fund.
- This Sub-fund may have a concentrated portfolio, i.e. hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Sub-fund's value than if it held a larger number of investments.
- The Sub-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 Sub-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 Sub-fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may invest in emerging markets which carries a higher risk than investment in more developed countries. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.

## Liontrust UK Focus Fund (continued)

### Investment review (continued)

#### Risk and Reward profile (continued)

- Outside of normal conditions, the Sub-fund may hold higher levels of cash which may be deposited with several credit counterparties (e.g. international banks). A credit risk arises should one or more of these counterparties be unable to return the deposited cash.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Environmental, Social and Governance (ESG) Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG.

For full details of the Sub-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](http://www.liontrust.co.uk).

## Liontrust UK Focus Fund (continued)

### Comparative Tables

for the year ended 31 December 2023

<b>B Accumulation+</b> <b>Accounting year ended</b>	<b>31 December 2023</b> <b>per share (p)+</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	929.55	1,163.50	1,006.24
Return before operating charges	170.35	(233.95)	157.26
Operating charges	0.00	0.00	0.00
Return after operating charges	170.35	(233.95)	157.26
Distributions	(13.90)	(20.00)	(22.29)
Retained distributions on accumulation shares	13.90	20.00	22.29
<b>Closing net asset value per share</b>	<b>1,099.90</b>	<b>929.55</b>	<b>1,163.50</b>
After direct transaction costs of*	(3.80)	(2.53)	(3.11)
<b>Performance</b>			
Return after charges	18.33%	(20.11%)	15.63%
<b>Other information</b>			
Closing net asset value (£'000)	–	881	296,590
Closing number of shares	–	94,803	25,491,307
Operating charges**	0.00%	0.00%	0.00%
Direct transaction costs*	0.36%	0.26%	0.28%
<b>Prices</b>			
Highest share price	1,105.98	1,187.92	1,184.77
Lowest share price	939.73	854.58	1,003.97

+ Closed on 19 December 2023

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

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

## Liontrust UK Focus Fund (continued)

**Comparative Tables (continued)**

for the year ended 31 December 2023

<b>B Income</b>	<b>31 December</b>	<b>31 December 2021</b>
<b>Accounting year ended</b>	<b>2022+</b>	<b>per share (p)</b>
	<b>per share (p)</b>	<b>per share (p)</b>
<b>Change in net assets per share</b>		
Opening net asset value per share	1,079.19	951.53
Return before operating charges	(187.11)	148.65
Operating charges	0.00	0.00
Return after operating charges	(187.11)	148.65
Distributions	(10.38)	(20.99)
Retained distributions on accumulation shares	—	—
<b>Closing net asset value per share</b>	<b>881.70</b>	<b>1,079.19</b>
After direct transaction costs of*	(1.47)	(2.92)
<b>Performance</b>		
Return after charges	(17.34%)	15.62%
<b>Other information</b>		
Closing net asset value (£'000)	—	16,592
Closing number of shares	—	1,537,481
Operating charges**	0.00%	0.00%
Direct transaction costs*	0.26%	0.28%
<b>Prices</b>		
Highest share price	1,094.88	1,108.70
Lowest share price	819.94	949.59

+ Closed on 12 August 2022

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

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

## Liontrust UK Focus Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2023

X Accumulation Accounting year ended	31 December 2023 per share (p)	31 December 2022 per share (p)	31 December 2021 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	191.54	241.80	210.89
Return before operating charges	38.16	(48.56)	32.87
Operating charges	(1.82)	(1.70)	(1.96)
Return after operating charges	36.34	(50.26)	30.91
Distributions	(3.06)	(2.43)	(2.70)
Retained distributions on accumulation shares	3.06	2.43	2.70
<b>Closing net asset value per share</b>	<b>227.88</b>	<b>191.54</b>	<b>241.80</b>
After direct transaction costs of*	(0.78)	(0.52)	(0.65)
<b>Performance</b>			
Return after charges	18.97%	(20.79%)	14.66%
<b>Other information</b>			
Closing net asset value (£'000)	13,022	21,124	127,050
Closing number of shares	5,714,465	11,028,642	52,544,130
Operating charges**	0.85%	0.85%	0.85%
Direct transaction costs*	0.36%	0.26%	0.28%
<b>Prices</b>			
Highest share price	228.68	246.85	246.91
Lowest share price	193.62	176.41	210.27

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

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

## Liontrust UK Focus Fund (continued)

**Comparative Tables (continued)**

for the year ended 31 December 2023

<b>X Income</b> <b>Accounting year ended</b>	<b>31 December 2023</b> <b>per share (p)</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	160.45	205.20	180.94
Return before operating charges	31.89	(41.25)	28.19
Operating charges	(1.52)	(1.44)	(1.67)
Return after operating charges	30.37	(42.69)	26.52
Distributions	(2.55)	(2.06)	(2.26)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>188.27</b>	<b>160.45</b>	<b>205.20</b>
After direct transaction costs of*	(0.65)	(0.44)	(0.55)
<b>Performance</b>			
Return after charges	18.93%	(20.80%)	14.65%
<b>Other information</b>			
Closing net asset value (£'000)	4,135	5,625	72,862
Closing number of shares	2,196,369	3,505,683	35,508,432
Operating charges**	0.85%	0.85%	0.85%
Direct transaction costs*	0.36%	0.26%	0.28%
<b>Prices</b>			
Highest share price	189.84	209.50	210.51
Lowest share price	162.21	148.56	180.43

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

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



## Liontrust UK Focus Fund (continued)

### Portfolio Statement

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (96.70%)</b>	<b>16,489</b>	<b>96.11</b>
	<b>UNITED KINGDOM (84.52%)</b>	<b>14,259</b>	<b>83.11</b>
	<b>Advertising (4.29%)</b>		
	<b>Airlines (0.89%)</b>		
	<b>Apparel (1.10%)</b>		
	<b>Banks (2.39%)</b>	<b>506</b>	<b>2.95</b>
230,810	NatWest	506	2.95
	<b>Beverages (1.82%)</b>	<b>196</b>	<b>1.14</b>
18,704	Fevertree Drinks	196	1.14
	<b>Commercial Services (17.27%)</b>	<b>3,110</b>	<b>18.13</b>
12,329	Ashtead	673	3.92
39,869	RELX	1,240	7.23
271,578	Rentokil Initial	1,197	6.98
	<b>Computers (3.17%)</b>		
	<b>Cosmetics &amp; Personal Care (0.00%)</b>	<b>807</b>	<b>4.70</b>
250,942	Haleon	807	4.70
	<b>Distribution &amp; Wholesale (4.27%)</b>	<b>169</b>	<b>0.98</b>
20,619	RS	169	0.98
	<b>Diversified Financial Services (8.41%)</b>	<b>1,963</b>	<b>11.44</b>
294,545	AJ Bell	922	5.37
38,032	Hargreaves Lansdown	278	1.62
8,227	London Stock Exchange	763	4.45
	<b>Electronics (0.00%)</b>	<b>89</b>	<b>0.52</b>
27,370	Rotork	89	0.52
	<b>Food Producers (2.97%)</b>	<b>246</b>	<b>1.43</b>
9,475	Greggs	246	1.43

## Liontrust UK Focus Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Food Services (1.82%)</b>	<b>849</b>	<b>4.95</b>
39,539	Compass	849	4.95
	<b>Gas (1.19%)</b>		
	<b>Internet (3.27%)</b>	<b>1,792</b>	<b>10.45</b>
118,368	Auto Trader	852	4.97
102,614	Baltic Classifieds	243	1.42
121,102	Rightmove	697	4.06
	<b>Lodging (0.00%)</b>	<b>98</b>	<b>0.57</b>
2,695	Whitbread	98	0.57
	<b>Machinery Diversified (1.39%)</b>	<b>1,122</b>	<b>6.54</b>
10,680	Spirax-Sarco Engineering	1,122	6.54
	<b>Miscellaneous Manufacturing (1.90%)</b>	<b>1,034</b>	<b>6.03</b>
28,879	Diploma	1,034	6.03
	<b>Oil &amp; Gas Producers (7.19%)</b>	<b>852</b>	<b>4.97</b>
33,164	Shell	852	4.97
	<b>Packaging &amp; Containers (1.82%)</b>		
	<b>Pharmaceuticals (2.24%)</b>		
	<b>Private Equity (7.51%)</b>	<b>1,062</b>	<b>6.19</b>
43,902	3i	1,062	6.19
	<b>Retail (3.52%)</b>	<b>364</b>	<b>2.12</b>
33,161	Dunelm	364	2.12
	<b>Software (6.09%)</b>		
	<b>UNITED STATES OF AMERICA (9.38%)</b>	<b>1,678</b>	<b>9.78</b>
	<b>Commercial Services (5.02%)</b>	<b>843</b>	<b>4.91</b>
4,498	Verisk Analytics	843	4.91

## Liontrust UK Focus Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED STATES OF AMERICA (continued)</b>		
	<b>Healthcare Products (0.00%)</b>	<b>835</b>	<b>4.87</b>
2,003	Thermo Fisher Scientific	835	4.87
	<b>Mining (1.78%)</b>		
	<b>Software (2.58%)</b>		
	<b>FINLAND (0.00%)</b>	<b>552</b>	<b>3.22</b>
	<b>Machinery Diversified (0.00%)</b>	<b>552</b>	<b>3.22</b>
14,077	Kone	552	3.22
	<b>CANADA (1.46%)</b>	<b>0</b>	<b>0.00</b>
	<b>Mining (1.46%)</b>	<b>0</b>	<b>0.00</b>
	<b>SWITZERLAND (1.34%)</b>	<b>0</b>	<b>0.00</b>
	<b>Pharmaceuticals (1.34%)</b>	<b>0</b>	<b>0.00</b>
	<b>COLLECTIVE INVESTMENT SCHEMES (2.77%)</b>	<b>0</b>	<b>0.00</b>
	<b>GERMANY (0.00%)</b>	<b>0</b>	<b>0.00</b>
4,060,044	Speymill Deutsche Immobilien~	0	0.00
	<b>UNITED KINGDOM (2.77%)</b>	<b>0</b>	<b>0.00</b>
	<b>Portfolio of investments</b>	<b>16,489</b>	<b>96.11</b>
	<b>Net other assets</b>	<b>668</b>	<b>3.89</b>
	<b>Total net assets</b>	<b>17,157</b>	<b>100.00</b>

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 December 2022.

~ Delisted securities.

## Liontrust UK Focus Fund (continued)

**Statement of Total Return**

for the year ended 31 December 2023

	Notes	(£'000)	1.1.2023 to 31.12.2023 (£'000)	(£'000)	1.1.2022 to 31.12.2022 (£'000)
Income					
Net capital gains/(losses)	2		3,102		(102,509)
Revenue	3	394		5,939	
Expenses	4	(147)		(758)	
Interest payable and similar charges	6	(2)		–	
Net revenue before taxation		245		5,181	
Taxation	5	16		(108)	
Net revenue after taxation			261		5,073
<b>Total return before distributions</b>			<b>3,363</b>		<b>(97,436)</b>
Distributions	7		(261)		(5,073)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>3,102</b>		<b>(102,509)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31 December 2023

	(£'000)	1.1.2023 to 31.12.2023 (£'000)	(£'000)	1.1.2022 to 31.12.2022 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>27,630</b>		<b>513,094</b>
Amounts received on issue of shares	5,558		1,362	
Amounts paid on cancellation of shares	(19,330)		(388,147)	
			(13,772)	(386,785)
Dilution adjustment			19	434
Change in net assets attributable to shareholders from investment activities			3,102	(102,509)
Retained distributions on accumulation shares			178	3,396
<b>Closing net assets attributable to shareholders</b>		<b>17,157</b>		<b>27,630</b>

## Liontrust UK Focus Fund (continued)

**Balance Sheet**

as at 31 December 2023

	Notes	31.12.2023 (£'000)	31.12.2022 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		16,489	27,484
<b>Current assets:</b>			
Debtors	8	21	115
Cash and bank balances	9	770	80
<b>Total assets</b>		<b>17,280</b>	<b>27,679</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Distribution payable		(20)	(29)
Other creditors	10	(103)	(20)
<b>Total liabilities</b>		<b>(123)</b>	<b>(49)</b>
<b>Net assets attributable to shareholders</b>		<b>17,157</b>	<b>27,630</b>

## Liontrust UK Focus Fund (continued)

**Notes to the financial statements**

for the year ended 31 December 2023

**1 Accounting policies**

The accounting policies for the Sub-fund are set out on pages 13 to 16.

**2 Net capital gains/(losses)**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
The net capital gains/(losses) comprise:		
Non-derivative securities	3,109	(102,476)
Foreign currency losses	(7)	(33)
<b>Net capital gains/(losses)</b>	<b>3,102</b>	<b>(102,509)</b>

**3 Revenue**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Bank interest	30	2
Interest distributions on CIS holdings	1	65
Non-taxable overseas dividends	23	427
UK dividends	340	5,445
<b>Total revenue</b>	<b>394</b>	<b>5,939</b>

**4 Expenses**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge*	147	758
<b>Total expenses</b>	<b>147</b>	<b>758</b>

\* The audit fee for the year (borne out of the ACD's charge), excluding VAT, was £9,200 (2022: £9,200). Where the fee exceeds the ACD's charge, the shortfall will be met by the ACD.

## Liontrust UK Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**5 Taxation**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
<b>a) Analysis of the tax (credit)/charge for the year</b>		
Overseas tax	(16)	108
<b>Total tax (credit)/charge [see note(b)]</b>	<b>(16)</b>	<b>108</b>

**b) Factors affecting the tax (credit)/charge for the year**

The taxation assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Net revenue before taxation	245	5,181
Corporation tax at 20% (2022 - 20%)	49	1,036
Effects of:		
Movement in unrecognised tax losses	24	138
Overseas tax	(16)	108
Revenue not subject to tax	(73)	(1,174)
<b>Total tax (credit)/charge [see note(a)]</b>	<b>(16)</b>	<b>108</b>

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

**c) Deferred tax**

At the year end there is a potential deferred tax asset of £5,720,000 (2022: £5,696,000) due to tax losses of £28,597,000 (2022: £28,479,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

**6 Interest payable and similar charges**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Overdraft interest	2	–
<b>Total interest payable and similar charges</b>	<b>2</b>	<b>–</b>

## Liontrust UK Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**7 Distributions**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Interim distribution	166	3,504
Final distribution	82	147
	<b>248</b>	<b>3,651</b>
Amounts deducted on cancellation of shares	30	1,424
Amounts received on issue of shares	(17)	(2)
<b>Distributions</b>	<b>261</b>	<b>5,073</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	261	5,073
<b>Distributions</b>	<b>261</b>	<b>5,073</b>

The distribution per share is set out in the tables on page 73.

**8 Debtors**

	31.12.2023 (£'000)	31.12.2022 (£'000)
Accrued revenue	17	114
Amounts receivable for issue of shares	3	–
Overseas withholding tax	1	1
<b>Total debtors</b>	<b>21</b>	<b>115</b>

**9 Cash and bank balances**

	31.12.2023 (£'000)	31.12.2022 (£'000)
Cash and bank balances	770	80
<b>Total cash and bank balances</b>	<b>770</b>	<b>80</b>



## Liontrust UK Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**10 Creditors**

	31.12.2023 (£'000)	31.12.2022 (£'000)
Accrued ACD's charge	12	20
Amounts payable for cancellation of shares	91	–
<b>Total other creditors</b>	<b>103</b>	<b>20</b>

**11 Contingent liabilities and outstanding commitments**

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: £nil).

**12 Related party transactions**

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company. Prior to 30 September 2022, the ACD of the Sub-fund was Link Fund Solutions Limited.

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

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £12,000 (2022: £20,000).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was £147,000. The total expenses due to Liontrust Fund Partners LLP and its associates for the period from 1 October 2022 to 31 December 2022 was £62,000. The total expenses due to Link Fund Solutions Limited and its associates for the period 1 January 2022 to 30 September 2022 was £696,000.

**13 Risk management policies**

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

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

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

## Liontrust UK Focus Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

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

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

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

#### Market price risk

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

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

As at 31 December 2023 and 31 December 2022 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 December 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.8%.

As at 31 December 2022, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 11.0%.

Some limitations of sensitivity analysis are;

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

### Liontrust UK Focus Fund (continued)

#### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Market price risk (continued)

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

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

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

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

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

##### Currency risk

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

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

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

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

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

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

However, in line with the Sub-fund's objectives of investing primarily in the UK and Ireland, the Sub-fund is expected to have only minimal foreign currency exposures.

## Liontrust UK Focus Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Currency risk (continued)

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

##### Interest rate risk

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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

##### Liquidity risk

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

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-fund may not be able to sell a position for full value or at all in the short-term. This may affect performance and could cause the Sub-fund to defer or suspend redemptions of its shares. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

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

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

##### Counterparty credit risk

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

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

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

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have

## Liontrust UK Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**13 Risk management policies (continued)****Counterparty credit risk (continued)**

been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan. The Sub-fund currently does not engage in stock lending. The ACD is required to provide shareholder 60 days' prior written notice.

At the balance sheet date, there were no counterparties to open derivative contracts (2022: none). At the year end collateral of £Nil (2022: £Nil) was received; collateral pledged was £Nil (2022: £Nil) and none (2022: none) of the Sub-fund's financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2023 and at 31 December 2022 was A (Standard & Poor's rating).

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

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

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

**Maturity profile of financial liabilities**

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

**Fair value of financial assets and liabilities**

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

**Valuation of financial investments**

<b>31.12.2023</b>	<b>Assets (£'000)</b>	<b>Liabilities (£'000)</b>
Level 1: Quoted prices	16,489	—
	<b>16,489</b>	<b>—</b>

## Liontrust UK Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**13 Risk management policies (continued)****Valuation of financial investments (continued)**

<b>31.12.2022</b>	<b>Assets (£'000)</b>	<b>Liabilities (£'000)</b>
Level 1: Quoted prices	26,719	—
Level 2: Observable market data	765	—
	<b>27,484</b>	<b>—</b>

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

**14 Share movement**

For the year ending 31 December 2023

	<b>Opening shares</b>	<b>Shares issued</b>	<b>Shares redeemed</b>	<b>Shares converted</b>	<b>Closing shares</b>
B Accumulation	94,803	460	(95,263)	—	—
X Accumulation	11,028,642	2,447,380	(7,749,445)	(12,112)	5,714,465
X Income	3,505,683	141,735	(1,465,638)	14,589	2,196,369

## Liontrust UK Focus Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2023

**15 Portfolio transaction costs**  
for the year ending 31 December 2023

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	12,570	5	0.04	51	0.41
<b>Total purchases</b>	<b>12,570</b>	<b>5</b>		<b>51</b>	
<b>Total purchases including transaction costs</b>	<b>12,626</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	25,977	10	0.04	–	–
<b>Total sales</b>	<b>25,977</b>	<b>10</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>25,967</b>				
<b>Total transaction costs</b>		<b>15</b>		<b>51</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.08%</b>		<b>0.28%</b>	

## Liontrust UK Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**15 Portfolio transaction costs (continued)**

for the year ending 31 December 2022

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	108,314	49	0.05	439	0.41
<b>Total purchases</b>	<b>108,314</b>	<b>49</b>		<b>439</b>	
<b>Total purchases including transaction costs</b>	<b>108,802</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	473,045	201	0.04	2	–
<b>Total sales</b>	<b>473,045</b>	<b>201</b>		<b>2</b>	
<b>Total sales net of transaction costs</b>	<b>472,842</b>				
<b>Total transaction costs</b>		<b>250</b>		<b>441</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.09%</b>		<b>0.17%</b>	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.11% (2022: 0.20%).



