LIONTRUST UK MICRO CAP FUND

Interim Report &
Financial Statements (unaudited)

For the period:
1 May 2023
to
31 October 2023

Managed in accordance with
The Liontrust Economic Advantage

LIONTRUST FUND PARTNERS LLP

LIONTRUST

Contents

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

Management and Administration

Authorised Fund Manager ("Manager")
Liontrust Fund Partners LLP
2 Savoy Court
London WC2R 0EZ

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

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

Investment Adviser
Liontrust Investment Partners LLP
2 Savoy Court
London WC2R 0EZ

Authorised and regulated by the FCA.

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

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

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

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

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

Liontrust UK Micro Cap Fund

Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist fund management company with £27.7 billion in assets under management as at 30 September 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.

Russia's invasion of Ukraine, the sanctions imposed on Russia as a result and retaliatory action taken by Russia against foreign investors has caused significant volatility in certain financial markets, currency markets and commodities markets worldwide. Economic sanctions and the fallout from the conflict will likely impact companies worldwide operating in a wide variety of sectors, including energy, financial services and defence, amongst others. As a result, the performance of the Fund may also be negatively impacted even if they have no direct exposure to the regions involved in the conflict.

Manager's Investment Report

Investment Objective

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

Investment Policy

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

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

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

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

The Team

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

The Process

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

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

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

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

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

Manager's Investment Report (continued)

Performance of the Fund

In the six months to 31 October 2023, an investment in the Fund returned -9.6% (institutional accumulation class). The FTSE Small Cap ex-Investment Trusts Index comparator benchmark returned -4.4%, the FTSE AIM All-Share Index comparator benchmark returned -17.2% and the average return made by funds in the IA UK Smaller Companies sector, also a comparator benchmark, was -10.5%.

Since the Fund's launch on 9 March 2016, an investment in the Fund rose by 102% (institutional accumulation class), compared to a 45% return from the FTSE Small Cap ex-Investment Trusts Index, a 8% return from the FTSE AIM All-Share Index and a 39% return from the IA UK Smaller Companies sector comparator benchmarks.

Source: Financial Express, bid to bid basis, total return, net of fees, income reinvested, figures show performance up to 31 October 2023. Please note that total return has been calculated at midday whereas the financial statements are at close of business.

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

Manager's Investment Report (continued)

Risk and Reward profile

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

Typically lower rewards, lower risk

Typically higher rewards, higher risk

1	2	3	4	5	6	7

- The Synthetic Risk Reward Indicator ("SRRI") is based upon historical data and may not be relied upon to gauge the future risk profile of the Fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Fund or a representative fund or Index's value has moved up and down in the past.
- The Fund is categorised 5 primarily for its exposure to UK small cap equities.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Fund;
  - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.
- The Fund may, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Fund volatility in both up and down markets by hedging against the general market.
- The Fund may invest in companies listed on the Alternative Investment Market (AIM) which is primarily for emerging or smaller companies. The rules are less demanding than those of the official list of the London Stock Exchange and therefore companies listed on the AIM may carry a greater risk than a company with a full listing.
- As the Fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause the Fund to defer or suspend redemptions of its units. In addition the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings.
- The Fund may have both Hedged and Unhedged unit classes available. The Hedged unit classes use forward foreign exchange contracts to protect returns in the base currency of the Fund.

Manager's Investment Report (continued)

Risk and Reward profile (continued)

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

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

Manager's Investment Report (continued)

The Market

In the six months to 31 October 2023, the FTSE Small Cap ex-Investment Trusts Index returned -4.4%.

Interest rate uncertainty continued to play a major part in driving investor sentiment over the period. UK, European and US base rates were all raised as central banks attempted to tame the inflationary forces which have characterised the global economy's reopening after covid lockdowns.

As well as implementing rate increases, both the US Federal Reserve and Bank of England also held rates steady at their policy meetings, suggesting that there may not be many rate rises left in the current cycle of tightening. However, there was still a steady adjustment in investor expectations towards 'higher for longer' interest rates, with a plateau at or close to current levels being seen as increasingly likely rather than swift cuts.

Company size continued to be a driver of stock returns, with the typically more internationally diversified FTSE 100 large-cap index (-5.1%) outperforming the mid-cap FTSE 250 index (-10.5%). Within small and micro caps, the 115-stock FTSE Small Cap ex-investment trust Index held up relatively well (-4.4%) but the 683-stock FTSE AIM All-Share Index of primarily small cap stocks traded on the junior AIM index lost 17%.

