



Why sustainability still matters for investors, the planet and society

13th May 2025

For professional investors and advisers only



Key risks

Past performance does not predict future returns. You may get back less than you originally invested.

We recommend this fund is held long term (minimum period of 5 years). We recommend that you hold this fund as part of a diversified portfolio of investments.

The issue of units/shares in Liontrust Funds may be subject to an initial charge, which will have an impact on the realisable value of the investment, particularly in the short term. Investments should always be considered as long term.

The Funds managed by the Sustainable Future Team:

- Are expected to conform to our social and environmental criteria.
- May hold overseas investments that 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 a Fund.
- May hold Bonds. Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result; The creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- 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.
- 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 AIM may carry a greater risk than a company with a full listing.
- May invest in smaller companies and may invest a small proportion (less than 10%) of the Fund in unlisted securities. There may be liquidity constraints in these securities 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 shares.
- 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 use of derivative instruments that may result in higher cash levels. 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.
- Outside of normal conditions, 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.
- May be exposed to Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Do not guarantee a level of income.

The risks detailed above are reflective of the full range of Funds managed by the Sustainable Future Team and not all of the risks listed are applicable to each individual Fund. For the risks associated with an individual Fund, please refer to its Key Investor Information Document (KIID)/PRIIP KID.

Agenda

Introduction

Leaving the planet in a good state

Improving health and quality of life

Increasing resilience to natural events

Management quality driving investment returns

Corporate Bonds & SI

BREAK

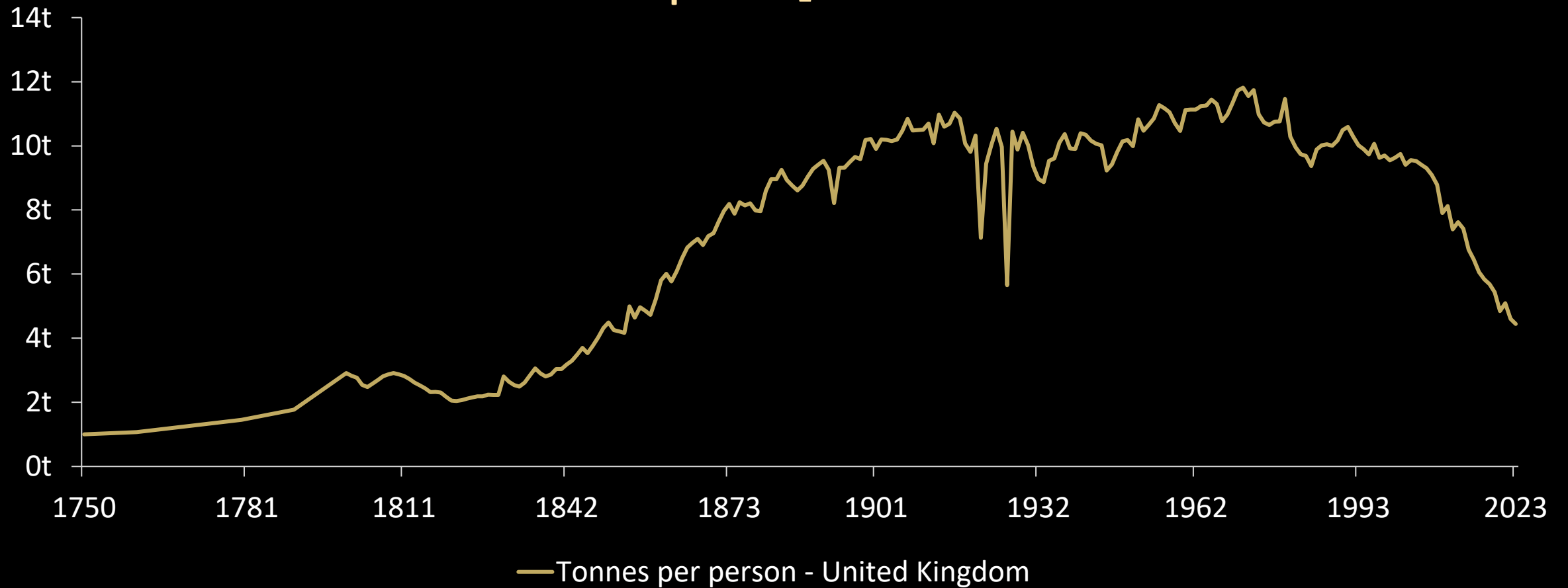
SDR & Clients – Q&A session

Outlook and prospects for SI



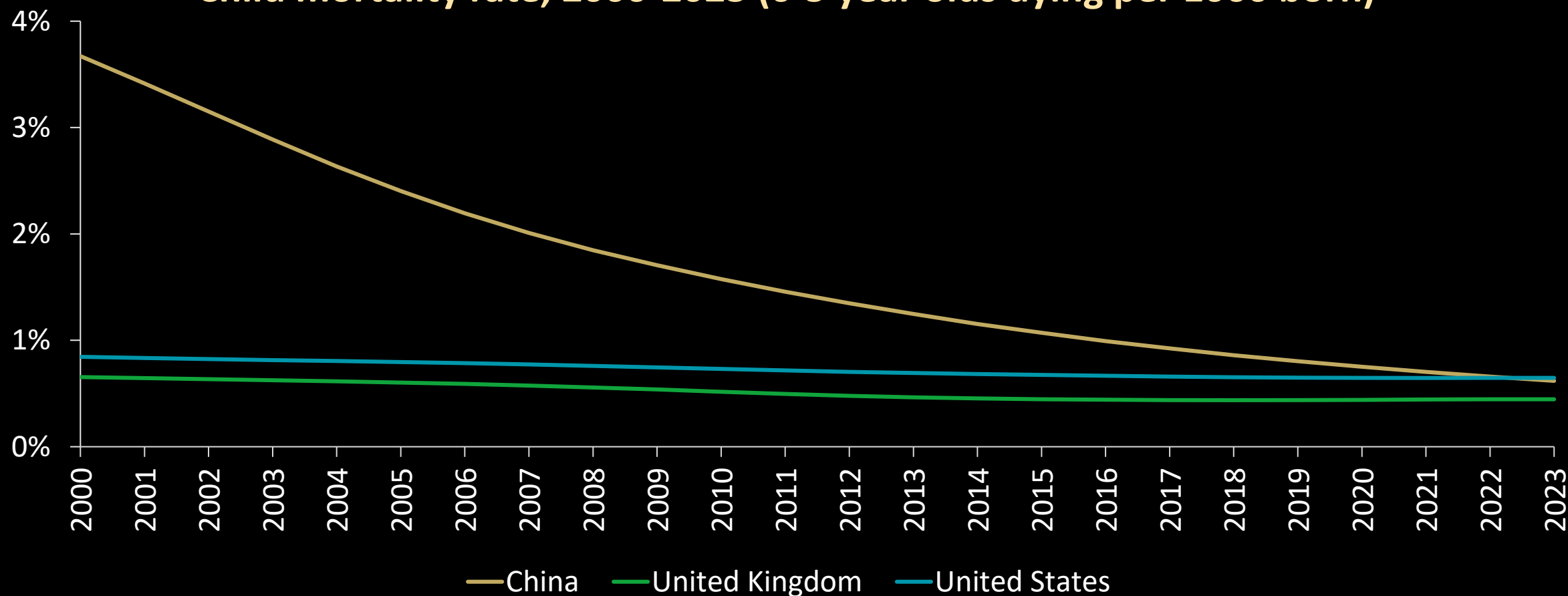
Cleaner

Per capita CO₂ emissions



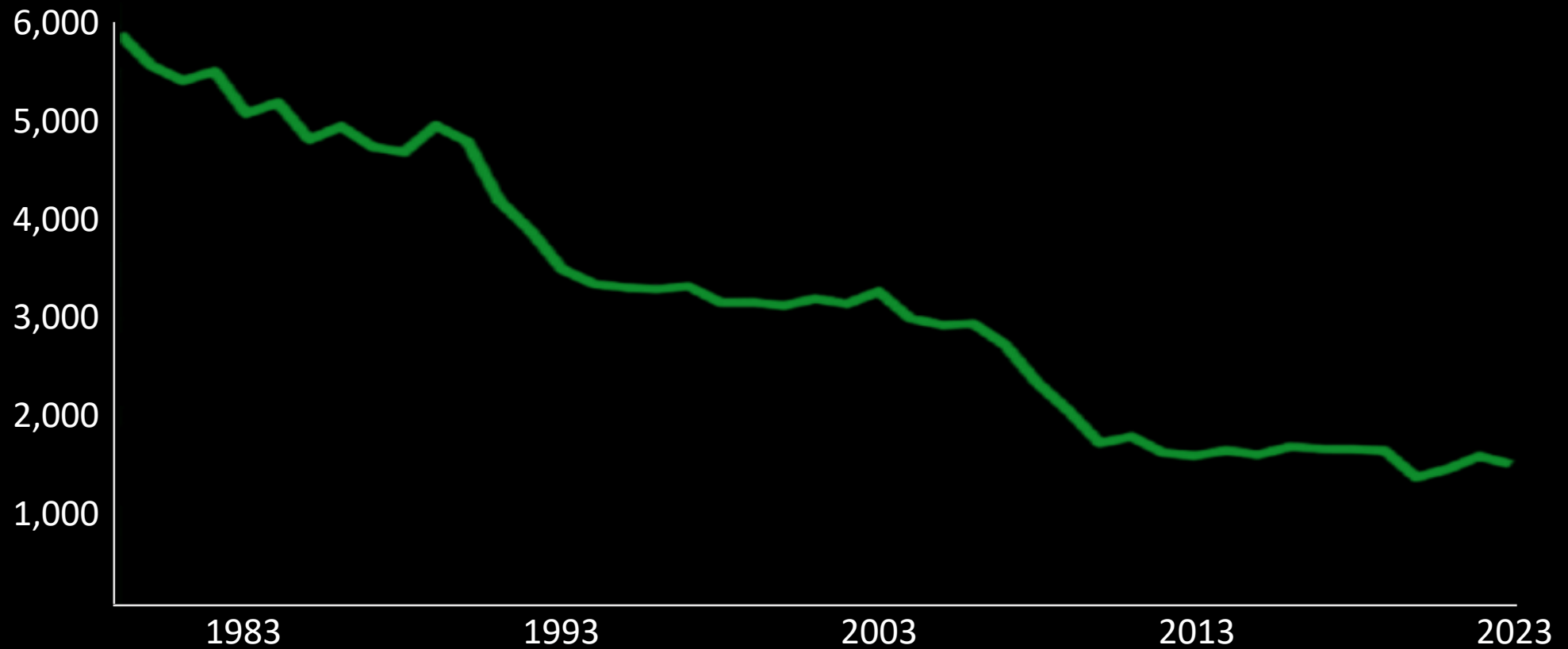
Healthier

Child mortality rate, 2000-2023 (0-5 year olds dying per 1000 born)



Safer

Reported road fatalities in Great Britain, 1979 to 2023



	5 years	10 years	15 years	20 years
SF Managed Fund	3	1	1	1

Source: Liontrust, Factset, as at 30.04.25
You may get back less than you originally invested. Please refer to the Key Risks slide for more information.