### Liontrust UK Focus Fund (continued)

#### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 16 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the X Accumulation share class has increased by 2.08% to 17 April 2024. The other share classes in the Sub-fund have moved by a similar magnitude.

## Liontrust UK Focus Fund (continued)

### Distribution Tables

for the year ended 31 December 2023

#### Final distribution

Group 1 - Shares purchased prior to 1 July 2023

Group 2 - Shares purchased 1 July 2023 to 31 December 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2024 Pence per share	Distribution paid 28.2.2023 Pence per share
B Accumulation - Group 1+	—	—	—	8.7753
B Accumulation - Group 2+	—	—	—	8.7753
X Accumulation - Group 1	1.0899	—	1.0899	0.9896
X Accumulation - Group 2	0.6836	0.4063	1.0899	0.9896
X Income - Group 1	0.9002	—	0.9002	0.8358
X Income - Group 2	0.0757	0.8245	0.9002	0.8358

+ Closed on 19 December 2023

#### Interim distribution

Group 1 - Shares purchased prior to 1 January 2023

Group 2 - Shares purchased 1 January 2023 to 30 June 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2023 Pence per share	Distribution paid 31.8.2022 Pence per share
B Accumulation - Group 1	13.9016	—	13.9016	11.2281
B Accumulation - Group 2	13.9016	—	13.9016	11.2281
B Income - Group 1	—	—	—	—
B Income - Group 2	—	—	—	—
X Accumulation - Group 1	1.9661	—	1.9661	1.4450
X Accumulation - Group 2	0.6965	1.2696	1.9661	1.4450
X Income - Group 1	1.6475	—	1.6475	1.2264
X Income - Group 2	0.3744	1.2731	1.6475	1.2264

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

# Liontrust Institutional UK Small Cap Fund

Report for the year from 1 January 2023 to 31 December 2023

## Investment Objective

To deliver a total return (the combination of income and capital growth) that at the end of any five year period is in excess of achieving a total return of the Numis Smaller Companies plus AIM (ex Investment Companies) Total Return Index, after all costs and charges have been deducted. There is no guarantee that the objective will be achieved over any time period and capital is at risk.

## Investment Policy

The Sub-fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of UK smaller companies. These are companies that are:

- listed or traded in the UK, and
- domiciled or incorporated in the UK
- and have a market capitalisation of less than £2bn.

The Sub-fund may also invest up to 20% of its scheme property by value in the shares of UK companies with a market capitalisation greater than £2bn and in non-UK companies of any size, cash, deposits and money market instruments.

The Sub-fund may invest in these asset classes directly and indirectly. It may invest indirectly through transferable securities (such as depositary receipts) or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Sub-fund does not have any restrictions on the industry sectors it can invest in.

## Investment Strategy

The investment manager pursues a flexible stockpicking investment approach to identify companies judged to be undervalued by the market and, in their opinion, are quality growing companies. These companies will typically have favourable company specific prospects where the outcomes are judged to be more within the management's control, than dependent on broader external macroeconomic factors. Investment ideas are generated by detailed fundamental research and analysis of companies. The investment manager's criteria include strength of management teams, secular trends, sustainable business models with predictability, robust balance sheets, potential for improving margins and returns, and good cash generation.

## Liontrust Institutional UK Small Cap Fund (continued)

### Investment review

At the start of the year the Global Fundamental Team took the investment decision to reallocate away from UK small companies and therefore a strategic decision was taken by the ACD to close the Liontrust Institutional UK Small Cap Fund. During the year the Sub-fund holdings were sold and the Sub-fund closed on 21 July 2023. The Sub-fund will be terminated at a later date once the residual assets and liabilities have been settled.

January 2024

### Material portfolio changes by value

#### Purchases

Moonpig  
Lok'nStore  
Bridgepoint  
FRP Advisory  
Watches of Switzerland  
Sureserve  
Bloomsbury Publishing  
TT Electronics  
Restore  
Coats

#### Sales

Hill & Smith  
Medica  
JTC  
Next Fifteen Communications  
Ricardo  
WH Smith  
YouGov  
CVS  
Bytes Technology  
Videndum

## Liontrust Institutional UK Small Cap Fund (continued)

**Comparative Tables**

for the year ended 31 December 2023

<b>A Accumulation</b> <b>Accounting year ended</b>	<b>31 December 2023</b> <b>per share (p)+</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	279.19	383.14	315.05
Return before operating charges	3.47	(100.90)	71.16
Operating charges	0.00	(3.05)	(3.07)
Return after operating charges	3.47	(103.95)	68.09
Distributions	—	(2.87)	(2.89)
Retained distributions on accumulation shares	—	2.87	2.89
<b>Closing net asset value per share</b>	<b>282.66</b>	<b>279.19</b>	<b>383.14</b>
After direct transaction costs of*	(0.52)	(0.93)	(0.84)
<b>Performance</b>			
Return after charges	1.24%	(27.13%)	21.61%
<b>Other information</b>			
Closing net asset value (£'000)	—	10	117
Closing number of shares	—	3,594	30,472
Operating charges**	0.00%	1.00%	0.85%
Direct transaction costs*	0.31%	0.31%	0.23%
<b>Prices</b>			
Highest share price	296.20	394.00	401.21
Lowest share price	273.71	255.22	310.96

+ Liontrust Institutional UK Small Cap Fund closed 21 July 2023.

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

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

## Liontrust Institutional UK Small Cap Fund (continued)

**Comparative Tables (continued)**

for the year ended 31 December 2023

<b>B Accumulation</b> <b>Accounting year ended</b>	<b>31 December 2023</b> <b>per share (p)+</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	325.47	443.63	362.28
Return before operating charges	(4.34)	(118.16)	81.35
Operating charges	0.00	0.00	0.00
Return after operating charges	(4.34)	(118.16)	81.35
Distributions	(3.02)	(5.77)	(6.17)
Retained distributions on accumulation shares	3.02	5.77	6.17
<b>Closing net asset value per share</b>	<b>321.13</b>	<b>325.47</b>	<b>443.63</b>
After direct transaction costs of*	(1.30)	(1.08)	(0.97)
<b>Performance</b>			
Return after charges	(1.33%)	(26.63%)	22.46%
<b>Other information</b>			
Closing net asset value (£'000)	–	49,951	119,051
Closing number of shares	–	15,347,186	26,835,769
Operating charges**	0.00%	0.00%	0.00%
Direct transaction costs*	0.31%	0.31%	0.23%
<b>Prices</b>			
Highest share price	345.52	456.25	463.54
Lowest share price	319.66	297.03	357.79

+ Liontrust Institutional UK Small Cap Fund closed 21 July 2023.

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

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

## Liontrust Institutional UK Small Cap Fund (continued)

## Portfolio Statement

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (95.39%)</b>	<b>0</b>	<b>0.00</b>
	<b>UNITED KINGDOM (89.62%)</b>	<b>0</b>	<b>0.00</b>
	Advertising (5.30%)		
	Aerospace & Defence (0.99%)		
	Building Materials (0.88%)		
	Chemicals (0.95%)		
	Commercial Services (15.14%)		
	Computers (5.74%)		
	Cosmetics & Personal Care (0.68%)		
	Diversified Financial Services (6.72%)		
	Electricity (0.09%)		
	Electronics (3.96%)		
	Engineering & Construction (3.62%)		
	Food Producers (2.21%)		
	Healthcare Products (0.98%)		
	Healthcare Services (2.57%)		
	Home Builders (0.47%)		
	Internet (1.67%)		
	Investment Companies (1.68%)		
	Leisure Time (0.67%)		
	Machinery Diversified (0.43%)		
	Media (0.20%)		
	Miscellaneous Manufacturing (8.41%)		
	Packaging & Containers (0.85%)		
	Pharmaceuticals (5.10%)		
	Private Equity (0.84%)		
	Real Estate Investment & Services (0.62%)		
	Retail (5.01%)		
	Software (10.39%)		
	Telecommunications (3.23%)		
	Textiles (0.22%)		

## Liontrust Institutional UK Small Cap Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED STATES OF AMERICA (2.90%)</b>	0	0.00
	Machinery Construction & Mining (0.19%)		
	Software (2.12%)		
	Water (0.59%)		
	<b>JERSEY (2.87%)</b>	0	0.00
	Diversified Financial Services (2.87%)		
	<b>COLLECTIVE INVESTMENT SCHEMES (4.29%)</b>	0	0.00
	<b>UNITED KINGDOM (4.29%)</b>	0	0.00
	<b>Portfolio of investments</b>	0	0.00
	<b>Net other liabilities</b>	0	0.00
	<b>Total net assets</b>	0	0.00

Comparative figures shown in brackets relate to 31 December 2022.



## Liontrust Institutional UK Small Cap Fund (continued)

**Statement of Total Return**

for the year ended 31 December 2023

	Notes	(£'000)	1.1.2023 to 31.12.2023 (£'000)	(£'000)	1.1.2022 to 31.12.2022 (£'000)
Income					
Net capital losses	2		(353)		(29,622)
Revenue	3	435		1,134	
Expenses	4	–		–	
Interest payable and similar charges	6	(4)		–	
Net revenue before taxation		431		1,134	
Taxation	5	(22)		(13)	
Net revenue after taxation			409		1,121
<b>Total return before distributions</b>			<b>56</b>		<b>(28,501)</b>
Distributions	7		(390)		(1,121)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(334)</b>		<b>(29,622)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31 December 2023

	(£'000)	1.1.2023 to 31.12.2023 (£'000)	(£'000)	1.1.2022 to 31.12.2022 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>49,961</b>		<b>119,168</b>
Amounts received on issue of shares	–		2,021	
Amounts paid on cancellation of shares	(50,152)		(43,033)	
Amounts payable on termination	(19)		–	
		(50,171)		(41,012)
Dilution adjustment		444		463
Stamp duty reserve tax refund		–		8
Change in net assets attributable to shareholders from investment activities		(334)		(29,622)
Retained distributions on accumulation shares		100		956
<b>Closing net assets attributable to shareholders *</b>		<b>–</b>		<b>49,961</b>

\* Liontrust Institutional UK Small Cap Fund closed 21 July 2023.

## Liontrust Institutional UK Small Cap Fund (continued)

**Balance Sheet**

as at 31 December 2023

	Notes	31.12.2023 (£'000)	31.12.2022 (£'000)
<b>Assets</b>			
Investments		–	49,803
<b>Current assets:</b>			
Debtors	8	–	161
Cash and bank balances	9	38	5
<b>Total assets</b>		<b>38</b>	<b>49,969</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	10	(38)	(8)
<b>Total liabilities</b>		<b>(38)</b>	<b>(8)</b>
<b>Net assets attributable to shareholders</b>		<b>–</b>	<b>49,961</b>

## Liontrust Institutional UK Small Cap Fund (continued)

**Notes to the financial statements**

for the year ended 31 December 2023

**1 Accounting policies**

The accounting policies for the Sub-fund are set out on pages 13 to 16.

**2 Net capital losses**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
The net capital losses comprise:		
Non-derivative securities	(353)	(29,624)
Foreign currency gains	–	2
<b>Net capital losses</b>	<b>(353)</b>	<b>(29,622)</b>

**3 Revenue**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Bank interest	68	7
Interest distributions on CIS holdings	34	34
Non-taxable overseas dividends	18	58
UK dividends	315	1,035
<b>Total revenue</b>	<b>435</b>	<b>1,134</b>

**4 Expenses**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge*	–	–
<b>Total expenses</b>	<b>–</b>	<b>–</b>

\* The audit fee for the year (borne out of the ACD's charge), excluding VAT, was £6,440 (2022: £9,200). Where the fee exceeds the ACD's charge, the shortfall will be met by the ACD.

## Liontrust Institutional UK Small Cap Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**5 Taxation**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
<b>a) Analysis of the tax charge for the year</b>		
Corporation tax	19	8
Overseas tax	3	5
<b>Total tax charge [see note(b)]</b>	<b>22</b>	<b>13</b>

**b) Factors affecting the tax charge for the year**

The taxation assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Net revenue before taxation	431	1,134
Corporation tax at 20% (2022 - 20%)	86	227
Effects of:		
Overseas tax	3	5
Revenue not subject to tax	(67)	(219)
<b>Total tax charge [see note(a)]</b>	<b>22</b>	<b>13</b>

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

**6 Interest payable and similar charges**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Overdraft interest	4	–
<b>Total interest payable and similar charges</b>	<b>4</b>	<b>–</b>

## Liontrust Institutional UK Small Cap Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2023

## 7 Distributions

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Interim distribution	100	464
Final distribution	–	492
	<b>100</b>	<b>956</b>
Amounts deducted on cancellation of shares	290	167
Amounts received on issue of shares	–	(2)
<b>Distributions</b>	<b>390</b>	<b>1,121</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	409	1,121
Less: Income transferred to capital	(19)	–
<b>Distributions</b>	<b>390</b>	<b>1,121</b>

The distribution per share is set out in the tables on page 93.

## 8 Debtors

	31.12.2023 (£'000)	31.12.2022 (£'000)
Accrued revenue	–	32
Sales awaiting settlement	–	129
<b>Total debtors</b>	<b>–</b>	<b>161</b>

## 9 Cash and bank balances

	31.12.2023 (£'000)	31.12.2022 (£'000)
Cash and bank balances	38	5
<b>Total cash and bank balances</b>	<b>38</b>	<b>5</b>

## Liontrust Institutional UK Small Cap Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 10 Creditors

	31.12.2023 (£'000)	31.12.2022 (£'000)
Amounts payable for cancellation of shares	19	–
Corporation tax	19	8
<b>Total other creditors</b>	<b>38</b>	<b>8</b>

#### 11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: £nil).

#### 12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company. Prior to 30 September 2022, the ACD of the Sub-fund was Link Fund Solutions Limited.

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

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £Nil (2022: £Nil).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was £Nil. The total expenses due to Liontrust Fund Partners LLP and its associates for the period from 1 October 2022 to 31 December 2022 was £Nil. The total expenses due to Link Fund Solutions Limited and its associates for the period 1 January 2022 to 30 September 2022 was £Nil.

#### 13 Risk management policies

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

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

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

## Liontrust Institutional UK Small Cap Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

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

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

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

#### Market price risk

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

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

As at 31 December 2023 and 31 December 2022 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

The Sub-fund closed on 21 July 2023 and had no assets at the current year end therefore no market risk sensitivity analysis has been disclosed at 31 December 2023.

As at 31 December 2022, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 9.3%.

Some limitations of sensitivity analysis are;

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

## Liontrust Institutional UK Small Cap Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Market price risk (continued)

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

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

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

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

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

##### Currency risk

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

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

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

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

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

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

However, in line with the Sub-fund's objectives of investing primarily in the UK and Ireland, the Sub-fund is expected to have only minimal foreign currency exposures.



# Liontrust Institutional UK Small Cap Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Currency risk (continued)

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

##### Interest rate risk

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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

##### Liquidity risk

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

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-fund may not be able to sell a position for full value or at all in the short-term. This may affect performance and could cause the Sub-fund to defer or suspend redemptions of its shares. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

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

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

##### Counterparty credit risk

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

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

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

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have

## Liontrust Institutional UK Small Cap Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Counterparty credit risk (continued)

been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan. The Sub-fund currently does not engage in stock lending. The ACD is required to provide shareholder 60 days' prior written notice.

At the balance sheet date, there were no counterparties to open derivative contracts (2022: none). At the year end collateral of £Nil (2022: £Nil) was received; collateral pledged was £Nil (2022: £Nil) and none (2022: none) of the Sub-fund's financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2023 and at 31 December 2022 was A (Standard & Poor's rating).

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

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

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

##### Maturity profile of financial liabilities

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

##### Fair value of financial assets and liabilities

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

##### Valuation of financial investments

The Fund closed on 21 July 2023 and therefore had no financial investments at the current year end.

<b>31.12.2022</b>	<b>Assets (£'000)</b>	<b>Liabilities (£'000)</b>
Level 1: Quoted prices	47,660	—
Level 2: Observable market data	2,143	—
	<b>49,803</b>	<b>—</b>

## Liontrust Institutional UK Small Cap Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**13 Risk management policies (continued)****Valuation of financial investments (continued)**

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

**14 Share movement**

For the year ending 31 December 2023

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
A Accumulation	3,594	—	(3,594)	—	—
B Accumulation	15,347,186	—	(15,347,186)	—	—

## Liontrust Institutional UK Small Cap Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**15 Portfolio transaction costs**  
for the year ending 31 December 2023

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	16,336	11	0.07	45	0.28
<b>Total purchases</b>	<b>16,336</b>	<b>11</b>		<b>45</b>	
<b>Total purchases including transaction costs</b>	<b>16,392</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	63,746	47	0.07	1	–
<b>Total sales</b>	<b>63,746</b>	<b>47</b>		<b>1</b>	
<b>Total sales net of transaction costs</b>	<b>63,698</b>				
<b>Total transaction costs</b>		<b>58</b>		<b>46</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.17%</b>		<b>0.14%</b>	

## Liontrust Institutional UK Small Cap Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**15 Portfolio transaction costs (continued)**

for the year ending 31 December 2022

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	48,480	34	0.07	122	0.25
<b>Total purchases</b>	<b>48,480</b>	<b>34</b>		<b>122</b>	
<b>Total purchases including transaction costs</b>	<b>48,636</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	90,070	66	0.07	1	–
<b>Total sales</b>	<b>90,070</b>	<b>66</b>		<b>1</b>	
<b>Total sales net of transaction costs</b>	<b>90,003</b>				
<b>Total transaction costs</b>		<b>100</b>		<b>123</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.14%</b>		<b>0.17%</b>	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.00% (2022: 1.76%). The Sub-fund closed on 21 July 2023 and there were no investments held at the current year end.

## Liontrust Institutional UK Small Cap Fund (continued)

**Distribution Tables**

for the year ended 31 December 2023

**Final distribution**

Group 1 - Shares purchased prior to 1 July 2023

Group 2 - Shares purchased 1 July 2023 to 31 December 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2024 Pence per share	Distribution paid 28.2.2023 Pence per share
A Accumulation - Group 1	—	—	—	1.8015
A Accumulation - Group 2	—	—	—	1.8015
B Accumulation - Group 1	—	—	—	3.2109
B Accumulation - Group 2	—	—	—	3.2109

**Interim distribution**

Group 1 - Shares purchased prior to 1 January 2023

Group 2 - Shares purchased 1 January 2023 to 30 June 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2023 Pence per share	Distribution paid 31.8.2022 Pence per share
A Accumulation - Group 1	—	—	—	1.0728
A Accumulation - Group 2	—	—	—	1.0728
B Accumulation - Group 1	3.0199	—	3.0199	2.5574
B Accumulation - Group 2	3.0199	—	3.0199	2.5574

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

# Liontrust Tortoise Fund

Report for the year from 1 January 2023 to 31 December 2023

## Investment Objective

To produce a return in excess of SONIA (Sterling Overnight Index Average) in all market conditions, over any three-year period after all costs and charges have been deducted and with less volatility than the MSCI World Net Total Return Index. There is no guarantee that a positive return will be achieved over any time period and capital is at risk.

## Investment Policy

The Sub-fund aims to achieve its objective by investment in a portfolio of long equity positions and uses derivatives to take synthetic short equity positions. At least 70% by value of the aggregate of these long and short positions will be in companies listed in EEA Member States, Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United Kingdom or the United States of America. It may also invest in the shares of companies throughout the world (including emerging markets).

The Sub-fund will hold a maximum of 60 long positions, representing an overall net position of up to 100% of Net Asset Value (where "net position" means the position once synthetic short positions have been subtracted from long positions). The long positions will be achieved by direct purchases of securities.