Fund Review

In the six months to 31 October 2023, the Liontrust UK Micro Cap Fund returned -9.6% (institutional accumulation class), compared with the -4.4% and -17.2% respective returns of the FTSE Small Cap (excluding investment trusts) Index and FTSE AIM All-Share Index comparator benchmarks. The average return of funds in the IA UK Smaller Companies sector, also a comparator benchmark, was 10.5%.*

Investor sentiment towards UK equities and small-caps in particular has weakened as interest rates have risen and improved potential returns on cash and other assets. Setting aside sentiment and focusing on company fundamentals, we continue to see evidence of strong progress from the majority of the Fund's holdings amid a tough environment of persistent inflation and weak economic growth.

However, the most notable feature of the Fund's portfolio over the six months was not trading strength or weakness but instead takeover activity. Economic Advantage fund holdings – and the intangible barriers to competition the investment process seeks out – have frequently proven attractive to acquirers in the past, and it appears that the trend is persisting in 2023.

While each individual potential takeover is considered on its own merits, we are acutely aware of the importance of taking a long-term view, particularly given the extent of the de-rating of so many UK-listed smaller companies over the past 18 months.

With the UK market as a whole, and smaller companies in particular, trading at record discounts to global peers and significant discounts to their own long run averages, we fear that too many holdings are 'sitting ducks', susceptible to private equity or corporate acquirers swooping in and taking them over at prices which do not reflect the intrinsic value of these businesses.

Sopheon was a significant riser after it agreed to a £10-a-share cash offer from Wellspring, a US private equity investor in technology companies. The offer values the enterprise innovation management software provider at £115m, and is roughly double the prior day's share price.

Tribal Group recommended a 74p-a-share cash offer from US-based Ellucian, a provider of cloud technology to the tertiary education sector. The proposed deal was a 41% premium to Tribal's prior share price. However, having initially jumped to trade close to the offer price, shares in Tribal slid to around 64p after it was announced that the UK Competition and Markets Authority would be investigating the proposed deal. The largest shareholder who owns over 25% of the share capital has stated an intention to block the takeover, having acquired an increased number of shares in the market to bolster their position.

Continuing the theme, specialist alternative asset management company **Gresham House** jumped on news that it had agreed to be bought for 1105p/share by private equity group Searchlight Capital Partners. This offer represented a 63% premium to its prior share price and is 10% higher than the shares' all-time high reached in 2022.

Manager's Investment Report (continued)

Fund Review (continued)

Finally, **Instem** – the software and services provider to the life sciences industry – agreed to be bought by Archimed, a European investment firm specialising in healthcare, with over €8bn in assets under management. Archimed's 833p offer was at a 41% premium to Instem's prior share price. Having opposed the deal, the team were disappointed when the resolution passed with a fine margin.

Stepping away from takeover news, **Tristel** registered a large share price gain after the infection control specialist announced it had successfully submitted its high-level disinfectant foam product for endocavity ultrasound probes and skin surface transducers to Canadian regulators. The submission came earlier than anticipated and brings an expected commercial launch into Canada forward into the current fiscal year. The Canadian submission comes on the back of a successful regulatory approval for the same product into the key North American market in June, in an announcement which had been eagerly anticipated by investors for some time.

Amid an environment in which many UK small cap shares saw their valuations de-rated without any short or long-term business challenges, a large number of portfolio holdings suffered double-digit percentage declines. Meanwhile, those holdings that did encounter challenging trading in the near-term were heavily penalised. While these provide short term underperformance, we also look at such moments as opportunities to consider taking advantage of the share price weakness where they retain conviction in the economic advantage of the business.

Frontline healthcare services provider **Totally** has had an exceptionally tough 2023 so far. Its shares lost ground at the start of the year due to delays in the re-tender process for some contracts that were due to expire. It then took another leg lower after warning that profits in the year to 31 March 2023 would be below expectations, due not only to the contract delays but also higher costs incurred through a greater reliance on agency staff following clinical workforce shortages. Its full-year results subsequently met the downgraded guidance, but also included downbeat comments on the trading outlook for the new financial year.

Calnex Solutions also tumbled as it warned that the macroeconomic backdrop was leading many of its telecoms customers to take a cautious approach to investing, meaning lower demand for the test and measurement tools Calnex provides to the sector. While it initially expected things to improve over the course of the year, an October update warned that this had not materialised, leading to more cuts to next year's financial forecasts.

