



Aitken Ross & Stuart Steven & Kenny Watson

The Fund

The Fund aims to produce a monthly income yield and the prospect of capital growth by investing in a portfolio of assets which predominately comprises corporate bonds, and also includes government bonds, whilst at the same time actively managing the interest rate exposure of the Fund. The Fund pays interest distributions monthly. The Fund holds investment-grade Sterling corporate bonds, government bonds, non-Sterling investment grade corporate bonds and relevant derivative instruments. For full investment objective and policy details please refer to the Prospectus.

Key information

Class Launch Date	12.07.10
Benchmark	iBoxx Sterling Corporates 5-15 years
IA Sector	IA Sterling Corporate Bond
Fund Size [^]	£300.7m
Number of Holdings	49
Distribution Yield [†]	5.57%
Underlying Yield [†]	3.76%
Duration [*]	2.63

[^]Fund AUM shown is in the base currency of the fund.

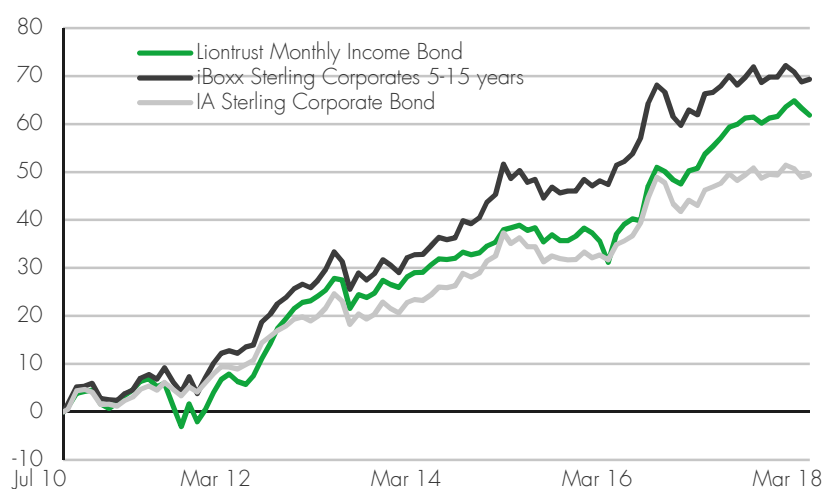
Ratings and awards



Our experienced fund management team

Stuart Steven, Kenny Watson and Aitken Ross have more than 57 years of combined investment experience in managing fixed income. They also transferred to Liontrust from ATI in April 2017. Stuart has 25 years of fixed income investment experience and was previously Investment Director at Scottish Widows Investment Partnership. Kenny has 26 years of fund management experience and was formerly at Ignis Asset Management where he was responsible for the sub investment grade bond portfolios. Aitken has six years of financial experience and started his career in the graduate scheme at ATI.

Performance since launch (%)



Discrete years' performance (%)

To previous quarter 12 months ending:	Mar 18	Mar 17	Mar 16	Mar 15	Mar 14
Liontrust Monthly Income Bond	4.2	13.3	-1.3	7.6	3.0
iBoxx Sterling Corporates 5-15 years	1.6	10.0	0.8	13.2	2.5
IA Sterling Corporate Bond	1.7	8.9	-1.0	10.6	1.3
Quartile ranking	1	1	3	4	1

Cumulative performance (%)

	1 month	3 months	YTD	6 months	1 year	3 years	5 years	Since inception
Liontrust Monthly Income Bond	-0.9	-1.1	-1.1	1.0	4.2	16.5	29.1	61.8
iBoxx Sterling Corporates 5-15 years	0.3	-1.7	-1.7	0.4	1.6	12.6	30.6	69.3
IA Sterling Corporate Bond	0.3	-1.3	-1.3	0.5	1.7	9.6	22.8	49.4
Quartile ranking	4	1	1	1	1	1	1	1

Source: Financial Express, as at 31.03.18, total return

Key risks: Past performance is not a guide to future performance. Investment in the Fund carries the risk of potential total loss of capital. Investment decisions should not be based on short-term performance. Investment in the Fund involves foreign currencies and may be subject to fluctuations in value due to movements in exchange rates. The value of fixed income securities will fall if the issuer is unable to repay its debt or has its credit rating reduced. Generally, the higher the perceived credit risk of the issuer, the higher the rate of interest.

*Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates in years. †The Distribution Yield is higher than the Underlying Yield because the fund distributes coupon income and a portion of the fund's expenses are charged to capital. This has the effect of increasing distributions while constraining the fund's capital appreciation.

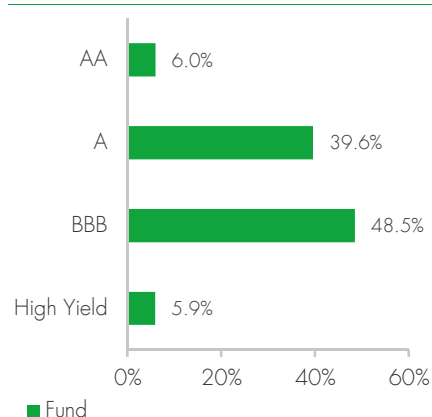
MONTHLY INCOME BOND

Sector breakdown (%)