The maximum number of synthetic short positions is 60, which may represent up to 100% of the Sub-fund's Net Asset Value, and each synthetic short position will not exceed 10% of the Sub-fund's Net Asset Value. The synthetic short positions will ordinarily be achieved by the use of contracts for differences (CFDs) placed with approved counterparties, but other derivatives may also be used to achieve synthetic short positions. Where index derivatives are used for efficient portfolio management, those derivatives positions will not be counted towards the maximum of long positions nor the maximum of synthetic short positions.

The Sub-fund may also hold and invest up to 100% of its NAV in near cash assets, which include government and public securities.

The total exposure (under the commitment approach) of the Sub-fund will not exceed 200% of NAV and will be monitored on a daily basis to ensure that the total exposure does not exceed this stated maximum.

The Sub-fund does not have any restrictions on the industry sectors or the economic sectors it can invest in. At times the portfolio may be concentrated.

The Sub-fund may also hold and invest in cash, deposits, government and public securities and/or money market instruments where the Investment Manager considers that there are not sufficient suitable investment opportunities; to facilitate the Sub-fund's ability to meet redemption requests; and where the Sub-fund has received subscriptions that are awaiting investment. The Sub-fund may also hold and invest up to 100% of its NAV in cash, deposits, government and public securities and/or money market instruments to protect the value of the Sub-fund and maintain liquidity at times in falling or volatile markets.

The Sub-fund may invest in these asset classes directly or indirectly via other transferable securities and collective investment schemes. These may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the Sub-fund Property may be invested in other collective investment schemes.

## Investment Strategy

The Sub-fund is actively managed. The investment manager uses a combination of macro analysis of the credit, industrial and consumer cycles and micro analysis of individual company's operational performance and valuation to make investment decisions. The investment manager aims to invest in long equity position in companies they believe to be undervalued, where operational performance is improving and which are in the low end of their historical price range. The investment manager aims to take short positions in companies they believe to be overvalued, where operational performance is deteriorating, and which are in the high end of their historical price range. This strategy is designed to limit overall portfolio downside while offering medium term (which the investment manager defines as 3 years) appreciation.

## Liontrust Tortoise Fund (continued)

### Investment Strategy (continued)

In terms of portfolio construction the gross and net exposure are arrived at by a combination of both macro views in terms of likely direction and volatility of equity markets together with micro views on the relative attractiveness of long and short positions given current market pricing. Positions are sized according to risk. Risk is defined as the range of potential outcomes. Higher risk shares with a wider range of potential outcomes have smaller weightings and lower risk shares have higher weightings. The investment manager assesses risk by looking at the volatility of revenues and the amount of fixed costs which together drive profit volatility. They then consider the company's balance sheet and the scope for the valuation of the shares to change in the future.

### Investment review

#### Market review

The Liontrust Tortoise Fund returned 8.7% in 2023 (Class C accumulation shares). It does not have a benchmark.

In June 2023, it was announced that the fund managers, Matthew Smith and Tom Morris, had resigned. They continued to manage the Fund until the end of July 2023 to ensure an orderly handover to the Liontrust Cashflow Solution team of James Inglis-Jones and Samantha Gleave.

In December 2023, it was decided that was uneconomic to continue managing the Liontrust Tortoise Fund at its reduced size. As a result, the Sub-fund closed on 22 February 2024, with net proceeds returned to shareholders. Shareholders were also offered the opportunity to exchange their shares for an equivalent holding in Liontrust GF European Strategic Equity Fund, an Irish UCITS which has a broadly similar investment objective as the Liontrust Tortoise Fund and is managed by the same investment team: the Cashflow Solution team comprising James Inglis-Jones and Samantha Gleave.

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. 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.



### Liontrust Tortoise Fund (continued)

#### Investment review (continued)

#### Material portfolio changes by value

##### Purchases

United Kingdom Gilt 2.25% 7/9/2023  
United Kingdom Treasury Bill 0% 26/2/2024  
United Kingdom Treasury Bill 0% 4/12/2023  
United Kingdom Treasury Bill 0% 16/11/2023  
Bayer  
Pfizer  
Levi Strauss  
Amazon.com  
VF  
Murata Manufacturing

##### Sales

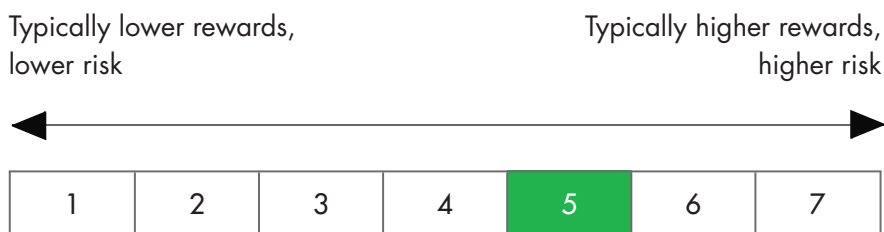
United Kingdom Gilt 2.25% 7/9/2023  
United Kingdom Treasury Bill 0% 4/12/2023  
United Kingdom Treasury Bill 0% 16/11/2023  
Meta Platforms  
Pfizer  
Publicis Groupe  
UniCredit  
Universal Health Services 'B'  
Rolls-Royce  
Siemens

## Liontrust Tortoise 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.



- 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 Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- Investments will primarily be in equity securities listed on eligible markets or exchanges located in EEA Member States, Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland or the United States of America. However, the Sub-fund may invest in the equity securities of companies incorporated anywhere in the world.
- The Sub-fund is categorised 5 primarily for its exposure to Developed 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;
  - 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.
- This Sub-fund may have a concentrated portfolio, i.e. hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Sub-fund's value than if it held a larger number of investments.
- The Sub-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 Sub-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 Sub-fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- The Sub-fund uses derivative instruments that may result in higher cash levels. Outside of normal conditions, the Sub-fund may

### Liontrust Tortoise Fund (continued)

#### Investment review (continued)

#### Risk and Reward profile (continued)

choose to hold higher levels of cash. Cash may be deposited with several credit counterparties (e.g. international banks) or in short-dated bonds. A credit risk arises should one or more of these counterparties be unable to return the deposited cash.

- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Environmental, Social and Governance (ESG) Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG.
- The payment of a performance fee may provide incentive to the investment adviser to take more speculative investments.
- There is no guarantee that an absolute return will be generated over a three year time period or within another time period.

For full details of the Sub-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](http://www.liontrust.co.uk).

## Liontrust Tortoise Fund (continued)

**Comparative Tables**

for the year ended 31 December 2023

<b>C Accumulation</b> <b>Accounting year ended</b>	<b>31 December 2023</b> <b>per share (p)</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	248.66	204.77	185.63
Return before operating charges	31.21	48.44	21.21
Operating charges	(9.50)	(4.55)	(2.07)
Return after operating charges	21.71	43.89	19.14
Distributions	(4.80)	(3.29)	(2.18)
Retained distributions on accumulation shares	4.80	3.29	2.18
<b>Closing net asset value per share</b>	<b>270.37</b>	<b>248.66</b>	<b>204.77</b>
After direct transaction costs of*	(0.37)	(0.42)	(0.30)
<b>Performance</b>			
Return after charges	8.73%	21.43%	10.31%
<b>Other information</b>			
Closing net asset value (£'000)	9,702	29,426	28,157
Closing number of shares	3,588,227	11,833,886	13,750,611
Operating charges**	1.00%	1.00%	1.00%
Direct transaction costs*	0.14%	0.18%	0.14%
Performance fee	2.58%	0.96%	0.00%
<b>Prices</b>			
Highest share price	270.47	251.04	222.49
Lowest share price	248.71	209.40	185.97

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

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

## Liontrust Tortoise Fund (continued)

### Portfolio Statement

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (92.85%)</b>	<b>5,198</b>	<b>53.58</b>
	<b>CANADA (1.66%)</b>	<b>0</b>	<b>0.00</b>
	<b>CHINA (5.14%)</b>	<b>150</b>	<b>1.54</b>
9,348	Alibaba ADR	71	0.73
5,749	Baidu	67	0.69
27,588	China Feihe	12	0.12
	<b>FINLAND (1.63%)</b>	<b>0</b>	<b>0.00</b>
	<b>FRANCE (12.67%)</b>	<b>473</b>	<b>4.87</b>
1,254	Cie de Saint-Gobain	72	0.74
1,623	Danone	82	0.84
69	Hermes International	115	1.19
894	Publicis Groupe	65	0.67
545	Thales	63	0.65
3,076	Veolia Environnement	76	0.78
	<b>GERMANY (11.28%)</b>	<b>516</b>	<b>5.32</b>
682	adidas	109	1.12
3,093	Bayer	90	0.93
716	Bayerische Motoren Werke	63	0.65
1,002	Daimler	54	0.56
1,956	Daimler Truck	58	0.60
679	HeidelbergCement	48	0.49
866	KION	29	0.30
444	Siemens	65	0.67
	<b>ITALY (4.52%)</b>	<b>178</b>	<b>1.83</b>
8,094	Leonardo	105	1.08
3,427	UniCredit	73	0.75
	<b>JAPAN (2.00%)</b>	<b>347</b>	<b>3.57</b>
2,501	Asahi	73	0.75
2,251	Bridgestone	73	0.75
5,359	Murata Manufacturing	89	0.92
3,001	TDK	112	1.15

## Liontrust Tortoise Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>SOUTH AFRICA (3.02%)</b>	<b>121</b>	<b>1.25</b>
10,648	Gold Fields ADR	121	1.25
	<b>SPAIN (1.74%)</b>	<b>59</b>	<b>0.61</b>
18,141	Banco Santander	59	0.61
	<b>SWITZERLAND (1.00%)</b>	<b>174</b>	<b>1.79</b>
850	Dufry	26	0.27
1,760	Novartis ADR	139	1.43
352	Sandoz	9	0.09
	<b>UNITED KINGDOM (17.68%)</b>	<b>611</b>	<b>6.30</b>
7,336	BAE Systems	81	0.83
36,039	Centrica	51	0.53
5,880	CNH Industrial	56	0.58
10,909	easyjet	56	0.58
17,226	Haleon	111	1.14
20,090	NatWest	44	0.45
40,124	Rolls-Royce	120	1.24
31,819	Tesco	92	0.95
	<b>UNITED STATES OF AMERICA (30.51%)</b>	<b>2,569</b>	<b>26.50</b>
431	Anylam Pharmaceuticals	65	0.67
1,022	Alphabet 'A'	112	1.15
44	Booking	122	1.26
1,881	Cardinal Health	149	1.54
2,691	Delta Air Lines	85	0.88
2,472	Freeport-McMoRan	83	0.86
3,499	Host Hotels & Resorts	54	0.56
764	Huntington Ingalls Industries	156	1.61
3,884	Intel	153	1.58
1,208	International Business Machines	155	1.60
3,619	Kraft Heinz Foods	105	1.08
757	L3Harris Technologies	125	1.29
472	Meta Platforms	131	1.35
1,693	Micron Technology	113	1.16
433	Microsoft	128	1.32

## Liontrust Tortoise Fund (continued)

### Portfolio Statement (continued)

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
<b>EQUITIES (continued)</b>			
<b>UNITED STATES OF AMERICA (continued)</b>			
2,483	Molson Coors Beverage	119	1.23
1,097	Omnicom	74	0.76
1,080	Ralph Lauren	122	1.26
502	Reliance Steel & Aluminum	110	1.13
8,718	Samsonite International	23	0.24
1,357	Universal Health Services 'B'	162	1.67
14,801	Viatis	126	1.30
1,019	Zimmer Biomet	97	1.00
<b>BONDS (0.00%)</b>		<b>2,875</b>	<b>29.63</b>
<b>UNITED KINGDOM GOVERNMENT BONDS (0.00%)</b>			
£ 2,900,000	United Kingdom Treasury Bill 0% 26/2/2024	2,875	29.63
<b>DERIVATIVES ((1.74%))</b>		<b>(45)</b>	<b>(0.46)</b>
<b>Forward Currency Contracts ((2.56%))</b>		<b>55</b>	<b>0.57</b>
€ 563,226	Euro 563,226 vs UK sterling 486,769	2	0.02
HK\$ 669,822	Hong Kong dollar 669,822 vs UK sterling 67,431	0	0.00
CHF 12,329	Swiss franc 12,329 vs UK sterling 11,261	0	0.00
£ 1,767,973	UK sterling 1,767,973 vs Euro 2,050,285	(9)	(0.09)
£ 242,965	UK sterling 242,965 vs Hong Kong dollar 2,379,814	4	0.04
£ 37,078	UK sterling 37,078 vs Swiss franc 40,591	(1)	(0.01)
£ 4,185,460	UK sterling 4,185,460 vs US dollar 5,248,407	69	0.71
US\$ 1,490,420	US dollar 1,490,420 vs UK sterling 1,178,862	(10)	(0.10)
<b>Futures (0.78%)</b>		<b>(100)</b>	<b>(1.03)</b>
(18)	S&P 500 E-Mini March 2024	(100)	(1.03)
<b>CFDs (0.04%)</b>		<b>0</b>	
<b>Portfolio of investments</b>		<b>8,028</b>	<b>82.75</b>
<b>Net other assets</b>		<b>1,674</b>	<b>17.25</b>
<b>Total net assets</b>		<b>9,702</b>	<b>100.00</b>

## Liontrust Tortoise Fund (continued)

### Portfolio Statement (continued)

as at 31 December 2023

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 December 2022.

Stocks shown as ADRs represent American Depositary Receipts.



## Liontrust Tortoise Fund (continued)

## Statement of Total Return

for the year ended 31 December 2023

	Notes	(£'000)	1.1.2023 to 31.12.2023 (£'000)	(£'000)	1.1.2022 to 31.12.2022 (£'000)
Income					
Net capital gains	2		2,055		4,772
Revenue	3	769		634	
Expenses	4	(748)		(478)	
Interest payable and similar charges	6	(58)		(9)	
Net (expense)/revenue before taxation		(37)		147	
Taxation	5	(85)		(70)	
Net (expense)/revenue after taxation			(122)		77
<b>Total return before distributions</b>			<b>1,933</b>		<b>4,849</b>
Distributions	7		(417)		(312)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,516</b>		<b>4,537</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2023

	(£'000)	1.1.2023 to 31.12.2023 (£'000)	(£'000)	1.1.2022 to 31.12.2022 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>29,426</b>		<b>28,157</b>
Amounts received on issue of shares	12,245		8,404	
Amounts paid on cancellation of shares	(33,864)		(12,013)	
		(21,619)		(3,609)
Dilution adjustment		28		21
Change in net assets attributable to shareholders from investment activities		1,516		4,537
Retained distributions on accumulation shares		351		320
<b>Closing net assets attributable to shareholders</b>		<b>9,702</b>		<b>29,426</b>

## Liontrust Tortoise Fund (continued)

**Balance Sheet**

as at 31 December 2023

	Notes	31.12.2023 (£'000)	31.12.2022 (£'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		8,148	27,579
<b>Current assets:</b>			
Debtors	8	6	131
Cash and bank balances	9	1,716	2,750
<b>Total assets</b>		<b>9,870</b>	<b>30,460</b>
<b>Liabilities</b>			
Investment liabilities		(120)	(768)
<b>Creditors:</b>			
Other creditors	10	(48)	(266)
<b>Total liabilities</b>		<b>(168)</b>	<b>(1,034)</b>
<b>Net assets attributable to shareholders</b>		<b>9,702</b>	<b>29,426</b>

## Liontrust Tortoise Fund (continued)

**Notes to the financial statements**

for the year ended 31 December 2023

**1 Accounting policies**

The accounting policies for the Sub-fund are set out on pages 13 to 16.

**2 Net capital gains**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
The net capital gains comprise:		
Non-derivative securities	3,095	2,152
Derivative contracts	(2,070)	4,167
Forward currency contracts	1,084	(2,350)
Foreign currency (losses)/gains	(55)	803
US REIT dividend capital gains retention	1	–
<b>Net capital gains</b>	<b>2,055</b>	<b>4,772</b>

**3 Revenue**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Bank interest	87	9
Interest from overseas fixed income securities	16	–
Interest from UK fixed income securities	94	3
Interest on balances held at futures clearing houses and brokers	32	–
Collateral interest	2	–
Non-taxable overseas dividends	450	516
Revenue from Contracts for Differences	16	5
UK dividends	69	88
US REIT dividends	3	13
<b>Total revenue</b>	<b>769</b>	<b>634</b>

## Liontrust Tortoise Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2023

## 4 Expenses

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge*	209	243
Performance fees	539	235
<b>Total expenses</b>	<b>748</b>	<b>478</b>

\* The audit fee for the year (borne out of the ACD's charge), excluding VAT, was £9,200 (2022: £9,200). Where the fee exceeds the ACD's charge, the shortfall will be met by the ACD.

## 5 Taxation

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
<b>a) Analysis of the tax charge for the year</b>		
Overseas tax	85	70
<b>Total tax charge [see note(b)]</b>	<b>85</b>	<b>70</b>

**b) Factors affecting the tax charge for the year**

The taxation assessed for the year is higher (2022: higher) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Net (expense)/revenue before taxation	(37)	147
Corporation tax at 20% (2022 - 20%)	(7)	29
Effects of:		
Movement in unrecognised tax losses	111	91
Overseas tax	85	70
Revenue not subject to tax	(104)	(120)
<b>Total tax charge [see note(a)]</b>	<b>85</b>	<b>70</b>

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

## Liontrust Tortoise Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**5 Taxation (continued)****c) Deferred tax**

At the year end there is a potential deferred tax asset of £1,932,000 (2022: £1,821,000) due to tax losses of £9,663,000 (2022: £9,107,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

**6 Interest payable and similar charges**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Interest on contracts for difference	14	7
Overdraft interest	44	2
<b>Total interest payable and similar charges</b>	<b>58</b>	<b>9</b>

**7 Distributions**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Interim distribution	272	266
Final distribution	79	54
	<b>351</b>	<b>320</b>
Amounts deducted on cancellation of shares	109	20
Amounts received on issue of shares	(43)	(28)
<b>Distributions</b>	<b>417</b>	<b>312</b>

The distributable amount has been calculated as follows:

Net (expense)/revenue after taxation	(122)	77
Add: Performance fees reimbursed by capital	539	235
<b>Distributions</b>	<b>417</b>	<b>312</b>

The distribution per share is set out in the tables on page 119.

## Liontrust Tortoise Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**8 Debtors**

	31.12.2023 (£'000)	31.12.2022 (£'000)
Accrued revenue	6	29
Amounts receivable for issue of shares	–	88
Overseas withholding tax	–	14
<b>Total debtors</b>	<b>6</b>	<b>131</b>

**9 Cash and bank balances**

	31.12.2023 (£'000)	31.12.2022 (£'000)
Amount held at futures clearing houses and brokers	275	402
Cash and bank balances	1,441	2,348
<b>Total cash and bank balances</b>	<b>1,716</b>	<b>2,750</b>

**10 Creditors**

	31.12.2023 (£'000)	31.12.2022 (£'000)
Accrued ACD's charge	14	31
Accrued performance fee	15	235
Amounts payable for cancellation of shares	19	–
<b>Total other creditors</b>	<b>48</b>	<b>266</b>

**11 Contingent liabilities and outstanding commitments**

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: £nil).

**12 Related party transactions**

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company. Prior to 30 September 2022, the ACD of the Sub-fund was Link Fund Solutions Limited.

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

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £29,000 (2022: £266,000).

### Liontrust Tortoise Fund (continued)

#### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 12 Related party transactions (continued)

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was £748,000. The total expenses due to Liontrust Fund Partners LLP and its associates for the period from 1 October 2022 to 31 December 2022 was £303,000. The total expenses due to Link Fund Solutions Limited and its associates for the period 1 January 2022 to 30 September 2022 was £175,000.