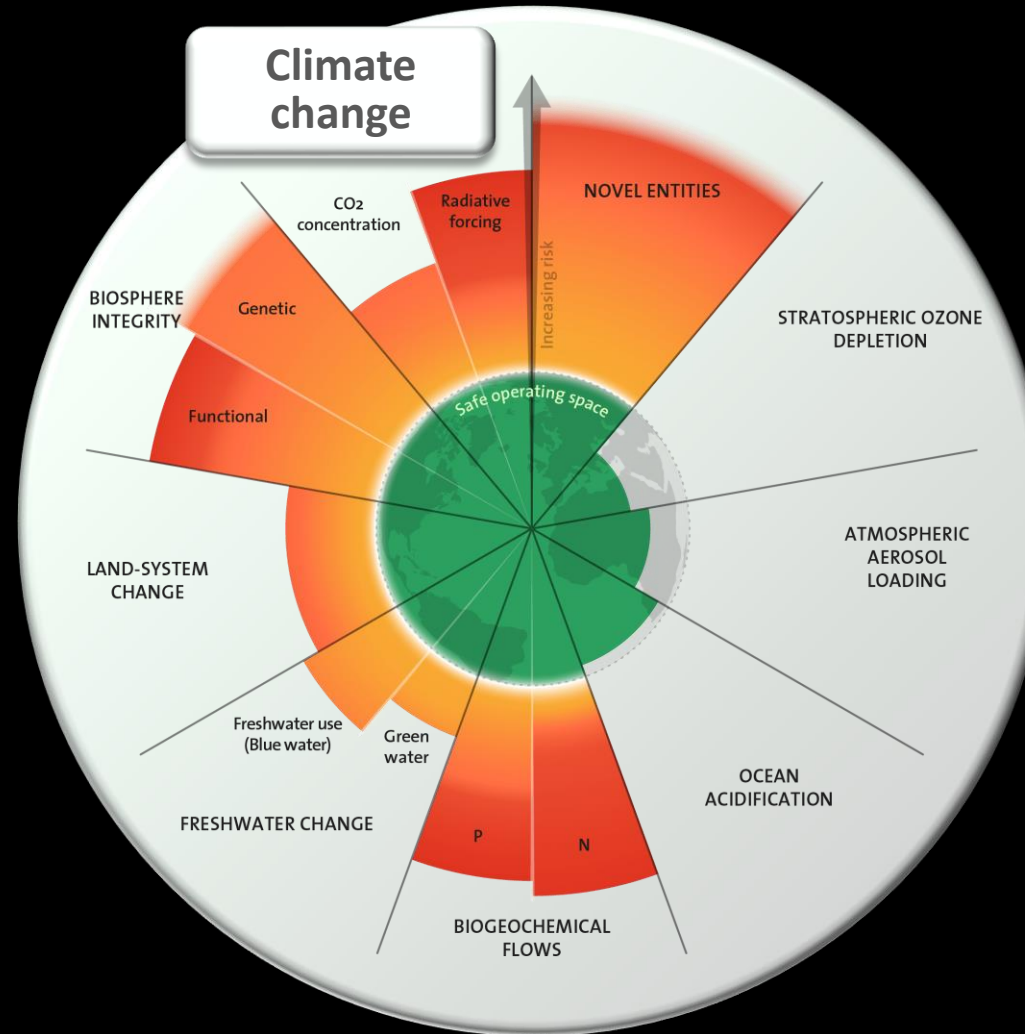
Leaving the planet in a good state

Harriet Parker | Investment Manager

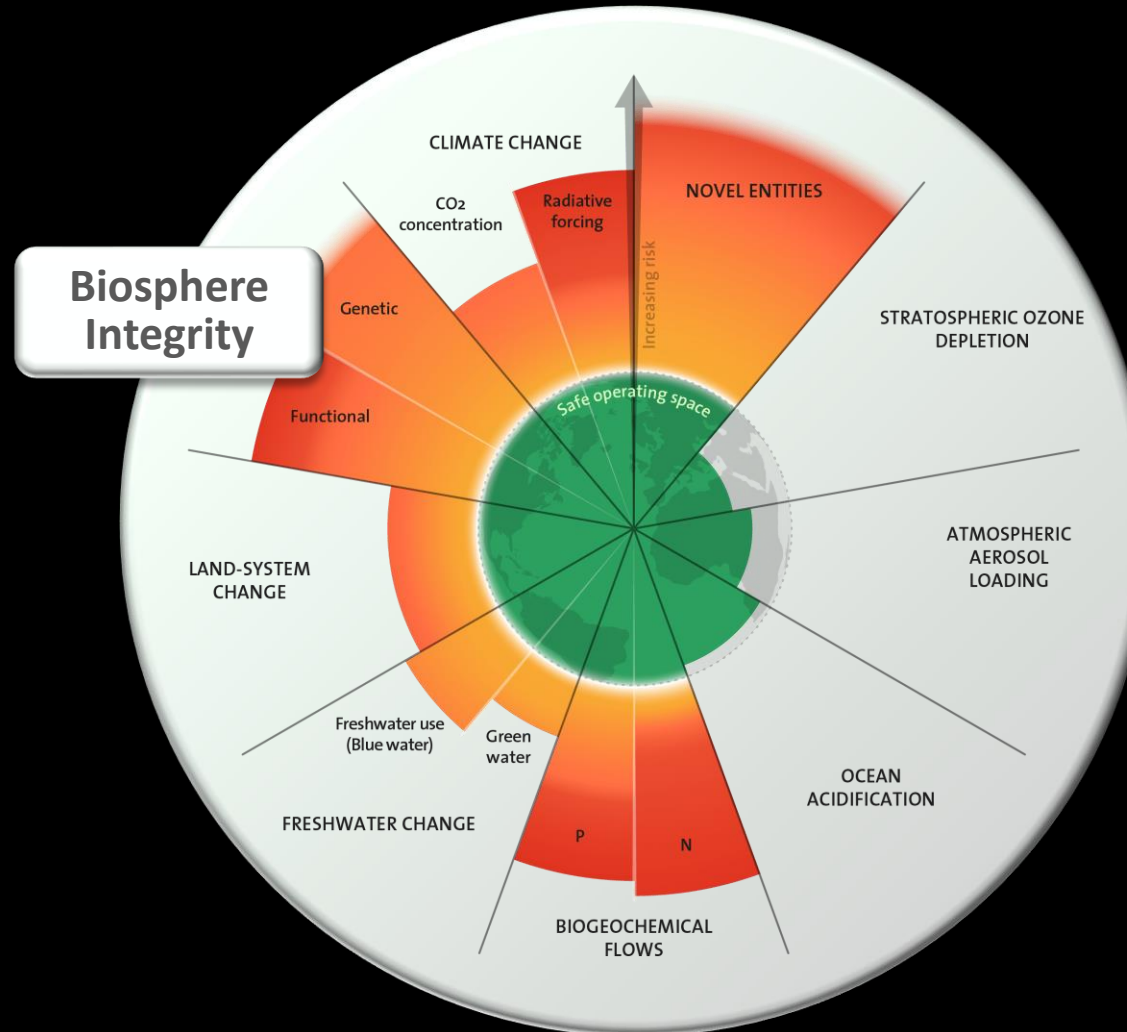




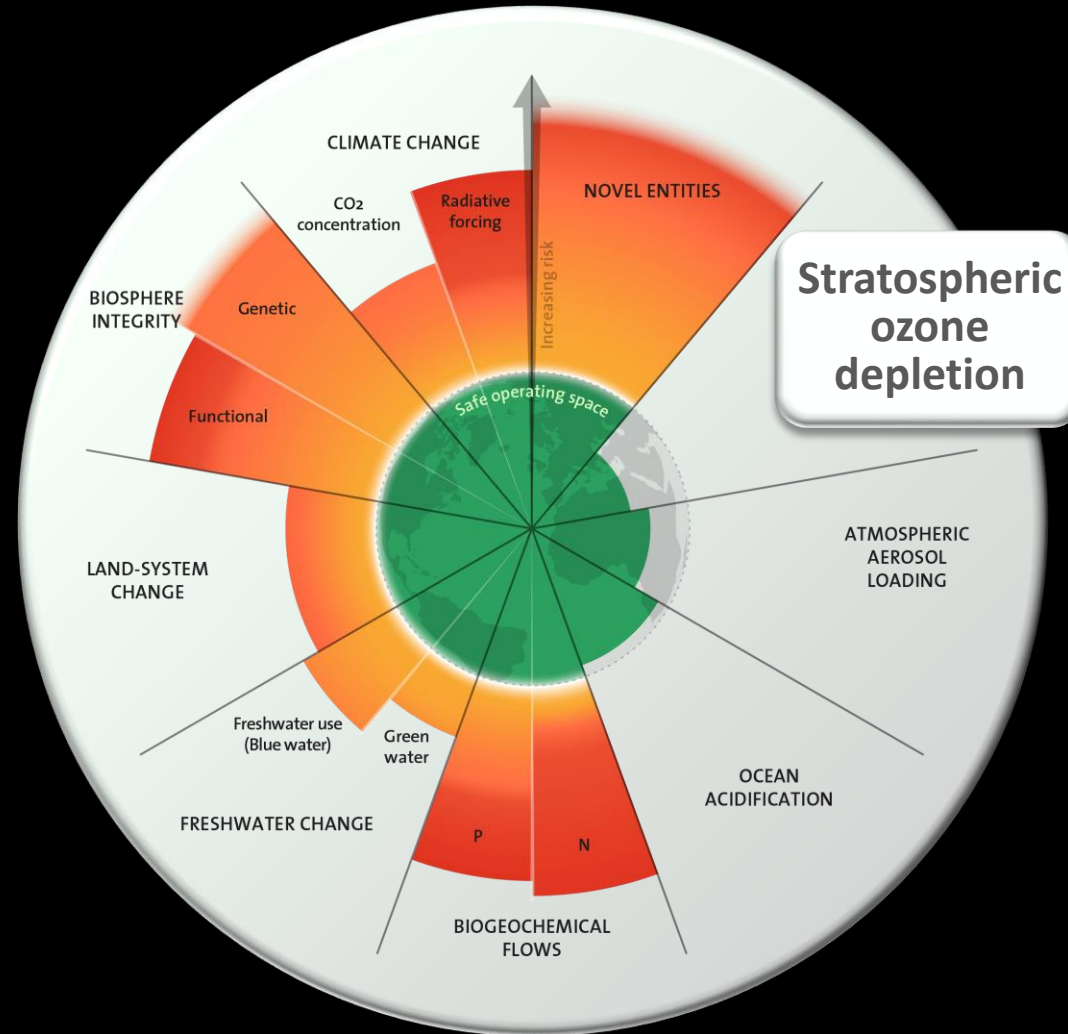
Planetary boundaries



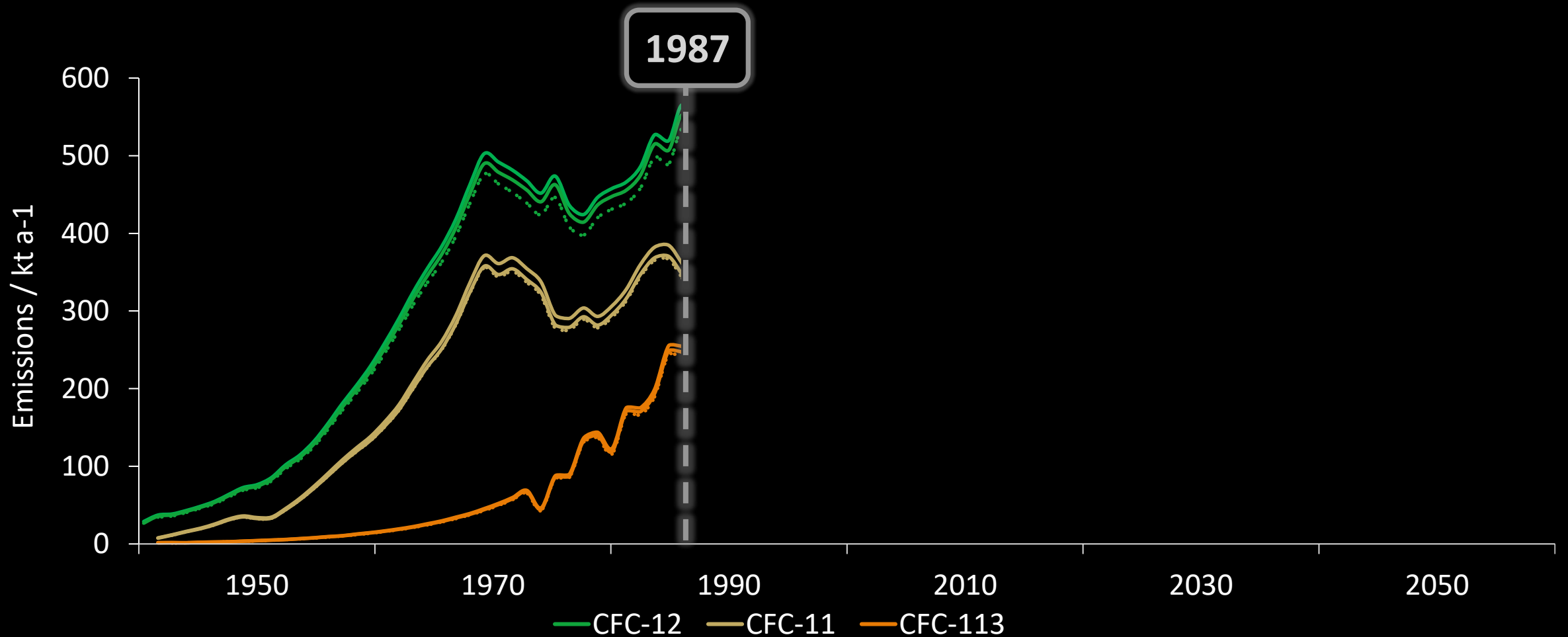