Zoo Digital Group was another holding to issue profit warnings, with its short-term woes triggered by the long-running script-writers strike in the US and a trend towards cost rationalisation at streaming companies. The company provides localisation and dubbing services to globalise TV and movie content, underpinned by an innovative, cloud-based platform. In the short term, the company is cutting costs to allow it to cope with an extended period of subdued trading. It has also postponed completion of its acquisition of a Japanese partner business in order to preserve cash.

Zoo Digital's longer-term ambitions remain more positive; it expects to be a beneficiary of the media rationalisation trend, with several customers already having selected Zoo Digital as one of a smaller group of vendors. As a result, it anticipates increasing its share of the media localisation market once business levels normalise. One of the reasons the Economic Advantage investment process focuses on possession of barriers to competition is that it provides companies not only with resilience during downturns, but also the opportunity to emerge on the other side in a healthier competitive position.

Portfolio Activity

K3 Business Technology left the portfolio after its senior management equity ownership level fell below the 3% threshold required of all smaller companies in the Economic Advantage investment process. We believe that high senior manager equity ownership gives them 'skin in the game' and helps encourage good alignment of incentives between shareholders and company management.

The position in **Gresham House** was sold ahead of the expected completion of its takeover by private equity investor Searchlight Capital.

Cerillion was sold from the portfolio having exceeded the £275m market cap limit at which we begin to consider a managed exit from positions in the UK Micro Cap Fund.

Manager's Investment Report (continued)

Portfolio Activity (continued)

Brick and tiles speciality distributor **Brickability** was sold for the same reason in 2021 but it has recently come back into Fund's investment range. The short-term prospects for the UK housebuilding sector have been clouded by a weak economic outlook and tightening mortgage market, pushing Brickability's shares into a downtrend. However, Brickability continues to expand strongly – 2022 saw 4% like-for-like sales growth and a number of acquisitions – and we continue to believe its distribution strengths, which combine national coverage with high market share, provide strong barriers to entry and competitive advantage.

A new position was initiated in **Hvivo**, a contract research organisation that specialises in designing and managing "human challenge" drug trials. We like the intellectual property strength the business has both in the scientific know-how of designing and implementing these studies, as well as within the "challenge agents" themselves (these essentially the formulation of a sample virus to use in the clinic setting to infect individuals).

Outlook

There is a remarkable degree of pessimism reflected in share prices currently, particularly at the lower end of the market cap scale. Many businesses are clearly experiencing some degree of impact from broader macroeconomic pressures, but on the whole we feel that our companies are trading robustly, with around three quarters of the Fund's holdings announcing in-line results or even upgrading expectations in the four months from end-April to end-August. Despite this show of resilience, a large number of stocks are trading on very low valuation multiples, offering extremely rare levels of longer term upside opportunity.

While it is easy to wonder whether the extremity of the valuation gap between UK stocks and those listed on other global markets will persist in perpetuity, we are increasingly optimistic that there are several catalysts which may yet turn the tide strongly in favour of UK equities.

One is Merger & Acquisition (M&A) activity. 14 companies across the Economic Advantage fund range have experienced inbound M&A interest since the start of 2022: six takeovers have completed, five are pending (with several set to complete in the very near term), and three companies have had approaches which have since fallen away. While M&A activity is always a double edged sword, at the very least it does help to crystallise in investors' minds the level of latent value within share prices at current levels, and provides an influx of capital for recipients to redeploy across other holdings where they see such attractive opportunity.

Another potentially very meaningful catalyst is the possibility of policy intervention. Much has been written about July's "Mansion House Compact", which saw Chancellor Jeremy Hunt and a number of the country's largest pension funds agree to invest 5% of assets by 2030 in "unlisted equities" – a definition which includes stocks quoted on the Alternative Investment Market (AIM), where most of the Fund's NAV (net asset value) is currently invested. The team has also been actively involved in lobbying efforts to call for support for UK equity markets. Several potential policies have also been discussed and debated by the industry and in the press, including the idea of introducing a 'Great British ISA', where savers benefiting from tax incentives would be required to invest in UK-listed companies within the ISA wrapper. We believe changes such as this would catalyse a change in the market through significantly changing the flows dynamics - following 10 years of net outflows from the IA UK All companies sector.