#### 13 Risk management policies

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

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

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

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

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

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

#### Market price risk

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

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

## Liontrust Tortoise Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Market price risk (continued)

As at 31 December 2023 and 31 December 2022 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 December 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.0%.

As at 31 December 2022, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 4.8%.

Some limitations of sensitivity analysis are;

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

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

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

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

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

The Sub-fund used derivatives in the year, namely foreign exchange forwards for hedging purposes and call options. The level of Market Exposure in the Sub-fund as at year end as measured by the Commitment Approach described above was 34.90% (2022: 28.10%).



## Liontrust Tortoise Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**13 Risk management policies (continued)****Currency risk**

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

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

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

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

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

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

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

**Interest rate risk**

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

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

The interest rate risk profile of investment assets and liabilities at 31 December 2023 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non-Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	—	2,875	5,273	8,148
Investment liabilities	—	—	(120)	(120)

## Liontrust Tortoise Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Interest rate risk (continued)

The interest rate risk profile of investment assets and liabilities at 31 December 2022 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non-Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	—	—	27,579	27,579
Investment liabilities	—	—	(768)	(768)

At 31 December 2023, if interest rates had strengthened/weakened by 1.00% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 0.16%.

At 31 December 2022, if interest rates had strengthened/weakened by 1.00% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 0.00%.

##### Liquidity risk

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

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

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

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

##### Counterparty credit risk

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

## Liontrust Tortoise Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**13 Risk management policies (continued)****Counterparty credit risk (continued)**

The table below summarises the credit quality of the Sub-fund debt portfolio as at 31 December 2023 and 31 December 2022.

<b>Summary of Credit ratings</b>	<b>31.12.2023 (£'000)</b>	<b>31.12.2022 (£'000)</b>
Investment grade	2,875	—
<b>Total</b>	<b>2,875</b>	<b>—</b>

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

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

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan. The Sub-fund currently does not engage in stock lending. The ACD is required to provide shareholder 60 days' prior written notice.

**Counterparty exposures**

The counterparty exposure of financial derivative transactions at 31 December 2023 is shown below:

<b>Counterparty details Financial Derivative Transactions</b>	<b>Forwards (£'000)</b>	<b>Total Exposure (£'000)</b>
Bank of New York Mellon International	55	55

The counterparty exposure of financial derivative transactions at 31 December 2022 is shown below:

<b>Counterparty details Financial Derivative Transactions</b>	<b>Contracts for Differences (£'000)</b>	<b>Forwards (£'000)</b>	<b>Total Exposure (£'000)</b>
Bank of New York Mellon International	—	(753)	(753)
Goldman Sachs International	12	—	12

At the year end collateral of £Nil (2022: £Nil) was received; collateral pledged was £Nil (2022: £126,000) and none (2022: none) of the Sub-fund's financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2023 and 31 December 2022 was A (Standard & Poor's rating).

## Liontrust Tortoise Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Counterparty exposures (continued)

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

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

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

##### Maturity profile of financial liabilities

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

##### Fair value of financial assets and liabilities

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

##### Valuation of financial investments

	Assets (£'000)	Liabilities (£'000)
<b>31.12.2023</b>		
Level 1: Quoted prices	8,073	(100)
Level 2: Observable market data	75	(20)
	<b>8,148</b>	<b>(120)</b>
<b>31.12.2022</b>		
Level 1: Quoted prices	27,552	—
Level 2: Observable market data	27	(768)
	<b>27,579</b>	<b>(768)</b>

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

## Liontrust Tortoise Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**14 Share movement**

For the year ending 31 December 2023

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
C Accumulation	11,833,886	4,621,168	(12,866,827)	—	3,588,227

**15 Portfolio transaction costs**

for the year ending 31 December 2023

<b>Purchases (excluding derivatives)</b>	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	13,793	6	0.04	7	0.05
Debt instruments (direct)	16,478	—	—	—	—
<b>Total purchases</b>	<b>30,271</b>	<b>6</b>		<b>7</b>	
<b>Total purchases including transaction costs</b>	<b>30,284</b>				
<b>Sales (excluding derivatives)</b>	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	39,022	14	0.04	3	0.01
Debt instruments (direct)	13,706	—	—	—	—
<b>Total sales</b>	<b>52,728</b>	<b>14</b>		<b>3</b>	
<b>Total sales net of transaction costs</b>	<b>52,711</b>				
<b>Total transaction costs</b>		<b>20</b>		<b>10</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.09%</b>		<b>0.05%</b>	

## Liontrust Tortoise Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2023

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2022

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	25,221	9	0.04	27	0.11
Debt instruments (direct)	846	–	–	–	–
<b>Total purchases</b>	<b>26,067</b>	<b>9</b>		<b>27</b>	
<b>Total purchases including transaction costs</b>	<b>26,103</b>				
Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	25,323	7	0.03	1	–
Debt instruments (direct)	849	–	–	–	–
<b>Total sales</b>	<b>26,172</b>	<b>7</b>		<b>1</b>	
<b>Total sales net of transaction costs</b>	<b>26,164</b>				
<b>Total transaction costs</b>		<b>16</b>		<b>28</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.07%</b>		<b>0.11%</b>	

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

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

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.06% (2022: 0.07%).

### Liontrust Tortoise Fund (continued)

#### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### **16 Post balance sheet events**

The Liontrust Tortoise Fund closed to investment on 22 February 2024 and will be terminated at a later date once the residual assets and liabilities are settled.

## Liontrust Tortoise Fund (continued)

### Distribution Tables

for the year ended 31 December 2023

#### Final distribution

Group 1 - Shares purchased prior to 1 July 2023

Group 2 - Shares purchased 1 July 2023 to 31 December 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2024 Pence per share	Distribution paid 28.2.2023 Pence per share
C Accumulation - Group 1	2.1905	—	2.1905	0.4224
C Accumulation - Group 2	1.1509	1.0396	2.1905	0.4224

#### Interim distribution

Group 1 - Shares purchased prior to 1 January 2023

Group 2 - Shares purchased 1 January 2023 to 30 June 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2023 Pence per share	Distribution paid 31.8.2022 Pence per share
C Accumulation - Group 1	2.6135	—	2.6135	2.8627
C Accumulation - Group 2	1.6570	0.9565	2.6135	2.8627

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



# Liontrust UK Equity Income Fund

Report for the year from 1 January 2023 to 31 December 2023

## Investment Objective

To produce, after all costs and charges have been deducted,

- an income in excess of the yield on the FTSE All-Share Total Return Index over any period of five years; and
- a total return (income and capital growth) in excess of the return on FTSE All-Share Total Return Index over any period of five years.

There is no guarantee that the objective will be achieved over any time period and capital is at risk.

## Investment Policy

The Sub-fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of UK companies.

These are companies that are:

- listed or traded in the UK, and
- domiciled or incorporated in the UK.

The Sub-fund may also invest up to 20% of its scheme property by value in the shares of non-UK companies, cash, deposits and money market instruments.

The Sub-fund may invest in these asset classes directly and indirectly. It may invest indirectly through transferable securities (such as depositary receipts) or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Sub-fund does not have any restrictions on the industry sectors or the size of companies it can invest in.

## Investment Strategy

The Sub-fund is actively managed. The investment managers take a long-term (which the investment manager defines as at least 5 years) outlook when selecting companies. Each new investment in the Sub-fund is subject to three tests:

1. Does cash flow have the potential to improve?
2. Can the balance sheet support both income and business investment?
3. Is the company undervalued relative to our assessment of its potential?

The investment manager analyses the company valuation, cash flow, profit and loss and balance sheet on both a historic and prospective basis and will invest in companies that, in their opinion, are undervalued (relative to their industry peers, history or prospects), have a strong balance sheet and where their cash flow is expected to improve (either the amount or the quality).

## Liontrust UK Equity Income Fund (continued)

### Investment review

#### Sub-fund review

The Liontrust UK Equity Income Fund merged into Liontrust Income Fund on 13 October 2023 and will be terminated at a later date once the residual assets and liabilities have been settled.

January 2023

#### Material portfolio changes by value

##### Purchases

HSBC  
Rio Tinto  
BP  
Telecom Plus  
IG  
B&M European Value Retail  
Anglo American  
Man  
Morgan Sindall  
Diageo

##### Sales

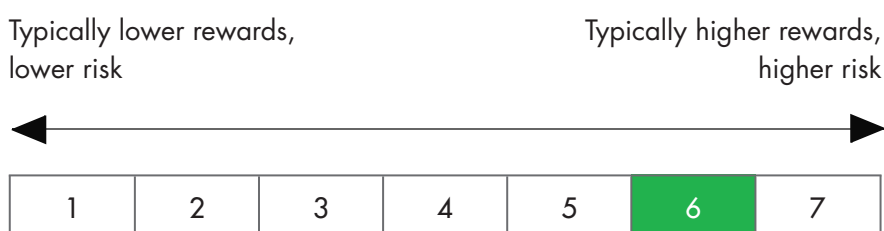
Shell  
Anglo American  
AstraZeneca  
HSBC  
Mears  
NatWest  
Kitwave  
Mitie  
BP  
4imprint

## Liontrust UK Equity Income 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.



- This Synthetic Risk and Reward Indicator (SRRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRRI 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 Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- At least 80% of the Sub-fund will be invested in UK equities, with the balance in international equities (which for the avoidance of doubt could include emerging markets equities), cash or near cash.
- The Sub-fund is categorised 6 primarily for its exposure to UK equities.
- The SRRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-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 Sub-fund.
- The Sub-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 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 Sub-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 Sub-fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may invest in emerging markets which carries a higher risk than investment in more developed countries. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- Outside of normal conditions, the Sub-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.

## Liontrust UK Equity Income Fund (continued)

### Investment review (continued)

#### Risk and Reward profile (continued)

- 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 Sub-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](http://www.liontrust.co.uk).

## Liontrust UK Equity Income Fund (continued)

## Comparative Tables

for the year ended 31 December 2023

X Accumulation Accounting year ended	31 December 2023+ per share (p)	31 December 2022 per share (p)	31 December 2021 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	199.27	214.09	186.06
Return before operating charges	15.78	(13.50)	29.35
Operating charges	(1.08)	(1.32)	(1.32)
Return after operating charges	14.70	(14.82)	28.03
Distributions	(9.02)	(7.40)	(8.23)
Retained distributions on accumulation shares	9.02	7.40	8.23
<b>Closing net asset value per share</b>	<b>213.97</b>	<b>199.27</b>	<b>214.09</b>
After direct transaction costs of*	(0.90)	(0.79)	(0.84)
<b>Performance</b>			
Return after charges	7.38%	(6.92%)	15.07%
<b>Other information</b>			
Closing net asset value (£'000)	–	20,947	23,761
Closing number of shares	–	10,512,049	11,098,531
Operating charges**	0.65%	0.65%	0.65%
Direct transaction costs*	0.54%	0.39%	0.41%
<b>Prices</b>			
Highest share price	218.73	219.70	216.68
Lowest share price	201.68	179.89	184.11

+ Merged into Liontrust Income Fund, a Sub-fund of Liontrust Investment Funds I on 13 October 2023.

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

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

## Liontrust UK Equity Income Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2023

<b>X Income</b> <b>Accounting year ended</b>	<b>31 December 2023+</b> <b>per share (p)</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	127.26	141.97	128.36
Return before operating charges	10.06	(8.98)	20.13
Operating charges	(0.68)	(0.87)	(0.90)
Return after operating charges	9.38	(9.85)	19.23
Distributions	(5.70)	(4.86)	(5.62)
Retained distributions on accumulation shares	—	—	—
<b>Closing net asset value per share</b>	<b>130.94</b>	<b>127.26</b>	<b>141.97</b>
After direct transaction costs of*	(0.57)	(0.52)	(0.57)
<b>Performance</b>			
Return after charges	7.37%	(6.94%)	14.98%
<b>Other information</b>			
Closing net asset value (£'000)	—	25,762	45,273
Closing number of shares	—	20,243,174	31,889,634
Operating charges**	0.65%	0.65%	0.65%
Direct transaction costs*	0.54%	0.39%	0.41%
<b>Prices</b>			
Highest share price	139.58	145.73	145.91
Lowest share price	126.61	117.14	127.08

+ Merged into Liontrust Income Fund, a Sub-fund of Liontrust Investment Funds I on 13 October 2023.

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

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

## Liontrust UK Equity Income Fund (continued)

## Portfolio Statement

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (94.81%)</b>	0	0.00
	<b>GEORGIA (1.02%)</b>	0	0.00
	<b>Banks (1.02%)</b>		
	<b>UNITED KINGDOM (93.61%)</b>	0	0.00
	<b>Advertising (2.72%)</b>		
	<b>Banks (6.06%)</b>		
	<b>Building Materials (1.73%)</b>		
	<b>Commercial Services (18.32%)</b>		
	<b>Computers (7.10%)</b>		
	<b>Cosmetics &amp; Personal Care (2.51%)</b>		
	<b>Distribution &amp; Wholesale (3.60%)</b>		
	<b>Diversified Financial Services (2.98%)</b>		
	<b>Food Producers (6.53%)</b>		
	<b>Food Services (1.71%)</b>		
	<b>Healthcare Products (2.18%)</b>		
	<b>Home Furnishings (3.23%)</b>		
	<b>Insurance (5.84%)</b>		
	<b>Internet (0.00%)</b>		
	<b>Mining (4.23%)</b>		
	<b>Oil &amp; Gas Producers (7.37%)</b>		
	<b>Packaging &amp; Containers (4.73%)</b>		
	<b>Pharmaceuticals (6.78%)</b>		
	<b>Retail (5.99%)</b>		
	<b>UNITED STATES OF AMERICA (0.18%)</b>	0	0.00
	<b>Machinery Construction &amp; Mining (0.18%)</b>		

## Liontrust UK Equity Income Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>COLLECTIVE INVESTMENT SCHEMES (5.57%)</b>	0	0.00
	<b>UNITED KINGDOM (5.57%)</b>	0	0.00
	<b>Portfolio of investments</b>	0	0.00
	<b>Net other liabilities</b>	0	0.00
	<b>Total net assets</b>	0	0.00

Comparative figures shown in brackets relate to 31 December 2022.



## Liontrust UK Equity Income Fund (continued)

## Statement of Total Return

for the year ended 31 December 2023

	Notes	(£'000)	1.1.2023 to 31.12.2023 (£'000)	(£'000)	1.1.2022 to 31.12.2022 (£'000)
Income					
Net capital gains/(losses)	2		1,677		(6,024)
Revenue	3	1,933		2,085	
Expenses	4	(229)		(367)	
Interest payable and similar charges	6	(1)		–	
Net revenue before taxation		1,703		1,718	
Taxation	5	23		(45)	
Net revenue after taxation			1,726		1,673
<b>Total return before distributions</b>			<b>3,403</b>		<b>(4,351)</b>
Distributions	7		(1,896)		(2,036)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,507</b>		<b>(6,387)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2023

	(£'000)	1.1.2023 to 31.12.2023 (£'000)	(£'000)	1.1.2022 to 31.12.2022 (£'000)
<b>Opening net assets attributable to shareholders</b>		<b>46,709</b>		<b>69,034</b>
Amounts received on issue of shares	1,377		1,324	
In-specie transfer <sup>1</sup>	(40,464)		–	
Amounts paid on cancellation of shares	(9,984)		(18,049)	
Amounts payable on termination	(47)		–	
		(49,118)		(16,725)
Dilution adjustment		–		5
Change in net assets attributable to shareholders from investment activities		1,507		(6,387)
Retained distributions on accumulation shares		902		782
<b>Closing net assets attributable to shareholders</b>		<b>–</b>		<b>46,709</b>

<sup>1</sup> Merged into Liontrust Income Fund, a Sub-fund of Liontrust Investment Funds I on 13 October 2023.

## Liontrust UK Equity Income Fund (continued)

**Balance Sheet**

as at 31 December 2023

	Notes	31.12.2023 (£'000)	31.12.2022 (£'000)
<b>Assets</b>			
Investments		–	46,888
<b>Current assets:</b>			
Debtors	8	–	332
Cash and bank balances	9	47	80
<b>Total assets</b>		<b>47</b>	<b>47,300</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Distribution payable		–	(507)
Other creditors	10	(47)	(84)
<b>Total liabilities</b>		<b>(47)</b>	<b>(591)</b>
<b>Net assets attributable to shareholders</b>		<b>–</b>	<b>46,709</b>

## Liontrust UK Equity Income Fund (continued)

**Notes to the financial statements**

for the year ended 31 December 2023

**1 Accounting policies**

The accounting policies for the Sub-fund are set out on pages 13 to 16.

**2 Net capital gains/(losses)**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
The net capital gains/(losses) comprise:		
Non-derivative securities	1,678	(6,013)
Foreign currency losses	(1)	(11)
<b>Net capital gains/(losses)</b>	<b>1,677</b>	<b>(6,024)</b>

**3 Revenue**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Bank interest	21	2
Interest distributions on CIS holdings	–	19
Non-taxable overseas dividends	150	27
Revenue from short-term money market funds	33	–
UK dividends	1,716	2,037
UK REIT dividends	13	–
<b>Total revenue</b>	<b>1,933</b>	<b>2,085</b>

**4 Expenses**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge*	229	367
<b>Total expenses</b>	<b>229</b>	<b>367</b>

\* The audit fee for the year (borne out of the ACD's charge), excluding VAT, was £6,440 (2022: £9,200). Where the fee exceeds the ACD's charge, the shortfall will be met by the ACD.

## Liontrust UK Equity Income Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**5 Taxation**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
<b>a) Analysis of the tax (credit)/charge for the year</b>		
Overseas tax	(23)	45
<b>Total tax (credit)/charge [see note(b)]</b>	<b>(23)</b>	<b>45</b>

**b) Factors affecting the tax (credit)/charge for the year**

The taxation assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Net revenue before taxation	1,703	1,718
Corporation tax at 20% (2022 - 20%)	341	344
Effects of:		
Movement in unrecognised tax losses	32	69
Overseas tax	(23)	45
Revenue not subject to tax	(373)	(413)
<b>Total tax (credit)/charge [see note(a)]</b>	<b>(23)</b>	<b>45</b>

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

**c) Deferred tax**

At the year end there is a potential deferred tax asset of £7,868,000 (2022: £7,835,000) due to tax losses of £39,338,000 (2022: £39,176,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

**6 Interest payable and similar charges**

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Overdraft interest	1	–
<b>Total interest payable and similar charges</b>	<b>1</b>	<b>–</b>

## Liontrust UK Equity Income Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2023

## 7 Distributions

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Interim distribution	1,132	987
Special distribution	672	–
Final distribution	–	911
	<b>1,804</b>	<b>1,898</b>
Amounts deducted on cancellation of shares	103	151
Amounts received on issue of shares	(11)	(13)
<b>Distributions</b>	<b>1,896</b>	<b>2,036</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	1,726	1,673
Less: Tax relief on capitalised expenses	(12)	(4)
Less: Income transferred to capital	(47)	–
Add: ACD's charge reimbursed by capital	229	367
<b>Distributions</b>	<b>1,896</b>	<b>2,036</b>

The distribution per share is set out in the tables on page 141.