Planetary boundaries



Planetary boundaries

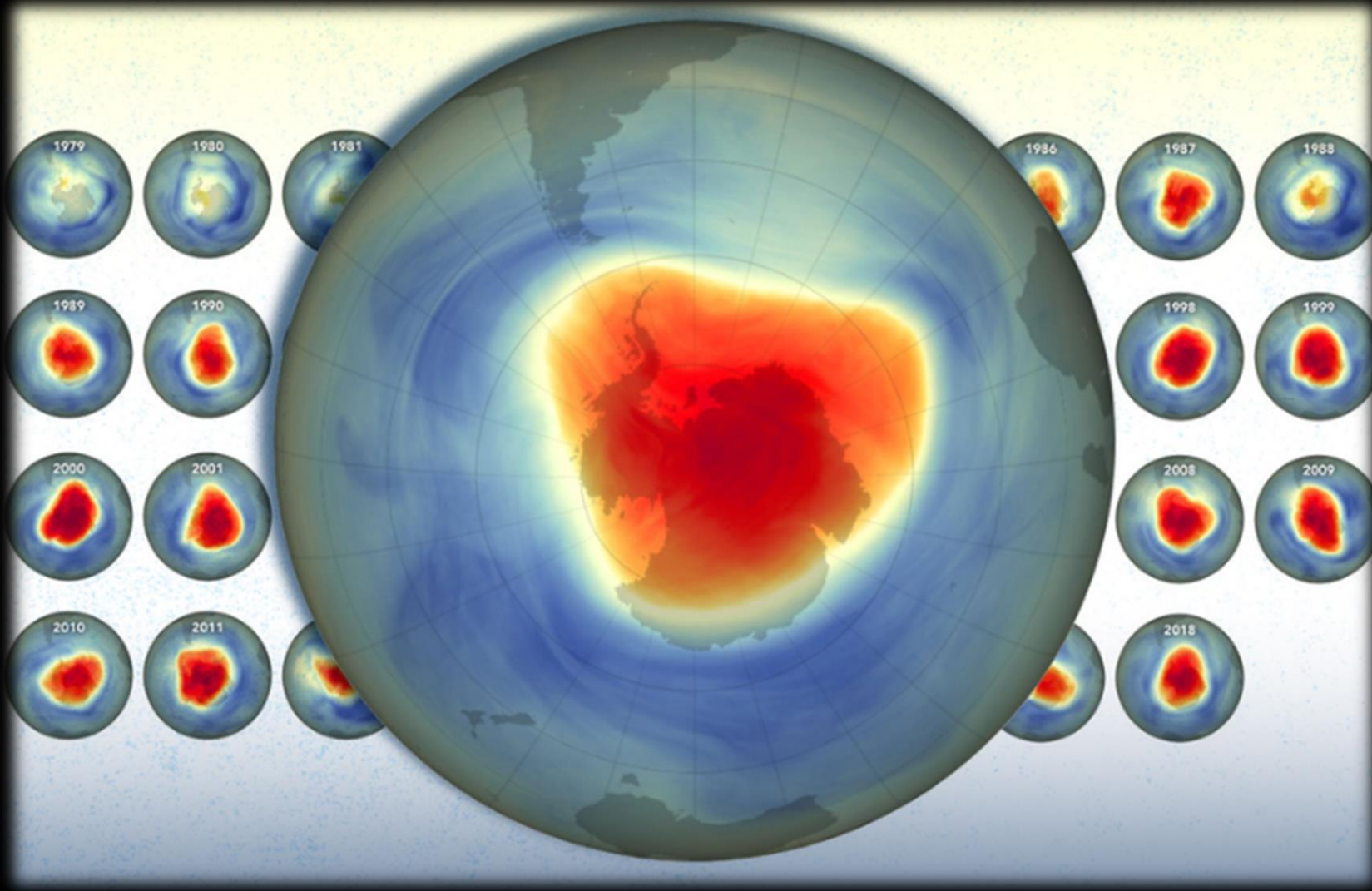


CFC Concentrations in the atmosphere



Source: S. J. Allin et al.: Chlorine isotope composition in atmospheric, CFC-11, CFC-12 and CFC-113. Emissions estimates for CFC-11 (gold), CFC-12 (green) and CFC-113 (orange), based on global tropospheric mole fractions (SPARC, 2013). Each species is represented by three lines. The two emissions estimates from this study (solid lines) are produced using the stratosphere–troposphere exchange flux calculations of Holton (1990) and Appenzeller et al. (1996), with the latter giving slightly higher emissions. These are compared to values from Velders and Daniel (2014) (dashed lines). CFC = Chlorofluorocarbons