We are yet to see which of these other policies may gain the most traction with policymakers, but it seems clear that, in recent weeks, the momentum has accelerated behind calls for the government to recognise the need to stimulate UK equity markets and ensure that our domestic stock market retains its status as a thriving venue for companies to list and prosper for the long term. This is not just important for listed companies and investors in them but for the UK economy as a whole.

Manager's Investment Report (continued)

Outlook (continued)

**Source: Financial Express, bid to bid basis, total return, net of fees, income reinvested, 31.10.23. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

Anthony Cross, Julian Fosh, Victoria Stevens, Matthew Tonge & Alex Wedge

Fund Managers

November 2023

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Manager's Investment Report (continued)

Material portfolio changes by value

Purchases	Sales
Brickability	Tatton Asset Management
hVIVO	Gresham House
Zoo Digital	Kitwave
On the Beach	Cerillion
EKF Diagnostics	Tristel
Instem	Fintel
Calnex Solutions	Eckoh
Microlise	Belvoir
Gear4Music	Property Franchise
Mind Gym	Oxford Metrics

Authorised Status

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

Certification of Financial Statements by Partners of the Manager

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

Martin Kearney

Partner, Chief Compliance Officer

Antony Morrison

Partner, Head of Finance

Liontrust Fund Partners LLP
14 December 2023

Performance Tables (unaudited)

as at 31 October 2023

Net asset value

Period end	Units in Issue	Net Asset Value (£'000)	Net Asset Value per unit (p)
31 October 2023			
Institutional Accumulation	63,393,761	130,013	205.09
30 April 2023			
Institutional Accumulation	72,807,652	162,625	223.36
30 April 2022			
Institutional Accumulation	82,124,352	199,906	243.42
30 April 2021			
Institutional Accumulation	52,197,227	131,796	252.50

Portfolio Statement (unaudited)

as at 31 October 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (90.99%)	**120,618**	**92.77**
	UNITED KINGDOM (90.99%)	**120,618**	**92.77**
	Advertising (1.34%)	**1,803**	**1.39**
2,072,129	Pebble	1,803	1.39
	Auto Parts & Equipment (1.00%)	**971**	**0.75**
705,982	Quartix	971	0.75
	Banks (1.85%)	**2,397**	**1.84**
273,898	Arbuthnot Banking	2,397	1.84
	Beverages (0.69%)	**975**	**0.75**
2,955,902	Virgin Wines UK	975	0.75
	Biotechnology (1.94%)	**3,047**	**2.34**
84,627	Bioventix	3,047	2.34
	Commercial Services (10.35%)	**15,147**	**11.65**
1,821,393	Fintel	3,552	2.73
1,955,953	Gateley	2,543	1.96
697,190	Keystone Law	3,277	2.52
2,568,773	Mind Gym	899	0.69
711,396	Science	2,846	2.19
3,192,638	Tribal	2,030	1.56
	Computers (10.50%)	**14,440**	**11.11**
501,239	Cohort	2,401	1.85
436,369	D4t4 Solutions	676	0.52
9,227,468	Eckoh	3,783	2.91
3,740,582	Intercede	2,057	1.58
2,893,319	Netcall	2,025	1.56
397,547	Sopheon	3,498	2.69
	Diversified Financial Services (7.40%)	**6,106**	**4.70**
3,761,460	Frenkel Topping	2,069	1.59
5,016,914	Record	3,261	2.51
169,115	Tatton Asset Management	776	0.60

Portfolio Statement (unaudited) (continued)

as at 31 October 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Electronics (2.70%)	**3,999**	**3.08**
1,276,897	Concurrent Technologies	804	0.62
1,359,104	Croma Security Solutions	571	0.44
220,496	Solid State	2,624	2.02
	Food Producers (2.88%)	**3,271**	**2.51**
1,313,677	Kitwave	3,271	2.51
	Forest Products & Paper (1.38%)	**2,322**	**1.79**
313,737	James Cropper	2,322	1.79
	Healthcare Products (2.07%)	**3,271**	**2.51**
9,613,250	EKF Diagnostics	2,576	1.98
77,246,980	Surgical Innovations	695	0.53
	Healthcare Services (2.26%)	**5,039**	**3.88**
8,461,492	hVIVO	1,608	1.24
879,692	Tristel	3,431	2.64
	Household Products (2.44%)	**3,045**	**2.34**
276,837	Churchill China	3,045	2.34
	Housewares (1.66%)	**2,662**	**2.05**
1,810,673	IG Design	2,662	2.05
	Internet (4.20%)	**5,328**	**4.10**
675,956	Eagle Eye Solutions	2,907	2.23
1,567,205	Gear4Music	1,802	1.39
10,322,615	Totally	619	0.48
	Investment Companies (3.21%)	**2,050**	**1.58**
9,760,765	Mercia Asset Management	2,050	1.58
	Leisure Time (1.35%)	**2,296**	**1.77**
2,419,889	On the Beach	2,296	1.77