## 8 Debtors

	31.12.2023 (£'000)	31.12.2022 (£'000)
Accrued revenue	–	122
Amounts receivable for issue of shares	–	210
<b>Total debtors</b>	<b>–</b>	<b>332</b>

## 9 Cash and bank balances

	31.12.2023 (£'000)	31.12.2022 (£'000)
Cash and bank balances	47	80
<b>Total cash and bank balances</b>	<b>47</b>	<b>80</b>

## Liontrust UK Equity Income Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 10 Creditors

	31.12.2023 (£'000)	31.12.2022 (£'000)
Accrued ACD's charge	–	26
Amounts payable for cancellation of shares	–	48
Amounts payable on termination	47	–
Purchases awaiting settlement	–	10
<b>Total other creditors</b>	<b>47</b>	<b>84</b>

#### 11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: £nil).

#### 12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company. Prior to 30 September 2022, the ACD of the Sub-fund was Link Fund Solutions Limited.

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

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £Nil (2022: £26,000).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was £229,000. The total expenses due to Liontrust Fund Partners LLP and its associates for the period from 1 October 2022 was £78,000. The total expenses due to Link Fund Solutions Limited and its associates for the period from 1 January 2022 to 30 September was £289,000.

#### 13 Risk management policies

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

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

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

## Liontrust UK Equity Income Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

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

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

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

#### Market price risk

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

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

As at 31 December 2023 and 31 December 2022 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

The Sub-fund closed on 13 October 2023 and had no assets at the current year end therefore no market risk sensitivity analysis has been disclosed at 31 December 2023.

As at 31 December 2022, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 11.6%.

Some limitations of sensitivity analysis are;

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

## Liontrust UK Equity Income Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Market price risk (continued)

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

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

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

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

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

##### Currency risk

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

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

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

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

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

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

##### Interest rate risk

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



### Liontrust UK Equity Income Fund (continued)

#### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Interest rate risk (continued)

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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

##### Liquidity risk

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

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-fund may not be able to sell a position for full value or at all in the short-term. This may affect performance and could cause the Sub-fund to defer or suspend redemptions of its shares. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

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

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

##### Counterparty credit risk

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

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

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

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan. The Sub-fund currently does not engage in stock lending. The ACD is required to provide shareholder 60 days' prior written notice.

At the balance sheet date, there were no counterparties to open derivative contracts (2022: none). At the year end collateral of £Nil (2022: £Nil) was received; collateral pledged was £Nil (2022: £Nil) and none (2022: none) of the Sub-fund's financial assets were past due or impaired.

## Liontrust UK Equity Income Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Counterparty credit risk (continued)

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2023 and at 31 December 2022 was A (Standard & Poor's rating).

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

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

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

##### Maturity profile of financial liabilities

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

##### Fair value of financial assets and liabilities

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

##### Valuation of financial investments

The Sub-fund closed on 13 October 2023 and therefore had no financial investments at the current year end.

<b>31.12.2022</b>	<b>Assets (£'000)</b>	<b>Liabilities (£'000)</b>
Level 1: Quoted prices	44,287	—
Level 2: Observable market data	2,601	—
	<b>46,888</b>	<b>—</b>

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

## Liontrust UK Equity Income Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**14 Share movement**

For the year ending 31 December 2023

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
X Accumulation	10,512,049	527,719	(11,040,068)	300	—
X Income	20,243,174	202,499	(20,445,203)	(470)	—

## Liontrust UK Equity Income Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**15 Portfolio transaction costs**  
for the year ending 31 December 2023

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	37,578	18	0.05	151	0.40
Collective investment schemes	21	–	–	–	–
<b>Total purchases</b>	<b>37,599</b>	<b>18</b>		<b>151</b>	
<b>Total purchases including transaction costs</b>	<b>37,768</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	83,607	22	0.03	–	–
Collective investment schemes	21	–	–	–	–
In-specie transfers	38,353	–	–	–	–
<b>Total sales</b>	<b>121,981</b>	<b>22</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>121,959</b>				
<b>Total transaction costs</b>		<b>40</b>		<b>151</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.11%</b>		<b>0.43%</b>	

## Liontrust UK Equity Income Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**15 Portfolio transaction costs (continued)**  
for the year ending 31 December 2022

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	39,728	18	0.05	174	0.44
<b>Total purchases</b>	<b>39,728</b>	<b>18</b>		<b>174</b>	
<b>Total purchases including transaction costs</b>	<b>39,920</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (£'000)</b>	<b>Commissions (£'000)</b>	<b>%</b>	<b>Taxes (£'000)</b>	<b>%</b>
Equity instruments (direct)	56,303	27	0.05	–	–
<b>Total sales</b>	<b>56,303</b>	<b>27</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>56,276</b>				
<b>Total transaction costs</b>		<b>45</b>		<b>174</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.08%</b>		<b>0.31%</b>	

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

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.00% (2022: 0.41%). The Sub-fund closed on 13 October 2023 and there were no investments held at the current year end.

## Liontrust UK Equity Income Fund (continued)

**Distribution Tables**

for the year ended 31 December 2023

**Final distribution+**

Group 1 - Shares purchased prior to 14 October 2023

Group 2 - Shares purchased 14 October 2023 to 31 December 2023

	<b>Net Revenue Pence per share</b>	<b>Equalisation* Pence per share</b>	<b>Distribution paid 28.2.2024 Pence per share</b>	<b>Distribution paid 28.2.2023 Pence per share</b>
X Accumulation - Group 1	—	—	—	3.8465
X Accumulation - Group 2	—	—	—	3.8465
X Income - Group 1	—	—	—	2.5047
X Income - Group 2	—	—	—	2.5047

+ Merged into Liontrust Income Fund

**Special distribution**

Group 1 - Shares purchased prior to 13 October 2023

Group 2 - Shares purchased 1 July to 13 October 2023

	<b>Net Revenue Pence per share</b>	<b>Equalisation* Pence per share</b>	<b>Distribution paid 24.11.2023 Pence per share</b>
X Accumulation - Group 1	3.5264	—	3.5264
X Accumulation - Group 2	2.7343	0.7921	3.5264
X Income - Group 1	2.1941	—	2.1941
X Income - Group 2	0.8813	1.3128	2.1941

## Liontrust UK Equity Income Fund (continued)

**Distribution Tables (continued)**

for the year ended 31 December 2023

**Interim distribution**

Group 1 - Shares purchased prior to 1 January 2023

Group 2 - Shares purchased 1 January 2023 to 30 June 2023

	<b>Net Revenue Pence per share</b>	<b>Equalisation* Pence per share</b>	<b>Distribution paid 31.8.2023 Pence per share</b>	<b>Distribution paid 31.8.2022 Pence per share</b>
X Accumulation - Group 1	5.4941	—	5.4941	3.5515
X Accumulation - Group 2	3.3386	2.1555	5.4941	3.5515
X Income - Group 1	3.5096	—	3.5096	2.3557
X Income - Group 2	1.7461	1.7635	3.5096	2.3557

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

# Liontrust Global Equity Fund

Report for the year from 1 January 2023 to 31 December 2023

## Investment Objective

To deliver a total return (the combination of income and capital growth) that at the end of any five year period is in excess of achieving a total return of the MSCI All Country World Net Total Return Index, after all costs and charges have been deducted. There is no guarantee that the objective will be achieved over any time period and capital is at risk.

## Investment Policy

The Sub-fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of companies throughout the world including emerging markets.

The Sub-fund may also invest up to 20% of its scheme property by value in, cash, deposits and money market instruments.

The Sub-fund may invest in these asset classes directly and indirectly. It may invest indirectly through transferable securities (such as depositary receipts or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Sub-fund does not have any restrictions on the countries, industry sectors or the size of companies it can invest in.

## Investment Strategy

The Sub-fund is actively managed by a team of individual investment managers each of whom has responsibility for managing a portion of the Sub-fund. The Sub-fund does not have any particular style bias. The investment managers are flexible investors who will aim to outperform the market by investing in a combination of companies that are judged to be undervalued by the market. The characteristics of these companies could vary and may include companies with good prospects for growth, a competitive advantage or management alignment with shareholder outcomes. The investment managers may also look for companies where there is a catalyst for recovery such as management change or an improving business environment. This multi-manager structure allows individual accountability as well as harnessing teamwork, together with providing natural diversification of manager risk.



## Liontrust Global Equity Fund (continued)

### Investment review

Over the twelve months to December 2023, the Liontrust Global Equity Fund returned 18.5% versus 15.3% for the MSCI ACWI Index ('X' accumulation class, in sterling, net of fees)\*.

Global equities mostly rose in H1 2023, led by the US, despite the fallout from its regional banking crisis. The rally was dominated by the US technology giants, thanks to sharply rising interest in the Artificial Intelligence (AI) theme. There were market jitters in May over the periodic political standoff regarding the US debt ceiling, but these subsided by the end of the month when the House of Representatives passed the required bill.

Global equities ended three successive quarters of gains in Q3, peaking in July before declining overall during the quarter. Investors were worried by central bank warnings that interest rates would have to stay 'higher for longer' to tackle stubborn inflation, which prompted investors to recalibrate their expectations for the trajectory of future interest rates. Global government bonds saw a sell off and turmoil in the bond market had a negative impact on equity markets. These concerns continued into early Q4, with the S&P 500 officially correcting in October and yields on US treasuries reaching a 16-year high. Conflict in the Middle East added to the uncertainty.

But by November, the overall picture had changed to one of ebbing inflation and the tone of markets switched to risk-on into the end of the year. Investors became more confident that leading central banks would cut interest rates significantly in 2024. US treasury yields fell and this drove inflows to equities, providing stronger support for rate-sensitive stocks such as consumer discretionary, small and mid-cap and higher beta stocks.

In Asia, there had been hopes earlier in 2023 that a resurgent China re-opening post-lockdown would stimulate the world economy. However, the recovery faltered, and concerns about the strength of China's post-Covid recovery weighed on markets in Asia. Concerns over the country's real estate sector, which accounts for 25% of its economy, were particularly acute. Our exposure to China is limited to the discretionary growth sector, which we believe will do well even if one half of the Chinese economy flags.

Japan's balancing act between continuing to lift its economy out of decades-long deflation with ultra-loose monetary policy while preventing rising inflation from becoming a major problem took a turn in Q4 when it ended its seven-year policy of capping long-term interest rates at 1%. Japanese equities rallied significantly in 2023, having benefited from relatively cheap valuations, a weakening currency, robust economic growth and loose monetary policy.

Tom Record, formerly Lead Manager of the Sub-fund, stepped down on 1 November 2023 ahead of leaving Liontrust. Tom Hosking and Hong Yi Chen continued as Co-Managers.

### Analysis of portfolio return

In terms of performance drivers over the year, the Sub-fund's underweight in consumer staples and overweight in consumer discretionary sectors contributed the most to returns, while an underweight in information technology and materials detracted the most from relative performance.

The most significant contributors to performance included our overweights in **Vertiv**, the provider of energy management systems for datacentres; **Installed Building Products (IBP)**, one of the two dominant suppliers and installers of insulation in the US, particularly in new build homes; and **MercadoLibre**, the Latin American online commerce and fintech platform provider.

Vertiv is a beneficiary of the changes wrought by artificial intelligence (AI). After a tough year of post-Covid supply shortages, Vertiv is changing internally in enterprise resource planning and management, which is allowing it to benefit from the strong external changes to which it is exposed, as AI and datacentres grow.

IBP is sensitive to expectations for mortgage rates, so it reacted positively to markets becoming increasingly confident about base rate cuts towards the end of the year. Moody's, the credit ratings agency, also upgraded its rating for IBP in December, adding that it expected the company to continue to perform well.

Mercadolibre (MELI) rose 90% in 2023 on the back on strengthening financial results. GMV growth has accelerated due to share gains in Brazil and Mexico. In the former case, this has been partly due the bankruptcy of a competitor, Americanas, in January. Revenue has also grown strongly as MELI has gradually increased its take rates. The potential monetisation of fulfilment remains a big

## Liontrust Global Equity Fund (continued)

### Investment review (continued)

opportunity. Macroeconomic headwinds in Argentina, including high levels of inflation and a depreciating peso, have not been a large negative for the company. In addition, MELI has been resilient in the face of cross-border competition. Its fintech arm, MercadoPago, continues to be a major competitive advantage.

In terms of detractors, our overweight exposure to **Wuxi Biologics**, the Chinese biotechnology company, and zero exposure to **Apple**, the technology giant, weighed the most on relative returns. Wuxi's sector has been under pressure from weaker biotech funding in a higher interest rate environment. In addition, there has been a temporary delay in the approval process for three of its major late-stage drugs. However, we remain long-term holders of Wuxi due to its growth potential. Having worked through different scenarios, we feel the risk/reward is still skewed in our favour given the company has invested beyond China to grow its international presence and address the risks it faces. Despite several issues that impacted Apple in Q3, the growth mega cap benefitted from positive market sentiment in Q4 as investors became more confident about the trajectory of interest rates.

### Transactions

Over the course of 2023, significant transactions included new positions in **Global Payments**, the payments company; **Meta**, the social media company; and **Autostore**, a Norwegian-listed global leader in cubic storage and retrieval systems. Investing in Global Payments was attractively valued and it diversified our payments exposure from Fiserv, which has a similar business. We bought Meta after its Q3 results. It provided guidance for 2024 expenses, which de-risked the likelihood that costs would bounce back after a year of heavy cost cutting. The advertising market was also recovering. We invested in Autostore because it has good long term prospects and short term headwinds were beginning to dissipate. Penetration levels of CSRS are low in warehousing but are rising with Autostore as the chief beneficiary. Autostore's customers make a great return on their investment, the system is modular and can be expanded easily. The shares have been out of favour because cost increases have only been passed on with a lag which has temporarily hit margins.

Our most significant selling activity included reductions in **Microsoft**, the enterprise software company; **Fiserv**, the payments company; and **EA**, the video game company. Microsoft's valuation had become too expensive as the stock ran higher on AI hype; we sold some Fiserv to diversify our payments exposure into Global payments; EA's valuation had become full and it presented an unattractive risk/reward.

We also sold our entire holding in **KPN**, the Dutch telco. We became increasingly weary of KPN's management after it walked back from the guidance it gave at Q4 2022 results. It has been a defensive position for the Sub-fund, but the investment thesis has played out with EBITDA margins better now than before as the Dutch market has rationalised.

### Market outlook

We are cautious about the global economy. The US has held up well post Covid, helped by the unwinding of the excessive savings that were built up. The pent-up demand resulting from the pandemic supply chain problems has also been supportive, with companies such as aircraft and car manufacturers ramping up production to meet the backlog of demand. This has now been largely converted, so the positive impact is dissipating. We continue to monitor the macro indicators and if the balance tips in one direction or the other we could change the direction of our portfolio. The fact that the European and UK economies are materially weaker than that of the US adds to our caution.

Monetary policies remain a key focus for investors. We anticipate that inflation will continue falling provided the oil price does not spike up, giving leading central banks the scope to cut rates in 2024. The beneficiaries of this will be rate-sensitive stocks, including consumer discretionary and higher growth companies.

We are seeing opportunities in a broad range of stocks. We expect our idiosyncratic stock-specific opportunities (and risks) to be a bigger determinant of returns than any big positioning in the portfolio to growth or cyclicals, for example. We continue to move the portfolio away from late cyclicals and have been gently increasing our exposure to consumer and early cyclical stocks.

There are still uncertainties, but investors with a long-term view can capitalise on these, selecting those stocks for which the risk-rewards are favourable. We own companies that should provide scarce growth in an economic headwind, that will benefit from lower rates or that are exploiting changes untied to the economic cycle and therefore should be relatively agnostic regarding economic growth.

### Liontrust Global Equity Fund (continued)

#### **Investment review (continued)**

Subsequent to the year end, Liontrust Global Equity Fund closed to investment on 16 February 2024 following its merger into Liontrust Global Alpha Fund (a sub-fund of Liontrust Investment Funds I) and will be terminated at a later date once the residual assets and liabilities have been settled.

*\*Source: Financial Express as at 31.12.23, total return, in Sterling, net of fees, income reinvested. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

#### **Market review**

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. 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.

## Liontrust Global Equity Fund (continued)

## Investment review (continued)

## Material portfolio changes by value

## Purchases

---

Alphabet 'A'  
Church & Dwight  
Siemens  
Netflix  
Delta Air Lines  
Installed Building Products  
NVIDIA  
Thales  
Global Payments  
Centene

## Sales

---

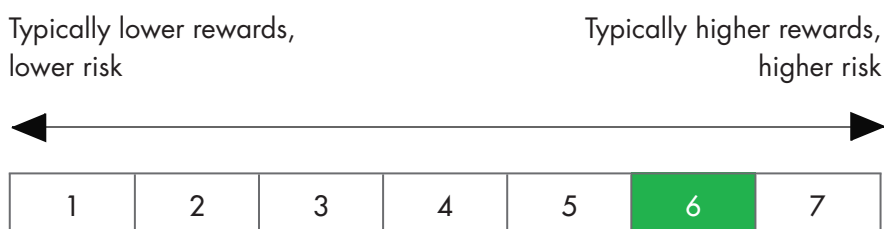
Microsoft  
Fiserv  
Electronic Arts  
Novo Nordisk  
WillScot Mobile Mini  
Naspers  
Amazon.com  
SoftBank  
Thales  
Samsung SDI

## Liontrust Global Equity 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.



- This Synthetic Risk and Reward Indicator (SRRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRRI 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 Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund invests in global equities. The Sub-fund may also invest in other eligible asset classes as detailed within the prospectus.
- The Sub-fund is categorised 6 primarily for its exposure to Global equities.
- The SRRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-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 Sub-fund.
- The Sub-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 Sub-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 Sub-fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may invest in emerging markets which carries a higher risk than investment in more developed countries. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- Outside of normal conditions, the Sub-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.

## Liontrust Global Equity Fund (continued)

### Investment review (continued)

#### Risk and Reward profile (continued)

- 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 Sub-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](http://www.liontrust.co.uk).