Banks	24.7	<div style="width: 24.7%;"></div>
Insurance	19.2	<div style="width: 19.2%;"></div>
Telecommunications	17.2	<div style="width: 17.2%;"></div>
Utilities	12.8	<div style="width: 12.8%;"></div>
Financial Services	6.9	<div style="width: 6.9%;"></div>
Gilts	6.1	<div style="width: 6.1%;"></div>
Real Estate	4.1	<div style="width: 4.1%;"></div>
Whole Bus Sec'd	3.8	<div style="width: 3.8%;"></div>
Retail	2.9	<div style="width: 2.9%;"></div>
Industrial G&S	1.6	<div style="width: 1.6%;"></div>
Other	3.0	<div style="width: 3.0%;"></div>

■ Fund

Credit Rating*



*Source: UBS Delta and Liontrust

Geographic breakdown (%)

United Kingdom	77.1	<div style="width: 77.1%;"></div>
France	6.9	<div style="width: 6.9%;"></div>
United States	5.3	<div style="width: 5.3%;"></div>
Netherlands	3.0	<div style="width: 3.0%;"></div>
Germany	2.9	<div style="width: 2.9%;"></div>
Italy	2.0	<div style="width: 2.0%;"></div>
Spain	2.0	<div style="width: 2.0%;"></div>
Belgium	1.6	<div style="width: 1.6%;"></div>
Portugal	1.6	<div style="width: 1.6%;"></div>
Cash	-2.4	

Top 10 holdings (%)

UK(Govt) 8% 07/06/21	6.1
Hsbc Holdings	5.7
Lloyds Banking Group	3.9
Royal Bank of Scotland	3.6
Prudential	3.5
Standard 5.125% 06/06/34	3.3
Barclays 14% 29/11/49	3.1
Deutsche Telekom AG	2.9
Standard 6.75% 29/07/49	2.8
Verizon Communications	2.7

Additional information

Minimum initial investment	£1,000,000
Minimum additional investment	£250,000
Ex-dividend date	Last day of the month
Distribution date	Last day of the month, 1 month trailing
Sedol code	B44MQ01
ISIN code	GB00B44MQ015

Risk ratios

Annualised over 36 months

Alpha	2.03%
Beta	0.79
Information Ratio	0.31

Annualised over 260 weeks

Volatility	3.45%
Benchmark volatility	4.88%

Where the Fund has a short track record, the ratios shown may be based upon the historic data of the Fund as well as a representative fund or the ratio may be calculated over a shorter time period.

Charges

Initial charge	0.00%
Ongoing Charges Figure*	0.64%
Included within the OCF is the Annual Management Charge**	0.50%

*The Ongoing Charges Figure (OCF) covers all aspects of operating a fund during the course of its financial year. These include the annual charge for managing the fund, administration and independent oversight functions, such as trustee, depository, 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. This will have an impact on the realisable value of the investment, particularly in the short term. **These are the annual costs of running and managing the Fund.

MONTHLY INCOME BOND

Additional information

Liontrust Monthly Income Bond – Reduced distribution

- With effect from February 2018 (to be paid in March 2018), the distribution payment will reduce from 0.50p to 0.45p per month
- The expected distribution for 2018 will be 5.4p or higher
- Monthly Income Bond will still be one of the highest yielding funds in the IA Sterling Corporate Bond sector
- In the event that yields rise significantly, investors could receive a higher payment in December

Why are we reducing the distribution?

- Since the launch of the Fund, the Gross Redemption Yields on A-rated sterling bonds have fallen from circa 5.75% (June 2010) to circa 2.75% (31 Dec 2017)
- While we have been able to maintain the 6p distribution since the start of 2011, the fact yields fell from 3.0% to 2.6% since January 2017 resulted in a modest shortfall in the distribution over calendar year 2017
- Based upon the continued low level of gilt yields, coupled with the compression in corporate bond spreads during 2017, we have taken the decision to reduce the distribution from 0.50p to 0.45p per month effective from February 2018

MIBF would be exposed to the following risks without implementing a cut at this stage:

- The inability to pay a monthly distribution in December 2018. We have never had a stated aim to target a 6p per year distribution but have always maintained we would monitor our ability to pay and revise this up/down depending on our market views and the monthly income projections we receive from the custodian. We aim to smooth the distribution over the year (to avoid the risk of non-payment in month 12)
- We would need to reduce the credit quality of the portfolio, which would potentially compromise performance at this stage in the cycle. Although still positive on corporate bonds, our conviction is lower given higher valuations, the fact subordinated bank bonds have performed particularly well and we have been reducing exposure, and our desire to reduce downside risk

Important information

This document provides information about the Liontrust Sustainable Future Monthly Income Bond Fund ('the Fund') and Liontrust Fund Partners. Liontrust Fund Partners LLP (2 Savoy Court, London WC2R 0EZ) is authorised and regulated in the UK by the Financial Conduct Authority (FRN 518165) to undertake regulated investment business. Liontrust Fund Partners does not give financial or investment advice. This document does not constitute or form part of, and should not be construed as, an invitation to buy or sell units and neither this document nor anything contained or referred to in it shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever. The value of units and the income generated from them can fall as well as rise and are not guaranteed; investors may not get back the amount originally subscribed. Investors should not purchase the Fund referred to in this document except on the basis of information contained in the Fund's Prospectus. We recommend that investors who are not professional investors should contact their professional adviser. The Fund's Prospectus and Key Investor Information Document (KIID) are available from www.liontrust.co.uk or direct from Liontrust.

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