Portfolio Statement (unaudited) (continued)

as at 31 October 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Media (1.62%)	**1,795**	**1.38**
5,279,671	Bigblu Broadband	1,795	1.38
	Metal & Hardware (1.96%)	**2,494**	**1.92**
692,664	Avingtrans	2,494	1.92
	Miscellaneous Manufacturing (1.51%)	**2,224**	**1.71**
1,308,304	Animalcare	2,224	1.71
	Pharmaceuticals (1.13%)	**1,595**	**1.23**
4,198,205	Inspiration Healthcare	1,595	1.23
	Real Estate Investment & Services (4.15%)	**5,148**	**3.96**
1,112,636	Belvoir	2,559	1.97
809,033	Property Franchise	2,589	1.99
	Retail (1.18%)	**3,707**	**2.85**
3,760,717	Brickability	1,711	1.32
3,645,252	CMO	875	0.67
2,733,707	Zoo Digital	1,121	0.86
	Semiconductors (2.00%)	**2,253**	**1.73**
643,631	CML Microsystems	2,253	1.73
	Software (13.42%)	**17,543**	**13.48**
1,324,770	Bango	2,067	1.59
2,347,551	Beeks Financial Cloud	2,488	1.91
2,330,749	Essensys	629	0.48
557,178	Instem	4,235	3.26
2,341,478	Microlise	2,459	1.89
1,889,934	Nexteq	2,022	1.55
2,448,205	Oxford Metrics	2,105	1.62
2,520,942	Vianet	1,538	1.18
	Telecommunications (4.80%)	**5,690**	**4.37**
2,313,231	Calnex Solutions	1,110	0.85

Portfolio Statement (unaudited) (continued)

as at 31 October 2023

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (continued)		
	UNITED KINGDOM (continued)		
	Telecommunications (continued)		
59,606,663	Crimson Tide	894	0.69
1,890,104	Fonix Mobile	3,686	2.83
	COLLECTIVE INVESTMENT SCHEMES (6.99%)	**0**	**0.00**
	IRELAND (3.50%)	**0**	**0.00**
	LUXEMBOURG (3.49%)	**0**	**0.00**
	Portfolio of investments	**120,618**	**92.77**
	Net other assets	**9,395**	**7.23**
	Total net assets	**130,013**	**100.00**

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

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 30 April 2023.

Financial Statements (unaudited)

Statement of Total Return (unaudited)
for the period ended 31 October 2023

	(£'000)	1.5.2023 to 31.10.2023 (£'000)	(£'000)	1.5.2022 to 31.10.2022 (£'000)
Income				
Net capital losses		(13,907)		(25,774)
Revenue	2,051		1,969	
Expenses	(1,044)		(1,250)	
Interest payable and similar charges	–		–	
Net revenue before taxation	1,007		719	
Taxation	–		–	
Net revenue after taxation		1,007		719
Total return before distributions		**(12,900)**		**(25,055)**
Distributions		(95)		(25)
Change in unitholders' funds from investment activities		**(12,995)**		**(25,080)**

Statement of Change in Unitholders' Funds (unaudited)
for the period ended 31 October 2023

	(£'000)	1.5.2023 to 31.10.2023 (£'000)	(£'000)	1.5.2022 to 31.10.2022 (£'000)
Opening net assets		**162,625**		**199,906**
Amounts received on issue of units	8,402		22,328	
Amounts paid on cancellation of units	(28,019)		(34,108)	
		(19,617)		(11,780)
Change in unitholders' funds from investment activities		(12,995)		(25,080)
Closing net assets		**130,013**		**163,046**

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

Financial Statements (unaudited) (continued)

Balance Sheet (unaudited)

as at 31 October 2023

	31.10.2023 (£'000)	30.4.2023 (£'000)
Assets		
Fixed assets		
Investments	120,618	159,339
Current assets:		
Debtors	1,639	493
Cash and bank balances	8,787	3,736
Total assets	**131,044**	**163,568**
Liabilities		
Creditors:		
Other creditors	(1,031)	(943)
Total liabilities	**(1,031)**	**(943)**
Net assets	**130,013**	**162,625**
Unitholders' funds	**130,013**	**162,625**

Accounting Policies

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

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2023 and are described in those financial statements.