## Liontrust Global Equity Fund (continued)

## Comparative Tables

for the year ended 31 December 2023

<b>B Accumulation (Sterling)</b> <b>Accounting year ended</b>	<b>31 December</b> <b>2023+</b> <b>per share (p)</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	254.96	284.65	253.25
Return before operating charges	33.03	(29.69)	31.40
Operating charges	0.00	0.00	0.00
Return after operating charges	33.03	(29.69)	31.40
Distributions	(1.32)	(3.38)	(2.23)
Retained distributions on accumulation shares	1.32	3.38	2.23
<b>Closing net asset value per share</b>	<b>287.99</b>	<b>254.96</b>	<b>284.65</b>
After direct transaction costs of*	(0.36)	(0.12)	(0.09)
<b>Performance</b>			
Return after charges	12.95%	(10.43%)	12.40%
<b>Other information</b>			
Closing net asset value (£'000)	–	25,152	34,960
Closing number of shares	–	9,865,080	12,281,694
Operating charges**	0.00%	0.00%	0.00%
Direct transaction costs*	0.18%	0.05%	0.03%
<b>Prices</b>			
Highest share price	292.77	387.13	293.34
Lowest share price	256.60	275.74	253.73

+ Closed on 18 September 2023

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

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

## Liontrust Global Equity Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2023

<b>B Accumulation (US Dollars)</b> Accounting year ended	<b>31 December 2022+</b> per share (c)	<b>31 December 2021</b> per share (c)
<b>Change in net assets per share</b>		
Opening net asset value per share	226.28	203.18
Return before operating charges	(35.04)	23.10
Operating charges	0.00	0.00
Return after operating charges	(35.04)	23.10
Distributions	—	(1.79)
Retained distributions on accumulation shares	—	1.79
<b>Closing net asset value per share</b>	<b>191.24</b>	<b>226.28</b>
After direct transaction costs of*	(0.05)	(0.08)
<b>Performance</b>		
Return after charges	(15.49%)	11.37%
<b>Other information</b>		
Closing net asset value (\$'000)	—	23
Closing number of shares	—	10,000
Operating charges**	0.00%	0.00%
Direct transaction costs*	0.05%	0.03%
<b>Prices</b>		
Highest share price	227.21	231.52
Lowest share price	170.10	202.40

+ Closed on 12 August 2022

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

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



## Liontrust Global Equity Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2023

X Accumulation (Sterling) Accounting year ended	31 December 2023 per share (p)	31 December 2022 per share (p)	31 December 2021 per share (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	240.06	269.74	241.52
Return before operating charges	45.76	(28.09)	29.91
Operating charges	(1.70)	(1.59)	(1.69)
Return after operating charges	44.06	(29.68)	28.22
Distributions	(1.92)	(1.58)	(0.46)
Retained distributions on accumulation shares	1.92	1.58	0.46
<b>Closing net asset value per share</b>	<b>284.12</b>	<b>240.06</b>	<b>269.74</b>
After direct transaction costs of*	(0.48)	(0.11)	(0.09)
<b>Performance</b>			
Return after charges	18.35%	(11.00%)	11.68%
<b>Other information</b>			
Closing net asset value (£'000)	8,482	22,389	27,963
Closing number of shares	2,985,425	9,326,488	10,366,825
Operating charges**	0.65%	0.65%	0.65%
Direct transaction costs*	0.18%	0.05%	0.03%
<b>Prices</b>			
Highest share price	285.28	366.83	278.21
Lowest share price	241.32	260.27	241.95

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

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

## Liontrust Global Equity Fund (continued)

**Comparative Tables (continued)**

for the year ended 31 December 2023

<b>X Accumulation (US Dollars)</b> <b>Accounting year ended</b>	<b>31 December 2022+ per share (c)</b>	<b>31 December 2021 per share (c)</b>
<b>Change in net assets per share</b>		
Opening net asset value per share	214.42	193.76
Return before operating charges	(33.40)	22.03
Operating charges	(0.46)	(1.37)
Return after operating charges	(33.86)	20.66
Distributions	—	(0.39)
Retained distributions on accumulation shares	—	0.39
<b>Closing net asset value per share</b>	<b>180.56</b>	<b>214.42</b>
After direct transaction costs of*	(0.03)	(0.07)
<b>Performance</b>		
Return after charges	(15.79%)	10.66%
<b>Other information</b>		
Closing net asset value (\$'000)	—	21
Closing number of shares	—	10,000
Operating charges**	0.65%	0.65%
Direct transaction costs*	0.05%	0.03%
<b>Prices</b>		
Highest share price	215.29	219.56
Lowest share price	160.75	193.01

+ Closed on 12 August 2022

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

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

## Liontrust Global Equity Fund (continued)

## Portfolio Statement

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (\$'000)	Percentage of total net assets (%)
	<b>EQUITIES (97.16%)</b>	<b>10,228</b>	<b>94.59</b>
	<b>ARGENTINA (1.57%)</b>	<b>0</b>	<b>0.00</b>
	<b>CANADA (1.21%)</b>	<b>126</b>	<b>1.17</b>
1,607	Shopify	126	1.17
	<b>CHILE (1.36%)</b>	<b>84</b>	<b>0.78</b>
1,387	Sociedad Quimica y Minera de Chile ADR	84	0.78
	<b>CHINA (3.39%)</b>	<b>228</b>	<b>2.10</b>
3,138	Meituan Dianping	33	0.30
2,799	Trip.com ADR	101	0.93
24,908	Wuxi Biologics Cayman	94	0.87
	<b>DENMARK (3.55%)</b>	<b>441</b>	<b>4.08</b>
3,800	Ambu	59	0.55
2,643	Novo Nordisk	273	2.52
1,986	Novozymes	109	1.01
	<b>FRANCE (4.55%)</b>	<b>490</b>	<b>4.53</b>
112	Kering	49	0.45
1,318	Publicis Groupe	122	1.13
441	Sartorius Stedim Biotech	116	1.07
1,376	Thales	203	1.88
	<b>GERMANY (0.00%)</b>	<b>52</b>	<b>0.48</b>
277	Siemens	52	0.48
	<b>HONG KONG (1.10%)</b>	<b>73</b>	<b>0.67</b>
8,328	AIA	73	0.67
	<b>INDIA (0.40%)</b>	<b>51</b>	<b>0.47</b>
1,094	MakeMyTrip	51	0.47
	<b>IRELAND (0.83%)</b>	<b>143</b>	<b>1.32</b>
506	ICON	143	1.32

## Liontrust Global Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (\$'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>ITALY (1.54%)</b>	<b>84</b>	<b>0.78</b>
3,113	UniCredit	84	0.78
	<b>JAPAN (5.29%)</b>	<b>328</b>	<b>3.04</b>
2,400	FANUC	70	0.65
100	Keyence	44	0.41
3,200	M3	53	0.49
1,900	Nintendo	99	0.92
1,400	SoftBank	62	0.57
	<b>NETHERLANDS (1.57%)</b>	<b>0</b>	<b>0.00</b>
	<b>NORWAY (0.00%)</b>	<b>66</b>	<b>0.61</b>
33,524	AutoStore	66	0.61
	<b>PANAMA (1.42%)</b>	<b>169</b>	<b>1.56</b>
1,586	Copa	169	1.56
	<b>PERU (1.30%)</b>	<b>91</b>	<b>0.84</b>
607	Credicorp	91	0.84
	<b>SINGAPORE (0.32%)</b>	<b>29</b>	<b>0.27</b>
713	Sea	29	0.27
	<b>SOUTH AFRICA (2.14%)</b>	<b>178</b>	<b>1.65</b>
1,042	Naspers	178	1.65
	<b>SOUTH KOREA (4.19%)</b>	<b>370</b>	<b>3.42</b>
496	Naver	86	0.80
2,775	Samsung Electronics	169	1.56
314	Samsung SDI	115	1.06
	<b>SPAIN (0.23%)</b>	<b>24</b>	<b>0.22</b>
1,385	Grifols	24	0.22

## Liontrust Global Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (\$'000)	Percentage of total net assets (%)
<b>EQUITIES (continued)</b>			
<b>SWITZERLAND (2.10%)</b>		<b>283</b>	<b>2.62</b>
623	Alcon	49	0.45
1,495	Dufry	59	0.55
1,639	Novartis	165	1.53
313	Sandoz	10	0.09
<b>TAIWAN (1.57%)</b>		<b>220</b>	<b>2.03</b>
2,121	Taiwan Semiconductor Manufacturing ADR	220	2.03
<b>UNITED KINGDOM (4.12%)</b>		<b>323</b>	<b>2.98</b>
3,693	Anglo American	93	0.86
5,231	CNH Industrial	64	0.59
7,776	Fevertree Drinks	104	0.96
23,421	Oxford Nanopore Technologies	62	0.57
<b>UNITED STATES OF AMERICA (53.41%)</b>		<b>6,094</b>	<b>56.37</b>
274	Adobe	164	1.52
94	Align Technology	26	0.24
2,461	Alphabet 'A'	344	3.18
2,247	Amazon.com	341	3.15
3,626	Aramark	102	0.94
158	Biogen	41	0.38
794	Boston Scientific	46	0.43
247	Bright Horizons Family Solutions	23	0.21
888	Cboe Global Markets	159	1.47
2,225	Centene	165	1.53
1,859	Church & Dwight	176	1.63
1,963	Delta Air Lines	79	0.73
1,262	Electronic Arts	173	1.60
342	Elevance Health	161	1.49
327	Equifax	81	0.75
1,276	Fiserv	170	1.57
827	Fortinet	48	0.44
1,338	Freeport-McMoRan	57	0.53
4,243	Frontdoor	149	1.38
1,243	Global Payments	158	1.46
1,467	Hasbro	75	0.69
219	Illumina	30	0.28

## Liontrust Global Equity Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (\$'000)	Percentage of total net assets (%)
<b>EQUITIES (continued)</b>			
<b>UNITED STATES OF AMERICA (continued)</b>			
1,180	Installed Building Products	215	1.99
1,145	Intercontinental Exchange	147	1.36
381	Intuit	238	2.20
2,197	Ionis Pharmaceuticals	111	1.03
1,178	L3Harris Technologies	248	2.29
1,307	LGI Homes	174	1.61
1,137	Marvell Technology	69	0.64
1,240	Merck	135	1.25
321	Meta Platforms	114	1.05
678	Microsoft	255	2.36
1,804	Molson Coors Beverage	110	1.02
274	Netflix	133	1.23
804	NVIDIA	398	3.68
2,951	Performance Food	204	1.89
143	Pool	57	0.53
9,809	Sabre	43	0.40
35,396	Samsonite International	117	1.08
410	Scotts Miracle-Gro	26	0.24
324	Take-Two Interactive Software	52	0.48
307	Trex	25	0.23
3,099	US Foods	141	1.30
3,643	Vertiv	175	1.62
1,269	Vestis	27	0.25
920	Zimmer Biomet	112	1.04
<b>URUGUAY (0.00%)</b>		<b>281</b>	<b>2.60</b>
179	MercadoLibre	281	2.60
<b>COLLECTIVE INVESTMENT SCHEMES (2.66%)</b>		<b>0</b>	<b>0.00</b>
<b>IRELAND (2.66%)</b>			
<b>Portfolio of investments</b>		<b>10,228</b>	<b>94.59</b>
<b>Net other assets</b>		<b>585</b>	<b>5.41</b>
<b>Total net assets</b>		<b>10,813</b>	<b>100.00</b>

### Liontrust Global Equity Fund (continued)

#### **Portfolio Statement (continued)**

as at 31 December 2023

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 December 2022.

Stocks shown as ADRs represent American Depositary Receipts.

## Liontrust Global Equity Fund (continued)

**Statement of Total Return**

for the year ended 31 December 2023

	Notes	(\$'000)	1.1.2023 to 31.12.2023 (\$'000)	(\$'000)	1.1.2022 to 31.12.2022 (\$'000)
Income					
Net capital gains/(losses)	2		4,673		(17,588)
Revenue	3	174		921	
Expenses	4	(81)		(194)	
Interest payable and similar charges	6	–		–	
Net revenue before taxation		93		727	
Taxation	5	26		(126)	
Net revenue after taxation			119		601
<b>Total return before distributions</b>			<b>4,792</b>		<b>(16,987)</b>
Distributions	7		(119)		(601)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>4,673</b>		<b>(17,588)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31 December 2023

	(\$'000)	1.1.2023 to 31.12.2023 (\$'000)	(\$'000)	1.1.2022 to 31.12.2022 (\$'000)
<b>Opening net assets attributable to shareholders</b>		<b>57,187</b>		<b>85,270</b>
Amounts received on issue of shares	2,699		2,651	
Amounts paid on cancellation of shares	(53,856)		(13,734)	
		(51,157)		(11,083)
Dilution adjustment		37		10
Change in net assets attributable to shareholders from investment activities		4,673		(17,588)
Retained distributions on accumulation shares		73		578
<b>Closing net assets attributable to shareholders</b>		<b>10,813</b>		<b>57,187</b>



## Liontrust Global Equity Fund (continued)

**Balance Sheet**

as at 31 December 2023

	Notes	31.12.2023 (\$'000)	31.12.2022 (\$'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		10,228	57,086
<b>Current assets:</b>			
Debtors	8	150	41
Cash and bank balances	9	575	77
<b>Total assets</b>		<b>10,953</b>	<b>57,204</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	10	(140)	(17)
<b>Total liabilities</b>		<b>(140)</b>	<b>(17)</b>
<b>Net assets attributable to shareholders</b>		<b>10,813</b>	<b>57,187</b>

## Liontrust Global Equity Fund (continued)

**Notes to the financial statements**

for the year ended 31 December 2023

**1 Accounting policies**

The accounting policies for the Sub-fund are set out on pages 13 to 16.

**2 Net capital gains/(losses)**

	1.1.2023 to 31.12.2023 (\$'000)	1.1.2022 to 31.12.2022 (\$'000)
The net capital gains/(losses) comprise:		
Non-derivative securities	4,681	(17,554)
Foreign currency losses	(8)	(34)
<b>Net capital gains/(losses)</b>	<b>4,673</b>	<b>(17,588)</b>

**3 Revenue**

	1.1.2023 to 31.12.2023 (\$'000)	1.1.2022 to 31.12.2022 (\$'000)
Bank interest	15	–
Interest distributions on CIS holdings	–	1
Non-taxable overseas dividends	140	804
Taxable overseas dividends	11	19
UK dividends	8	97
<b>Total revenue</b>	<b>174</b>	<b>921</b>

**4 Expenses**

	1.1.2023 to 31.12.2023 (\$'000)	1.1.2022 to 31.12.2022 (\$'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge*	81	194
<b>Total expenses</b>	<b>81</b>	<b>194</b>

\* The audit fee for the year (borne out of the ACD's charge), excluding VAT, was \$11,443 (2022: \$11,330). Where the fee exceeds the ACD's charge, the shortfall will be met by the ACD.

## Liontrust Global Equity Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**5 Taxation**

	1.1.2023 to 31.12.2023 (\$'000)	1.1.2022 to 31.12.2022 (\$'000)
<b>a) Analysis of the tax (credit)/charge for the year</b>		
Overseas tax	(26)	126
<b>Total tax (credit)/charge [see note(b)]</b>	<b>(26)</b>	<b>126</b>

**b) Factors affecting the tax (credit)/charge for the year**

The taxation assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.1.2023 to 31.12.2023 (\$'000)	1.1.2022 to 31.12.2022 (\$'000)
Net revenue before taxation	93	727
Corporation tax at 20% (2022 - 20%)	19	145
Effects of:		
Movement in unrecognised tax losses	11	35
Overseas tax	(26)	126
Revenue not subject to tax	(30)	(180)
<b>Total tax (credit)/charge [see note(a)]</b>	<b>(26)</b>	<b>126</b>

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

**c) Deferred tax**

At the year end there is a potential deferred tax asset of \$432,000 (2022: \$421,000) due to tax losses of \$2,160,000 (2022: \$2,104,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

**6 Interest payable and similar charges**

	1.1.2023 to 31.12.2023 (\$'000)	1.1.2022 to 31.12.2022 (\$'000)
Overdraft interest	-	-
<b>Total interest payable and similar charges</b>	<b>-</b>	<b>-</b>

## Liontrust Global Equity Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**7 Distributions**

	1.1.2023 to 31.12.2023 (\$'000)	1.1.2022 to 31.12.2022 (\$'000)
Interim distribution	23	–
Final distribution	51	578
	<b>74</b>	<b>578</b>
Amounts deducted on cancellation of shares	62	38
Amounts received on issue of shares	(17)	(15)
<b>Distributions</b>	<b>119</b>	<b>601</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	119	601
<b>Distributions</b>	<b>119</b>	<b>601</b>

The distribution per share is set out in the tables on page 174.

**8 Debtors**

	31.12.2023 (\$'000)	31.12.2022 (\$'000)
Accrued revenue	4	18
Currency sales awaiting settlement	110	1
Overseas withholding tax	14	22
Sales awaiting settlement	22	–
<b>Total debtors</b>	<b>150</b>	<b>41</b>

**9 Cash and bank balances**

	31.12.2023 (\$'000)	31.12.2022 (\$'000)
Cash and bank balances	575	77
<b>Total cash and bank balances</b>	<b>575</b>	<b>77</b>

## Liontrust Global Equity Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**10 Creditors**

	31.12.2023 (\$'000)	31.12.2022 (\$'000)
Accrued ACD's charge	6	15
Currency purchases awaiting settlement	110	2
Purchases awaiting settlement	24	–
<b>Total other creditors</b>	<b>140</b>	<b>17</b>

**11 Contingent liabilities and outstanding commitments**

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: \$nil).

**12 Related party transactions**

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company. Prior to 30 September 2022, the ACD of the Sub-fund was Link Fund Solutions Limited.

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

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was \$6,000 (2022: \$15,000).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was \$81,000. The total expenses due to Liontrust Fund Partners LLP and its associates for the period from 1 October 2022 to 31 December 2022 was \$43,000. The total expenses due to Link Fund Solutions Limited and its associates for the period from 1 January 2022 to 30 September 2022 was \$151,000.

**13 Risk management policies**

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

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

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

## Liontrust Global Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

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

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

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

#### Market price risk

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

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

As at 31 December 2023 and 31 December 2022 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 December 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 9.1%.

As at 31 December 2022, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 9.3%.

Some limitations of sensitivity analysis are;

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

# Liontrust Global Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Market price risk (continued)

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

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

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

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

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

##### Currency risk

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

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

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

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

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

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

## Liontrust Global Equity Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**13 Risk management policies (continued)****Currency risk (continued)**

At 31 December 2023 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		Total (\$'000)
	Monetary Exposures (\$'000)	Non-Monetary Exposures (\$'000)	
Currency			
Canadian Dollar	–	125	125
Danish Krone	13	441	454
Euro	2	715	717
Hong Kong Dollar	–	317	317
Japanese Yen	–	329	329
Norwegian Krone	–	66	66
South African Rand	–	178	178
South Korean Won	1	370	371
Swiss Franc	–	283	283
United Kingdom Pound	–	259	259
United States Dollar	569	7,145	7,714
	<b>585</b>	<b>10,228</b>	<b>10,813</b>

At 31 December 2022 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		Total (\$'000)
	Monetary Exposures (\$'000)	Non-Monetary Exposures (\$'000)	
Currency			
Canadian Dollar	–	395	395
Danish Krone	21	2,032	2,053
Euro	68	5,119	5,187
Hong Kong Dollar	–	2,539	2,539
Japanese Yen	–	3,023	3,023
South African Rand	–	1,225	1,225
South Korean Won	6	2,393	2,399
Swiss Franc	–	1,199	1,199
United Kingdom Pound	2	1,745	1,747
United States Dollar	3	37,417	37,420
	<b>100</b>	<b>57,087</b>	<b>57,187</b>

If the exchange rate at 31 December 2023 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.29%/(0.29)% respectively.



# Liontrust Global Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Currency risk (continued)

If the exchange rate at 31 December 2022 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.35%/(0.35)% respectively.

##### Interest rate risk

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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

##### Liquidity risk

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

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-fund may not be able to sell a position for full value or at all in the short-term. This may affect performance and could cause the Sub-fund to defer or suspend redemptions of its shares. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

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

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

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

##### Counterparty credit risk

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

## Liontrust Global Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Counterparty credit risk (continued)

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

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

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan. The Sub-fund currently does not engage in stock lending. The ACD is required to provide shareholder 60 days' prior written notice.

At the balance sheet date, there were no counterparties to open derivative contracts (2022: none). At the year end collateral of \$Nil (2022: \$Nil) was received; collateral pledged was \$Nil (2022: \$Nil) and none (2022: none) of the Sub-fund's financial assets were past due or impaired.

The Depository is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depository and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2023 and at 31 December 2022 was A (Standard & Poor's rating).