Anthropogenic healing



How progress happens



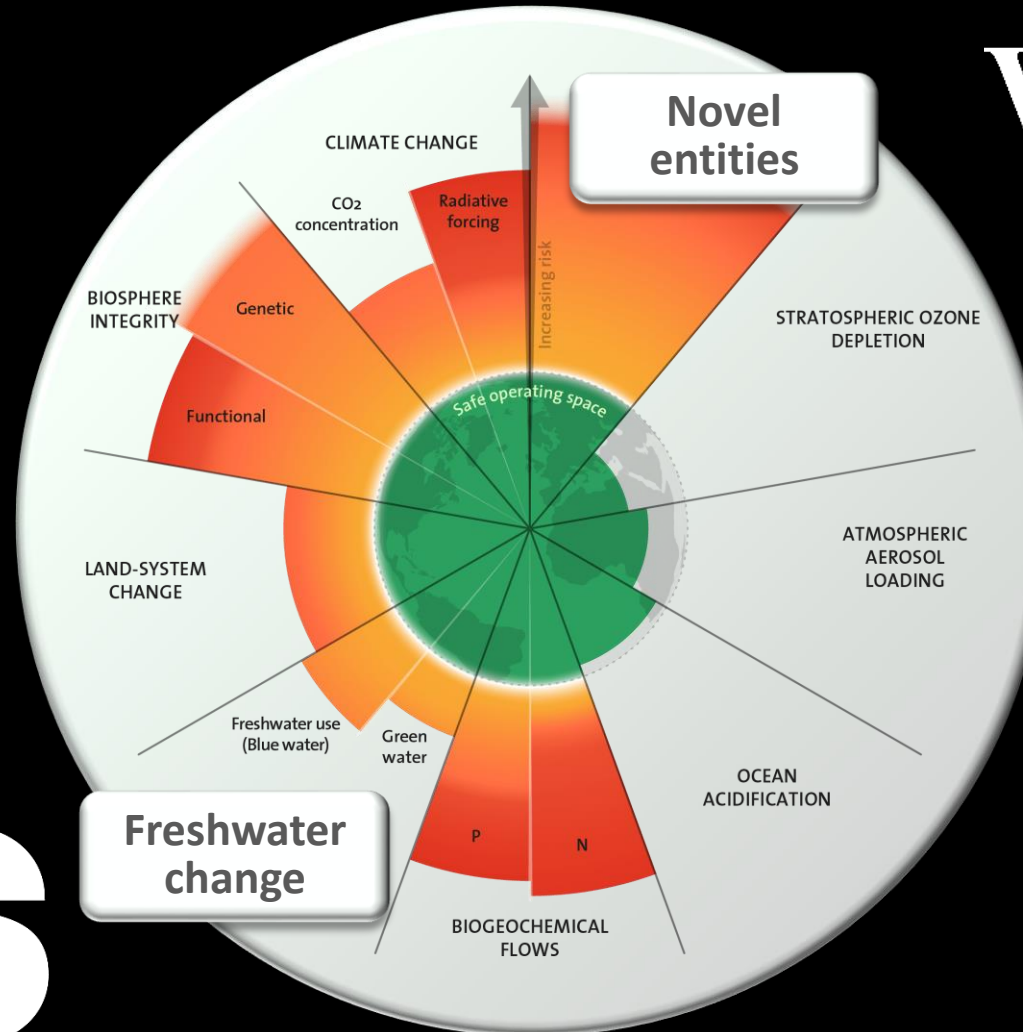
Planetary boundaries

Veralto™

OXFORD
INSTRUMENTS

Waters™

///ADS





Market
Capitalisation*

\$8.6bn

US NYSE Listing

#1

Market share
(US)