Securities Financing Transactions (unaudited)

as at 31 October 2023

Securities Lending

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

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

Return and cost

The table below shows the net income earned by the Fund from securities lending activity during the period to 31 October 2023.

	Collective Investment Undertaking (£'000)	Manager of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	2	–	1	3
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Securities lending

The following table details the value of securities on loan as a proportion of the Funds' total lendable assets and Net Asset Value (NAV) as at 31 October 2023. The income earned from securities lending are also shown for the period ended 31 October 2023. Total lendable assets represents the aggregate value of assets forming part of the Funds' securities lending programme. This excludes any assets held by the Fund that are not considered lendable due to any market, regulatory, investment or other restriction.

Securities on loan		
% of lendable assets	% of NAV	Income earned (£'000)
1.28	1.10	2

Securities Financing Transactions (unaudited)(continued)

as at 31 October 2023

Securities lending (continued)

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 31 October 2023.

Counterparty	Counterparty's country of establishment	Securities Lending Amount on loan (£'000)	Collateral received (£'000)
HSBC Bank	UK	452	499
J.P. Morgan Securities Plc	UK	698	844
Merrill Lynch International	UK	227	240
The Bank of Nova Scotia	Canada	8	8
UBS	Switzerland	43	47
Total		**1,428**	**1,638**

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

Collateral

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

The following table provides an analysis by currency of the underlying cash and non-cash collateral received/posted by way of title transfer collateral arrangement by the Fund, in respect of securities lending transactions, as at 31 October 2023.

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Securities lending transactions				
CHF	-	-	35	-
EUR	-	-	235	-
GBP	-	-	242	-
JPY	-	-	462	-
USD	-	-	664	-
Total	**-**	**-**	**1,638**	**-**

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

Securities Financing Transactions (unaudited)(continued)

as at 31 October 2023

Collateral (continued)

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received/posted by the Fund by way of title transfer collateral arrangement in respect of securities lending transactions, as at 31 October 2023.

	Maturity Tenor						
Collateral type and quality	**1 - 7 days (£'000)**	**8 - 30 days (£'000)**	**31 - 90 days (£'000)**	**91 - 365 days (£'000)**	**More than 365 days (£'000)**	**Open transactions (£'000)**	**Total (£'000)**
Collateral received - securities lending							
Fixed income							
Investment grade	–	4	–	–	664	–	**668**
Equities							
Recognised equity index	–	–	–	–	–	970	**970**
Total	**–**	**4**	**–**	**–**	**664**	**970**	**1,638**

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

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

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

As at 31 October 2023, all non-cash collateral received by the Fund in respect of securities lending transactions is held by the Funds' Trustee (or through its delegates).

The following table lists the top ten issuers (or all the issuers if less than ten) by value of non-cash collateral received by the Fund by way of the title transfer collateral arrangement across securities lending transactions as at 31 October 2023.

Issuer	**Value (£'000)**	**% of the Sub-fund's NAV**
J.P.Morgan Securities Plc	844	0.65
HSBC Bank	499	0.38
Merrill Lynch International	240	0.18
UBS	47	0.04
The Bank of Nova Scotia	8	0.01
Total	**1,638**	**1.26**

Additional Information (unaudited)

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

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

Unit type: The Fund issues accumulation units only.