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

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

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

##### Maturity profile of financial liabilities

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

##### Fair value of financial assets and liabilities

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

## Liontrust Global Equity Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**13 Risk management policies (continued)****Valuation of financial investments**

	<b>Assets (\$'000)</b>	<b>Liabilities (\$'000)</b>
<b>31.12.2023</b>		
Level 1: Quoted prices	10,228	—
	<b>10,228</b>	<b>—</b>
<b>31.12.2022</b>		
Level 1: Quoted prices	55,563	—
Level 2: Observable market data	1,523	—
	<b>57,086</b>	<b>—</b>

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

**14 Share movement**

For the year ending 31 December 2023

	<b>Opening shares</b>	<b>Shares issued</b>	<b>Shares redeemed</b>	<b>Shares converted</b>	<b>Closing shares</b>
B Accumulation (Sterling)	9,865,080	—	(9,865,080)	—	—
X Accumulation (Sterling)	9,326,488	835,979	(7,177,042)	—	2,985,425

## Liontrust Global Equity Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**15 Portfolio transaction costs**  
for the year ending 31 December 2023

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (\$'000)</b>	<b>Commissions (\$'000)</b>	<b>%</b>	<b>Taxes (\$'000)</b>	<b>%</b>
Equity instruments (direct)	6,016	2	0.03	2	0.03
<b>Total purchases</b>	<b>6,016</b>	<b>2</b>		<b>2</b>	
<b>Total purchases including transaction costs</b>	<b>6,020</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (\$'000)</b>	<b>Commissions (\$'000)</b>	<b>%</b>	<b>Taxes (\$'000)</b>	<b>%</b>
Equity instruments (direct)	56,056	19	0.03	9	0.02
<b>Total sales</b>	<b>56,056</b>	<b>19</b>		<b>9</b>	
<b>Total sales net of transaction costs</b>	<b>56,028</b>				
<b>Total transaction costs</b>		<b>21</b>		<b>11</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.12%</b>		<b>0.06%</b>	

## Liontrust Global Equity Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**15 Portfolio transaction costs (continued)**

for the year ending 31 December 2022

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (\$'000)</b>	<b>Commissions (\$'000)</b>	<b>%</b>	<b>Taxes (\$'000)</b>	<b>%</b>
Equity instruments (direct)	19,859	8	0.04	10	0.05
<b>Total purchases</b>	<b>19,859</b>	<b>8</b>		<b>10</b>	
<b>Total purchases including transaction costs</b>	<b>19,877</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (\$'000)</b>	<b>Commissions (\$'000)</b>	<b>%</b>	<b>Taxes (\$'000)</b>	<b>%</b>
Equity instruments (direct)	29,898	10	0.03	1	–
<b>Total sales</b>	<b>29,898</b>	<b>10</b>		<b>1</b>	
<b>Total sales net of transaction costs</b>	<b>29,887</b>				
<b>Total transaction costs</b>		<b>18</b>		<b>11</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.03%</b>		<b>0.02%</b>	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.08% (2022: 0.09%).

## Liontrust Global Equity Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### **16 Post balance sheet events**

The Liontrust Global Equity Fund merged with Liontrust Global Alpha Fund (a Sub-fund of the Liontrust Investment Funds I) on 16 February 2024 and will be terminated at a later date once the residual assets and liabilities are settled.

## Liontrust Global Equity Fund (continued)

### Distribution Tables

for the year ended 31 December 2023

#### Final distribution

Group 1 - Shares purchased prior to 1 July 2023

Group 2 - Shares purchased 1 July 2023 to 31 December 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2024 Pence per share	Distribution paid 28.2.2023 Pence per share
B Accumulation (Sterling) - Group 1+	—	—	—	3.3774
B Accumulation (Sterling) - Group 2+	—	—	—	3.3774
X Accumulation (Sterling) - Group 1	1.3255	—	1.3255	1.5787
X Accumulation (Sterling) - Group 2	0.3531	0.9724	1.3255	1.5787

+ Closed on 19 September 2023

#### Interim distribution

Group 1 - Shares purchased prior to 1 January 2023

Group 2 - Shares purchased 1 January 2023 to 30 June 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2023 Pence per share	Distribution paid 31.8.2022 Pence per share
B Accumulation (Sterling) - Group 1	1.3227	—	1.3227	—
B Accumulation (Sterling) - Group 2	1.3227	—	1.3227	—
X Accumulation (Sterling) - Group 1	0.5916	—	0.5916	—
X Accumulation (Sterling) - Group 2	0.2687	0.3229	0.5916	—
X Accumulation (US Dollars) - Group 2	—	—	—	—

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

# Liontrust Global Focus Fund

Report for the year from 1 January 2023 to 31 December 2023

## Investment Objective

To deliver a total return (the combination of income and capital growth) that at the end of any five year period is in excess of achieving a total return of the MSCI All Country World Net Total Return Index, after all costs and charges have been deducted. There is no guarantee that the objective will be achieved over any time period and capital is at risk.

## Investment Policy

The Sub-fund will invest at least 80% of its scheme property by value, directly or indirectly, in the shares of companies throughout the world (including emerging markets). The Sub-fund will be focused and will have holdings in no more than 60 companies.

The Sub-fund may also invest up to 20% of its scheme property by value in, cash, deposits and money market instruments.

The Sub-fund may invest in these asset classes directly and indirectly. It may invest indirectly through transferable securities (such as depositary receipts) or collective investment schemes (open or closed ended) which may include other funds managed by the ACD, or Associates of the ACD or Investment Manager, or funds to which the Investment Manager, or its Associates, provides investment management services.

No more than 10% of the scheme property may be invested in other collective investment schemes.

The Sub-fund does not have any restrictions on the countries, industry sectors or the size of companies it can invest in.

## Investment Strategy

The Sub-fund is actively managed by a team of individual investment managers each of whom has responsibility for managing a portion of the Sub-fund. The Sub-fund does not have any particular style biases but instead uses flexible Investment Managers who will aim to outperform the market by investing in a combination of companies that are judged to be undervalued by the market. The characteristics of these companies could vary and may include companies with good prospects for growth, a competitive advantage or management alignment with shareholder outcomes. The investment managers may also look for companies where there is a catalyst for recovery such as management change or an improving business environment. This multi-manager structure allows individual accountability as well as harnessing teamwork, together with providing natural diversification of manager risk.



### Liontrust Global Focus Fund (continued)

#### Investment review

Over the 12 months to end-December 2023, the Liontrust Global Focus Fund returned 16.4% versus 15.3% for the MSCI ACWI in 2022 (Class 'X' Accumulation shares, in UK sterling, net of fees).

Global equities mostly rose in H1 2023, led by the US, despite the fallout from its regional banking crisis. The rally was dominated by the US' technology giants, thanks to sharply rising interest in the Artificial Intelligence (AI) theme. There were market jitters in May over the periodic political standoff regarding the US debt ceiling, but these subsided by the end of the month when the House of Representatives passed the required bill.

Global equities ended three successive quarters of gains in Q3, peaking in July before declining overall during the quarter. Investors were worried by central bank warnings that interest rates would have to stay 'higher for longer' to tackle stubborn inflation, which prompted investors to recalibrate their expectations for the trajectory of future interest rates. Global government bonds saw a sell off and turmoil in the bond market had a negative impact on equity markets. These concerns continued into early Q4, with the S&P 500 officially correcting in October and yields on US treasuries reaching a 16-year high. Conflict in the Middle East added to the uncertainty.

But by November, the overall picture had changed to one of ebbing inflation and the tone of markets switched to risk-on into the end of the year. Investors became more confident that leading central banks would cut interest rates significantly in 2024. US treasury yields fell and this drove inflows to equities, providing stronger support for rate-sensitive stocks such as consumer discretionary, small and mid-cap and higher beta stocks.

In Asia, there had been hopes earlier in 2023 that a resurgent China re-opening post-lockdown would stimulate the world economy. However, the recovery faltered, and concerns about the strength of China's post-Covid recovery weighed on markets in Asia. Concerns over the country's real estate sector, which accounts for 25% of its economy, were particularly acute. Our exposure to China is limited to the discretionary growth sector, which we believe will do well even if one half of the Chinese economy flags.

Japan's balancing act between continuing to lift its economy out of decades-long deflation with ultra-loose monetary policy while preventing rising inflation from becoming a major problem took a turn in Q4 when it ended its seven-year policy of capping long-term interest rates at 1%. Japanese equities rallied significantly in 2023, having benefited from relatively cheap valuations, a weakening currency, robust economic growth and loose monetary policy.

Tom Record, formerly Lead Manager of the Sub-fund, stepped down on 1 November 2023 ahead of leaving Liontrust. Tom Hosking and Hong Yi Chen continued as Co-Managers.

#### Analysis of portfolio return

In terms of performance drivers over the year, the Sub-fund's underweight in financials and overweight in the consumer discretionary sector contributed the most to returns, while an underweight in information technology and slight overweight in industrials detracted the most.

The most significant contributors to performance included overweights in **MercadoLibre**, the Latin American online commerce and fintech platform provider, and **UniCredit**, the Italian bank.

Mercadolibre (MELI) rose 90% in 2023 on the back on strengthening financial results. GMV growth has accelerated due to share gains in Brazil and Mexico. In the former case, this has been partly due the bankruptcy of a competitor, Americanas, in January. Revenue has also grown strongly as MELI has gradually increased its take rates. The potential monetisation of fulfilment remains a big opportunity. Macroeconomic headwinds in Argentina, including high levels of inflation and a depreciating peso, have not been a large negative for the company. In addition, MELI has been resilient in the face of cross-border competition. Its fintech arm, MercadoPago, continues to be a major competitive advantage.

Unicredit performed strongly during the year as earnings benefitted from higher interest rates and lower costs. The company also returned cash to shareholders through a combination of dividends and share buybacks, returning 17% of its market cap to shareholders in 2023.

## Liontrust Global Focus Fund (continued)

### Investment review (continued)

In terms of detractors, our underweight in **NVIDIA**, the technology mega cap, and overweight exposure to **Wuxi Biologics**, the Chinese biotechnology company, weighed the most on relative returns. NVIDIA benefitted first from a surge in interest in AI during the year, and then positive market sentiment in the final two months of 2023 as investors became more confident about the trajectory of interest rates.

Wuxi's sector has been under pressure from weaker biotech funding in a higher interest rate environment. In addition, there has been a temporary delay in the approval process for three of its major late-stage drugs. However, we remain long-term holders of Wuxi due to its growth potential. Having worked through different scenarios, we feel the risk/reward is still skewed in our favour given the company has invested beyond China to grow its international presence and address the risks it faces.

### Transactions

Over the course of 2023, significant transactions included new positions in **Church and Dwight**, the household and personal goods company; **NVIDIA**, the US mega cap that makes GPUs for powering AI datacentres; and **Novozymes**, the global leader in the niche markets of microbes and enzymes.

Church and Dwight had suffered falling margins due to higher cost inflation and we believed that margins could recover as inflation moderated. It is also a very defensive business and looked attractive given the uncertain economic environment in 2023. We believed NVIDIA would benefit from massive investments in AI. We initiated the position in Novozymes after it reported good results where it was encouraging to see volume growth picking up. Its bioenergy division continues to grow strongly on the back of new innovative products. Structurally, Novozymes is in a good position to benefit from the long-term change from chemical solutions to biological ones.

We also added to our position in **Alphabet**, the parent company of Google, as we thought advertising revenues would rebound and pessimism regarding the AI threat to its business was overblown.

We sold out of **Softbank**, the Japanese multinational investment holding company, and **KPN**, the Dutch telco. We had lower conviction in Softbank after several catalysts played out without reducing the discount to net asset value. While lower rates should be a tailwind for Softbank, further deterioration in the market for IPOs remains a risk. We became increasingly weary of KPN's management after it walked back from the guidance it gave at Q4 2022 results. It has been a defensive position for the Fund, but the investment thesis has played out with EBITDA (earnings before interest, tax, depreciation and amortisation) margins better now than before as the Dutch market has rationalised.

We also reduced our holding in Fiserv, the payments company, because we wanted to diversify out of payments exposure. We also added **Global Payments**, which has a similar business to Fiserv.

### Market review

We are cautious about the global economy. The US has held up well post Covid, helped by the unwinding of the excessive savings that were built up. The pent-up demand resulting from the pandemic supply chain problems has also been supportive, with companies such as aircraft and car manufacturers ramping up production to meet the backlog of demand. This has now been largely converted, so the positive impact is dissipating. We continue to monitor the macro indicators and if the balance tips in one direction or the other we could change the direction of our portfolio. The fact that the European and UK economies are materially weaker than that of the US adds to our caution.

Monetary policies remain a key focus for investors. We anticipate that inflation will continue falling provided the oil price does not spike up, giving leading central banks the scope to cut rates in 2024. The beneficiaries of this will be rate-sensitive stocks, including consumer discretionary and higher growth companies.

We are seeing opportunities in a broad range of stocks. We expect our idiosyncratic stock-specific opportunities (and risks) to be a bigger determinant of returns than any big positioning in the portfolio to growth or cyclicals, for example. We continue to move the portfolio away from late cyclicals and have been gently increasing our exposure to consumer and early cyclical stocks.

### Liontrust Global Focus Fund (continued)

#### **Investment review (continued)**

There are still uncertainties, but investors with a long-term view can capitalise on these, selecting those stocks for which the risk-rewards are favourable. We own companies that should provide scarce growth in an economic headwind, that will benefit from lower rates or that are exploiting changes untied to the economic cycle and therefore should be relatively agnostic regarding economic growth.

Subsequent to the year end, Liontrust Global Focus Fund closed to investment on 16 February 2024 following its merger into Liontrust Global Alpha Fund (a sub-fund of Liontrust Investment Funds I) and will be terminated at a later date once the residual assets and liabilities have been settled.

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. 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.

## Liontrust Global Focus Fund (continued)

## Investment review (continued)

## Material portfolio changes by value

## Purchases

Alphabet 'A'  
Church & Dwight  
NVIDIA  
Global Payments  
Novozymes  
Publicis Groupe  
ICON  
Aramark  
Installed Building Products  
Intuit

## Sales

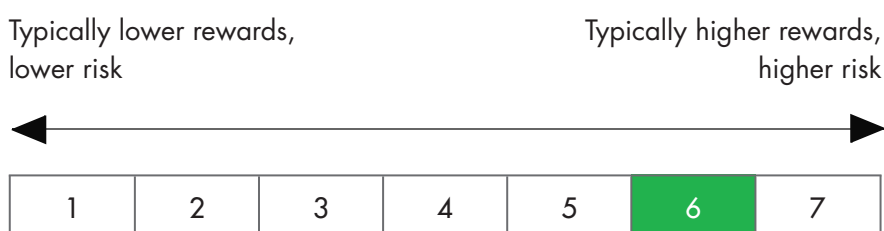
Fiserv  
SoftBank  
Microsoft  
Koninklijke KPN  
Electronic Arts  
WillScot Mobile Mini  
Crown  
UniCredit  
Freeport-McMoRan  
Interactive Brokers

## Liontrust Global Focus 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.



- This Synthetic Risk and Reward Indicator (SRRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-fund.
- The SRRRI 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 Financial Conduct Authority. It is based upon the rate by which the Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund invests in global equities. The Sub-fund may also invest in other eligible asset classes as detailed within the prospectus.
- The Sub-fund is categorised 6 primarily for its exposure to Global equities.
- The SRRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-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 Sub-fund.
- The Sub-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 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 Sub-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 Sub-fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Sub-fund volatility in both up and down markets by hedging against the general market.
- The Sub-fund may invest in emerging markets which carries a higher risk than investment in more developed countries. This may result in higher volatility and larger drops in the value of the Sub-fund over the short term.
- The Sub-fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- The Sub-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.

## Liontrust Global Focus Fund (continued)

### Investment review (continued)

#### Risk and Reward profile (continued)

- Outside of normal conditions, the Sub-fund may hold higher levels of cash which may be deposited with several credit counterparties (e.g. international banks). A credit risk arises should one or more of these counterparties be unable to return the deposited cash.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Environmental, Social and Governance (ESG) Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG.

For full details of the Sub-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](http://www.liontrust.co.uk).

## Liontrust Global Focus Fund (continued)

## Comparative Tables

for the year ended 31 December 2023

<b>B Accumulation (Sterling)</b> <b>Accounting year ended</b>	<b>31 December 2022+</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>
<b>Change in net assets per share</b>		
Opening net asset value per share	257.42	238.53
Return before operating charges	(8.91)	18.89
Operating charges	0.00	0.00
Return after operating charges	(8.91)	18.89
Distributions	—	(2.39)
Retained distributions on accumulation shares	—	2.39
<b>Closing net asset value per share</b>	<b>248.51</b>	<b>257.42</b>
After direct transaction costs of*	(0.24)	(0.10)
<b>Performance</b>		
Return after charges	(3.46%)	7.92%
<b>Other information</b>		
Closing net asset value (£'000)	—	184,407
Closing number of shares	—	71,636,225
Operating charges**	0.00%	0.00%
Direct transaction costs*	0.12%	0.04%
<b>Prices</b>		
Highest share price	504.08	262.30
Lowest share price	279.43	237.22

+ Closed on 31 October 2022

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

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

## Liontrust Global Focus Fund (continued)

**Comparative Tables (continued)**

for the year ended 31 December 2023

<b>B Accumulation (US Dollars)</b> <b>Accounting year ended</b>	<b>31 December 2022+ per share (c)</b>	<b>31 December 2021 per share (c)</b>
<b>Change in net assets per share</b>		
Opening net asset value per share	204.65	191.39
Return before operating charges	(23.68)	13.26
Operating charges	0.00	0.00
Return after operating charges	(23.68)	13.26
Distributions	—	(1.03)
Retained distributions on accumulation shares	—	1.03
<b>Closing net asset value per share</b>	<b>180.97</b>	<b>204.65</b>
After direct transaction costs of*	(0.14)	(0.08)
<b>Performance</b>		
Return after charges	(11.57%)	6.93%
<b>Other information</b>		
Closing net asset value (\$'000)	—	20
Closing number of shares	—	10,000
Operating charges**	0.00%	0.00%
Direct transaction costs*	0.12%	0.04%
<b>Prices</b>		
Highest share price	207.20	213.97
Lowest share price	164.02	190.00

+ Closed on 12 August 2022

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

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



## Liontrust Global Focus Fund (continued)

**Comparative Tables (continued)**

for the year ended 31 December 2023

<b>X Accumulation (Sterling)</b> <b>Accounting year ended</b>	<b>31 December 2023</b> <b>per share (p)</b>	<b>31 December 2022</b> <b>per share (p)</b>	<b>31 December 2021</b> <b>per share (p)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	227.47	239.72	224.02
Return before operating charges	39.23	(10.31)	17.69
Operating charges	(2.09)	(1.94)	(1.99)
Return after operating charges	37.14	(12.25)	15.70
Distributions	(3.11)	(1.72)	(0.23)
Retained distributions on accumulation shares	3.11	1.72	0.23
<b>Closing net asset value per share</b>	<b>264.61</b>	<b>227.47</b>	<b>239.72</b>
After direct transaction costs of*	(0.10)	(0.28)	(0.09)
<b>Performance</b>			
Return after charges	16.33%	(5.11%)	7.01%
<b>Other information</b>			
Closing net asset value (£'000)	9,289	9,933	69,541
Closing number of shares	3,510,580	4,366,752	29,008,962
Operating charges**	0.85%	0.85%	0.85%
Direct transaction costs*	0.04%	0.12%	0.04%
<b>Prices</b>			
Highest share price	265.59	328.70	245.73
Lowest share price	228.17	243.80	222.64

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

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

## Liontrust Global Focus Fund (continued)

## Comparative Tables (continued)

for the year ended 31 December 2023

<b>X Accumulation (US Dollars)</b> <b>Accounting year ended</b>	<b>31 December 2022+</b> <b>per share (c)</b>	<b>31 December 2021</b> <b>per share (c)</b>
<b>Change in net assets per share</b>		
Opening net asset value per share	190.62	179.79
Return before operating charges	(22.06)	12.44
Operating charges	(0.87)	(1.61)
Return after operating charges	(22.93)	10.83
Distributions	—	(0.18)
Retained distributions on accumulation shares	—	0.18
<b>Closing net asset value per share</b>	<b>167.69</b>	<b>190.62</b>
After direct transaction costs of*	(0.13)	(0.08)
<b>Performance</b>		
Return after charges	(12.03%)	6.02%
<b>Other information</b>		
Closing net asset value (\$'000)	—	19
Closing number of shares	—	10,000
Operating charges**	0.85%	0.85%
Direct transaction costs*	0.12%	0.04%
<b>Prices</b>		
Highest share price	192.97	200.46
Lowest share price	152.17	178.37

+ Closed on 12 August 2022

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

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

## Liontrust Global Focus Fund (continued)

## Portfolio Statement

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (\$'000)	Percentage of total net assets (%)
	<b>EQUITIES (94.66%)</b>	<b>11,651</b>	<b>98.39</b>
	<b>ARGENTINA (2.93%)</b>	<b>0</b>	<b>0.00</b>
	<b>CHILE (1.83%)</b>	<b>134</b>	<b>1.13</b>
2,234	Sociedad Quimica y Minera de Chile ADR	134	1.13
	<b>CHINA (3.16%)</b>	<b>339</b>	<b>2.87</b>
5,780	Trip.com ADR	208	1.76
34,648	Wuxi Biologics Cayman	131	1.11
	<b>DENMARK (3.03%)</b>	<b>656</b>	<b>5.54</b>
4,386	Novo Nordisk	453	3.83
3,703	Novozymes	203	1.71
	<b>FRANCE (2.58%)</b>	<b>430</b>	<b>3.63</b>
2,014	Publicis Groupe	187	1.58
1,642	Thales	243	2.05
	<b>IRELAND (0.00%)</b>	<b>214</b>	<b>1.81</b>
757	ICON	214	1.81
	<b>ITALY (3.44%)</b>	<b>237</b>	<b>2.00</b>
8,757	UniCredit	237	2.00
	<b>JAPAN (4.44%)</b>	<b>94</b>	<b>0.79</b>
3,200	FANUC	94	0.79
	<b>NETHERLANDS (2.54%)</b>	<b>0</b>	<b>0.00</b>
	<b>PANAMA (1.57%)</b>	<b>195</b>	<b>1.65</b>
1,833	Copa	195	1.65
	<b>PERU (1.77%)</b>	<b>144</b>	<b>1.22</b>
963	Credicorp	144	1.22
	<b>SOUTH AFRICA (3.32%)</b>	<b>333</b>	<b>2.81</b>
1,948	Naspers	333	2.81

## Liontrust Global Focus Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (\$'000)	Percentage of total net assets (%)
<b>EQUITIES (continued)</b>			
<b>SOUTH KOREA (3.40%)</b>		<b>514</b>	<b>4.34</b>
651	Naver	113	0.95
5,484	Samsung Electronics	334	2.82
184	Samsung SDI	67	0.57
<b>SWITZERLAND (4.05%)</b>		<b>691</b>	<b>5.83</b>
1,531	Alcon	119	1.00
3,852	Dufry	151	1.28
3,931	Novartis	396	3.34
786	Sandoz	25	0.21
<b>TAIWAN (2.81%)</b>		<b>382</b>	<b>3.23</b>
3,675	Taiwan Semiconductor Manufacturing ADR	382	3.23
<b>UNITED KINGDOM (5.03%)</b>		<b>359</b>	<b>3.03</b>
6,404	Anglo American	161	1.36
11,951	CNH Industrial	146	1.23
19,488	Oxford Nanopore Technologies	52	0.44
<b>UNITED STATES OF AMERICA (48.76%)</b>		<b>6,397</b>	<b>54.02</b>
390	Adobe	233	1.97
3,294	Alphabet 'A'	460	3.88
1,873	Amazon.com	285	2.41
6,309	Aramark	177	1.49
3,153	Church & Dwight	298	2.52
4,548	Delta Air Lines	183	1.55
2,078	Electronic Arts	284	2.40
597	Elevance Health	282	2.38
1,833	Fiserv	243	2.05
8,048	Frontdoor	283	2.39
1,920	Global Payments	244	2.06
2,657	Hasbro	136	1.15
1,538	Installed Building Products	281	2.37
2,116	Intercontinental Exchange	272	2.30
461	Intuit	288	2.43
4,373	Ionis Pharmaceuticals	221	1.87
918	L3Harris Technologies	193	1.63

## Liontrust Global Focus Fund (continued)

## Portfolio Statement (continued)

as at 31 December 2023

Holding/ Nominal value	Stock description	Market value (\$'000)	Percentage of total net assets (%)
<b>EQUITIES (continued)</b>			
<b>UNITED STATES OF AMERICA (continued)</b>			
1,716	LGI Homes	229	1.93
1,027	Microsoft	386	3.26
3,434	Molson Coors Beverage	210	1.77
580	NVIDIA	287	2.42
4,573	Performance Food	316	2.67
833	Take-Two Interactive Software	134	1.13
3,978	US Foods	181	1.53
2,388	Zimmer Biomet	291	2.46
<b>URUGUAY (0.00%)</b>		<b>532</b>	<b>4.49</b>
339	MercadoLibre	532	4.49
<b>Portfolio of investments</b>		<b>11,651</b>	<b>98.39</b>
<b>Net other assets</b>		<b>191</b>	<b>1.61</b>
<b>Total net assets</b>		<b>11,842</b>	<b>100.00</b>

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 31 December 2022.

Stocks shown as ADRs represent American Depositary Receipts.

## Liontrust Global Focus Fund (continued)

**Statement of Total Return**

for the year ended 31 December 2023

	Notes	(\$'000)	1.1.2023 to 31.12.2023 (\$'000)	(\$'000)	1.1.2022 to 31.12.2022 (\$'000)
Income					
Net capital gains/(losses)	2		2,509		(52,703)
Revenue	3	208		3,475	
Expenses	4	(105)		(503)	
Interest payable and similar charges	6	–		(2)	
Net revenue before taxation		103		2,970	
Taxation	5	45		(388)	
Net revenue after taxation			148		2,582
<b>Total return before distributions</b>			<b>2,657</b>		<b>(50,121)</b>
Distributions	7		(148)		(2,582)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>2,509</b>		<b>(52,703)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31 December 2023

	(\$'000)	1.1.2023 to 31.12.2023 (\$'000)	(\$'000)	1.1.2022 to 31.12.2022 (\$'000)
<b>Opening net assets attributable to shareholders</b>		<b>11,948</b>		<b>344,000</b>
Amounts received on issue of shares	583		801	
In-specie transfer	–		(67,516)	
Amounts paid on cancellation of shares	(3,345)		(212,897)	
		(2,762)		(279,612)
Dilution adjustment		2		173
Change in net assets attributable to shareholders from investment activities		2,509		(52,703)
Retained distributions on accumulation shares		145		90
<b>Closing net assets attributable to shareholders</b>		<b>11,842</b>		<b>11,948</b>

## Liontrust Global Focus Fund (continued)

**Balance Sheet**

as at 31 December 2023

	Notes	31.12.2023 (\$'000)	31.12.2022 (\$'000)
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		11,651	11,305
<b>Current assets:</b>			
Debtors	8	60	183
Cash and bank balances	9	1,072	469
<b>Total assets</b>		<b>12,783</b>	<b>11,957</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Bank overdrafts		(933)	-
Other creditors	10	(8)	(9)
<b>Total liabilities</b>		<b>(941)</b>	<b>(9)</b>
<b>Net assets attributable to shareholders</b>		<b>11,842</b>	<b>11,948</b>

## Liontrust Global Focus Fund (continued)

**Notes to the financial statements**

for the year ended 31 December 2023

**1 Accounting policies**

The accounting policies for the Sub-fund are set out on pages 13 to 16.

**2 Net capital gains/(losses)**

	1.1.2023 to 31.12.2023 (\$'000)	1.1.2022 to 31.12.2022 (\$'000)
The net capital gains/(losses) comprise:		
Non-derivative securities	2,518	(52,468)
Foreign currency losses	(9)	(235)
<b>Net capital gains/(losses)</b>	<b>2,509</b>	<b>(52,703)</b>

**3 Revenue**

	1.1.2023 to 31.12.2023 (\$'000)	1.1.2022 to 31.12.2022 (\$'000)
Bank interest	21	5
Non-taxable overseas dividends	178	3,134
Taxable overseas dividends	–	24
UK dividends	9	312
<b>Total revenue</b>	<b>208</b>	<b>3,475</b>

**4 Expenses**

	1.1.2023 to 31.12.2023 (\$'000)	1.1.2022 to 31.12.2022 (\$'000)
<b>Payable to the ACD or associates of the ACD:</b>		
ACD's charge*	105	503
<b>Total expenses</b>	<b>105</b>	<b>503</b>

\* The audit fee for the year (borne out of the ACD's charge), excluding VAT, was \$11,443 (2022: \$11,330). Where the fee exceeds the ACD's charge, the shortfall will be met by the ACD.



## Liontrust Global Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**5 Taxation**

	1.1.2023 to 31.12.2023 (\$'000)	1.1.2022 to 31.12.2022 (\$'000)
<b>a) Analysis of the tax (credit)/charge for the year</b>		
Overseas tax	(45)	388
<b>Total tax (credit)/charge [see note(b)]</b>	<b>(45)</b>	<b>388</b>

**b) Factors affecting the tax (credit)/charge for the year**

The taxation assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.1.2023 to 31.12.2023 (\$'000)	1.1.2022 to 31.12.2022 (\$'000)
Net revenue before taxation	103	2,970
Corporation tax at 20% (2022 - 20%)	21	594
Effects of:		
Movement in unrecognised tax losses	16	97
Overseas tax	(45)	388
Prior year adjustment to unrecognised tax losses	–	(1)
Revenue not subject to tax	(37)	(690)
<b>Total tax (credit)/charge [see note(a)]</b>	<b>(45)</b>	<b>388</b>

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

**c) Deferred tax**

At the year end there is a potential deferred tax asset of \$709,000 (2022: \$693,000) due to tax losses of \$3,547,000 (2022: \$3,464,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or the prior year.

**6 Interest payable and similar charges**

	1.1.2023 to 31.12.2023 (\$'000)	1.1.2022 to 31.12.2022 (\$'000)
Overdraft interest	–	2
<b>Total interest payable and similar charges</b>	<b>–</b>	<b>2</b>

## Liontrust Global Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**7 Distributions**

	1.1.2023 to 31.12.2023 (\$'000)	1.1.2022 to 31.12.2022 (\$'000)
Interim distribution	28	–
Final distribution	117	90
	<b>145</b>	<b>90</b>
Amounts deducted on cancellation of shares	5	2,109
Amounts deducted on inspecie transfers	–	393
Amounts received on issue of shares	(2)	(10)
<b>Distributions</b>	<b>148</b>	<b>2,582</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	148	2,582
<b>Distributions</b>	<b>148</b>	<b>2,582</b>

The distribution per share is set out in the tables on page 204.

**8 Debtors**

	31.12.2023 (\$'000)	31.12.2022 (\$'000)
Accrued revenue	9	9
Overseas withholding tax	51	174
<b>Total debtors</b>	<b>60</b>	<b>183</b>

**9 Cash and bank balances**

	31.12.2023 (\$'000)	31.12.2022 (\$'000)
Cash and bank balances	1,072	469
<b>Total cash and bank balances</b>	<b>1,072</b>	<b>469</b>

## Liontrust Global Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**10 Creditors**

	31.12.2023 (\$'000)	31.12.2022 (\$'000)
Accrued ACD's charge	8	9
<b>Total other creditors</b>	<b>8</b>	<b>9</b>

**11 Contingent liabilities and outstanding commitments**

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: \$nil).

**12 Related party transactions**

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company. Prior to 30 September 2022, the ACD of the fund was Link Fund Solutions Limited.

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

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was \$8,000 (2022: \$9,000).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was \$105,000. The total expenses due to Liontrust Fund Partners LLP and its associates for the period from 1 October 2022 to 31 December 2022 was \$25,000. The total expenses due to Link Fund Solutions Limited and its associates for the period 1 January 2022 to 30 September 2022 was \$478,000.

**13 Risk management policies**

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

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

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

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

## Liontrust Global Focus Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

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

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

#### Market price risk

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

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

As at 31 December 2023 and 31 December 2022 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The Sub-fund is exposed to market price risk as the assets and liabilities of the Sub-fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 10%. These percentage movements are based on the ACD's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a Sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

As at 31 December 2023, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 7.3%.

As at 31 December 2022, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 8.3%.

Some limitations of sensitivity analysis are;

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

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

## Liontrust Global Focus Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Market price risk (continued)

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

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

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

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

##### Currency risk

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

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

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

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

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

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

## Liontrust Global Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**13 Risk management policies (continued)****Currency risk (continued)**

At 31 December 2023 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		Total (\$'000)
	Monetary Exposures (\$'000)	Non-Monetary Exposures (\$'000)	
Currency			
Danish Krone	51	656	707
Euro	1	813	814
Hong Kong Dollar	–	131	131
Japanese Yen	–	94	94
South African Rand	1	333	334
South Korean Won	2	514	516
Swiss Franc	–	691	691
United Kingdom Pound	–	213	213
United States Dollar	136	8,206	8,342
	<b>191</b>	<b>11,651</b>	<b>11,842</b>

At 31 December 2022 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		Total (\$'000)
	Monetary Exposures (\$'000)	Non-Monetary Exposures (\$'000)	
Currency			
Danish Krone	173	362	535
Euro	2	1,230	1,232
Hong Kong Dollar	–	134	134
Japanese Yen	–	530	530
South African Rand	–	397	397
South Korean Won	–	406	406
Swiss Franc	–	483	483
United Kingdom Pound	1	393	394
United States Dollar	467	7,370	7,837
	<b>643</b>	<b>11,305</b>	<b>11,948</b>

If the exchange rate at 31 December 2023 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.30%/(0.30)% respectively.

If the exchange rate at 31 December 2022 between the functional currency and all other currencies had increased or decreased by 1% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately 0.34%/(0.34)% respectively.

# Liontrust Global Focus Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Interest rate risk

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

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

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

##### Liquidity risk

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

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Sub-fund may not be able to sell a position for full value or at all in the short-term. This may affect performance and could cause the Sub-fund to defer or suspend redemptions of its shares. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings. Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

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

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

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

##### Counterparty credit risk

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

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

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

## Liontrust Global Focus Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### 13 Risk management policies (continued)

##### Counterparty credit risk (continued)

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan. The Sub-fund currently does not engage in stock lending. The ACD is required to provide shareholder 60 days' prior written notice.

At the balance sheet date, there were no counterparties to open derivative contracts (2022: none). At the year end collateral of \$Nil (2022: \$Nil) was received; collateral pledged was \$Nil (2022: \$Nil) and none (2022: none) of the Sub-fund's financial assets were past due or impaired.

The Depository is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depository and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2023 and at 31 December 2022 was A (Standard & Poor's rating).

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

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

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

##### Maturity profile of financial liabilities

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

##### Fair value of financial assets and liabilities

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

##### Valuation of financial investments

<b>31.12.2023</b>	<b>Assets (\$'000)</b>	<b>Liabilities (\$'000)</b>
Level 1: Quoted prices	11,651	—
	<b>11,651</b>	<b>—</b>



## Liontrust Global Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**13 Risk management policies (continued)****Valuation of financial investments (continued)**

<b>31.12.2022</b>	<b>Assets (\$'000)</b>	<b>Liabilities (\$'000)</b>
Level 1: Quoted prices	11,305	—
	<b>11,305</b>	<b>—</b>

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

**14 Share movement**

For the year ending 31 December 2023

	<b>Opening shares</b>	<b>Shares issued</b>	<b>Shares redeemed</b>	<b>Shares converted</b>	<b>Closing shares</b>
X Accumulation (Sterling)	4,366,752	192,184	(1,048,356)	—	3,510,580

## Liontrust Global Focus Fund (continued)

**Notes to the financial statements (continued)**

for the year ended 31 December 2023

**15 Portfolio transaction costs**  
for the year ending 31 December 2023

<b>Purchases (excluding derivatives)</b>	<b>Transaction Value (\$'000)</b>	<b>Commissions (\$'000)</b>	<b>%</b>	<b>Taxes (\$'000)</b>	<b>%</b>
Equity instruments (direct)	3,408	1	0.03	1	0.03
<b>Total purchases</b>	<b>3,408</b>	<b>1</b>		<b>1</b>	
<b>Total purchases including transaction costs</b>	<b>3,410</b>				
<b>Sales (excluding derivatives)</b>	<b>Transaction Value (\$'000)</b>	<b>Commissions (\$'000)</b>	<b>%</b>	<b>Taxes (\$'000)</b>	<b>%</b>
Equity instruments (direct)	5,583	2	0.04	–	–
<b>Total sales</b>	<b>5,583</b>	<b>2</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>5,581</b>				
<b>Total transaction costs</b>		<b>3</b>		<b>1</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.03%</b>		<b>0.01%</b>	

## Liontrust Global Focus Fund (continued)

## Notes to the financial statements (continued)

for the year ended 31 December 2023

## 15 Portfolio transaction costs (continued)

for the year ending 31 December 2022

Purchases (excluding derivatives)	Transaction Value (\$'000)	Commissions (\$'000)	%	Taxes (\$'000)	%
Equity instruments (direct)	84,658	36	0.04	57	0.07
<b>Total purchases</b>	<b>84,658</b>	<b>36</b>		<b>57</b>	
<b>Total purchases including transaction costs</b>	<b>84,751</b>				
Sales (excluding derivatives)	Transaction Value (\$'000)	Commissions (\$'000)	%	Taxes (\$'000)	%
Equity instruments (direct)	293,919	106	0.04	30	0.01
In-specie transfers	63,053	–	–	–	–
<b>Total sales</b>	<b>356,972</b>	<b>106</b>		<b>30</b>	
<b>Total sales net of transaction costs</b>	<b>356,836</b>				
<b>Total transaction costs</b>		<b>142</b>		<b>87</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.08%</b>		<b>0.05%</b>	

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

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

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.07% (2022: 0.07%).

## Liontrust Global Focus Fund (continued)

### Notes to the financial statements (continued)

for the year ended 31 December 2023

#### **16 Post balance sheet events**

The Liontrust Global Focus Fund merged with Liontrust Global Alpha Fund (a Sub-fund of the Liontrust Investment Funds I) on 16 February 2024 and will be terminated at a later date once the residual assets and liabilities are settled.

## Liontrust Global Focus Fund (continued)

**Distribution Tables**

for the year ended 31 December 2023

**Final distribution**

Group 1 - Shares purchased prior to 1 July 2023

Group 2 - Shares purchased 1 July 2023 to 31 December 2023

	<b>Net Revenue Pence per share</b>	<b>Equalisation* Pence per share</b>	<b>Distribution paid 28.2.2024 Pence per share</b>	<b>Distribution paid 28.2.2023 Pence per share</b>
X Accumulation (Sterling) - Group 1	2.6223	—	2.6223	1.7202
X Accumulation (Sterling) - Group 2	1.2999	1.3224	2.6223	1.7202

**Interim distribution**

Group 1 - Shares purchased prior to 1 January 2023

Group 2 - Shares purchased 1 January 2023 to 30 June 2023

	<b>Net Revenue Pence per share</b>	<b>Equalisation* Pence per share</b>	<b>Distribution paid 31.8.2023 Pence per share</b>	<b>Distribution paid 31.8.2022 Pence per share</b>
X Accumulation (Sterling) - Group 1	0.4900	—	0.4900	—
X Accumulation (Sterling) - Group 2	0.0199	0.4701	0.4900	—

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

## Additional Information (unaudited)

### **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 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. The annual management fee of the Liontrust UK Equity Income 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.



Liontrust Customer Services Team

PO Box 373, Darlington, DL1 9RQ



0344 892 0349



Facsimile 0207 964 2562



Liontrustadmin@bnymellon.com

**LIONTRUST** 

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