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

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

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

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

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

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

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

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

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

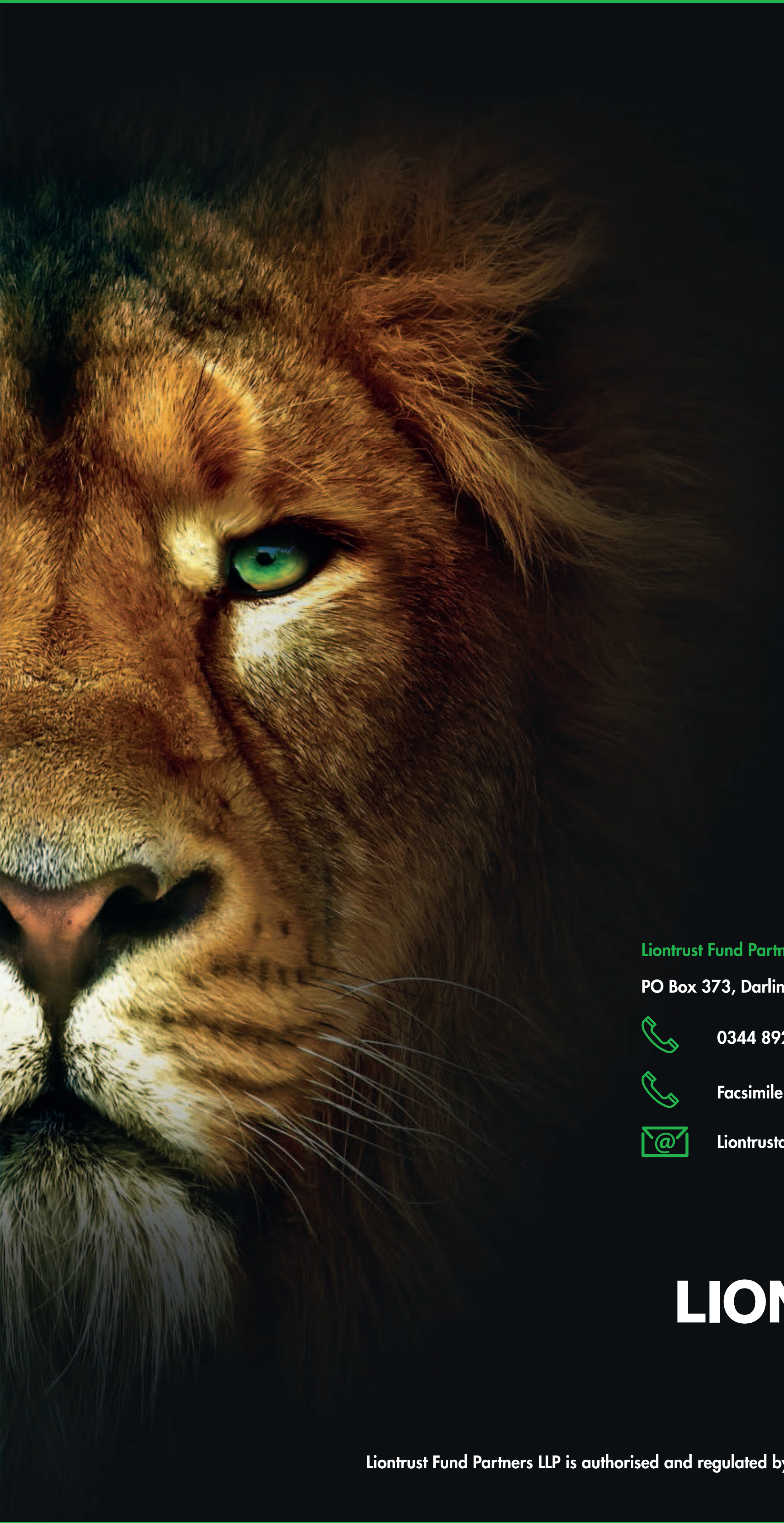
Capital Gains Tax: As an authorised unit trust, any capital gains made within the Fund is exempt from UK Capital Gains Tax. An individual investor is subject to capital gains tax on gains made on their investment, however an individual's first £6,000 of net gains on disposals in the 2023-2024 tax year are exempt from tax (2022-2023: £12,300).

Income Tax: UK tax resident individuals are now entitled to a new tax-free dividend allowance in place of the dividend tax credit. Consequently, all income from dividend distributions is now regarded as gross income.
UK resident individuals who are not liable to tax are not able to reclaim the tax credits from the HM Revenue and Customs. In the case of UK resident individuals who are liable to starting or basic rate tax only, the tax credit will match his or her liability on the distribution and there will be no further tax to pay and no right to claim repayments from the HM Revenue and Customs. In the case of a higher rate taxpayer, the tax credit will be set against, but not fully match, his or her tax liability on the distribution. Such people will have an additional tax liability to pay.

Additional Information (unaudited) (continued)

Assessment of Value: The regulator - the FCA - has asked every asset manager to assess the value of the funds they run. Assessing value goes beyond performance and costs and encompasses a minimum of seven criteria mandated by the FCA. 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.

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



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