Improving the
management of water

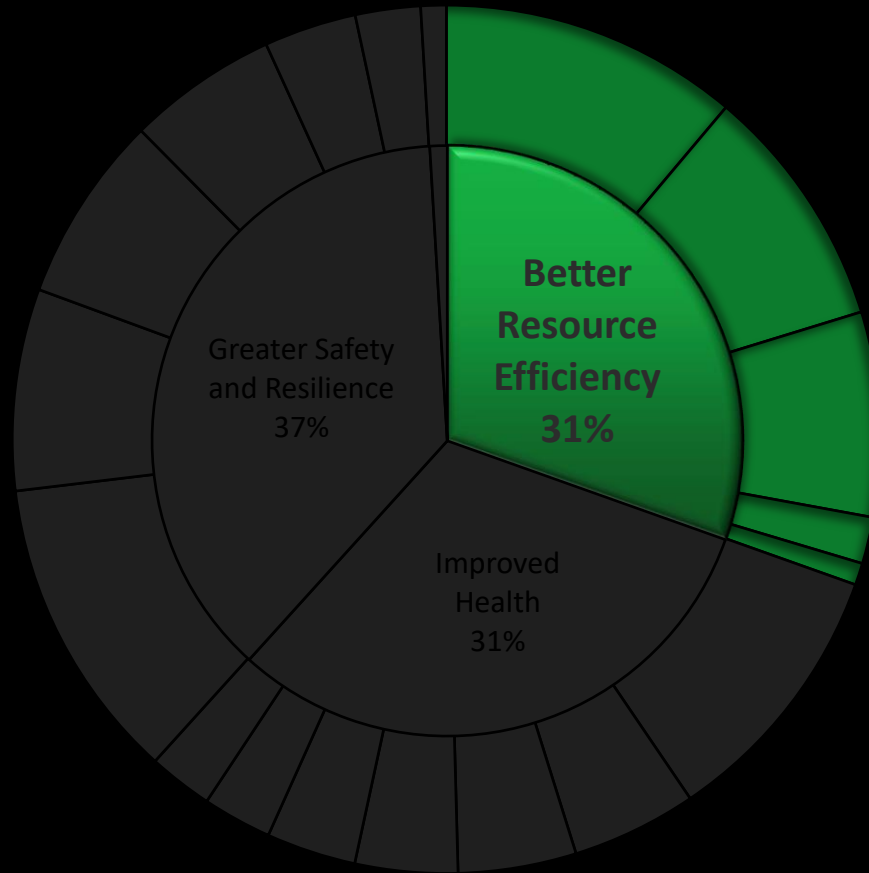
100%
revenues

Largest plastic
recycler in North
America

Plastic piping for water management



Thematic exposure: SF Global Growth



Better Resource Efficiency



- Improving the efficiency of energy use
- Improving the management of water
- Increasing electricity generation from renewable resources
- Improving the resource efficiency of industrial and agricultural processes
- Delivering a circular materials economy
- Making transport more efficient or safer

31% of SF Global Growth fund exposed to companies within Better Resource Efficiency themes



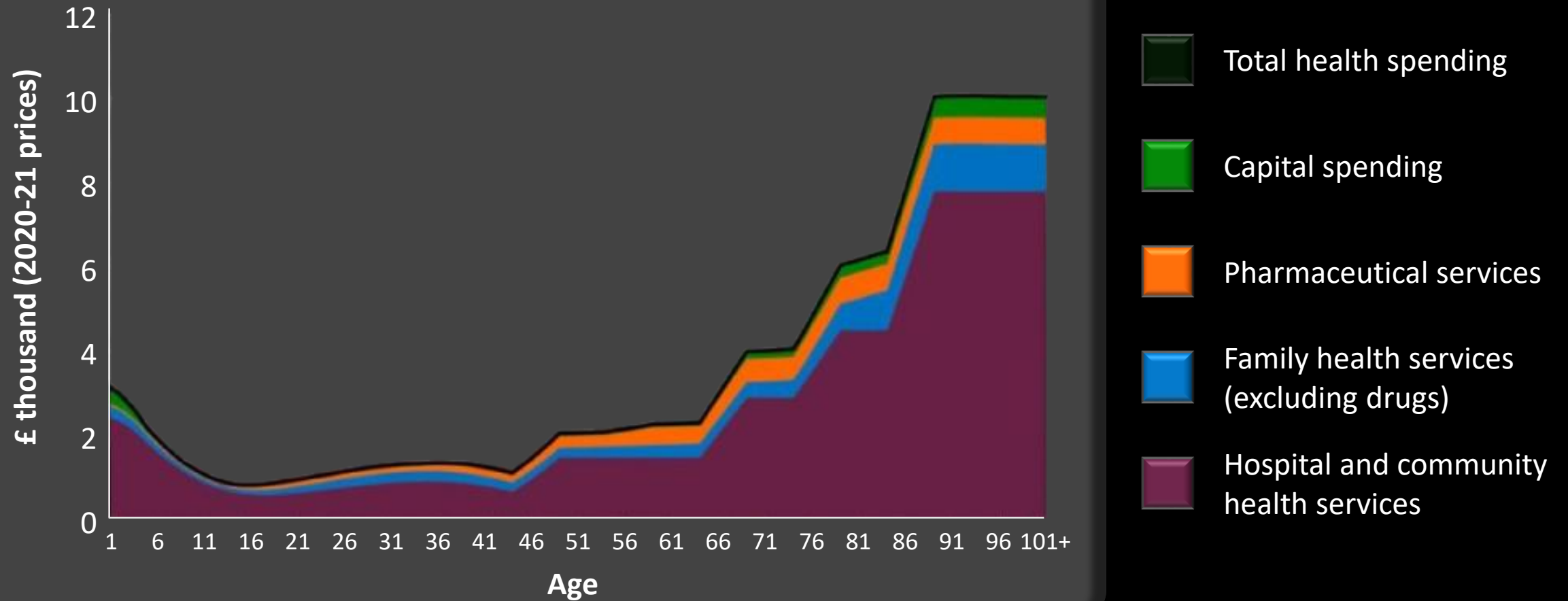


Improving health and quality of life

Sarah Nottle | Investment Analyst



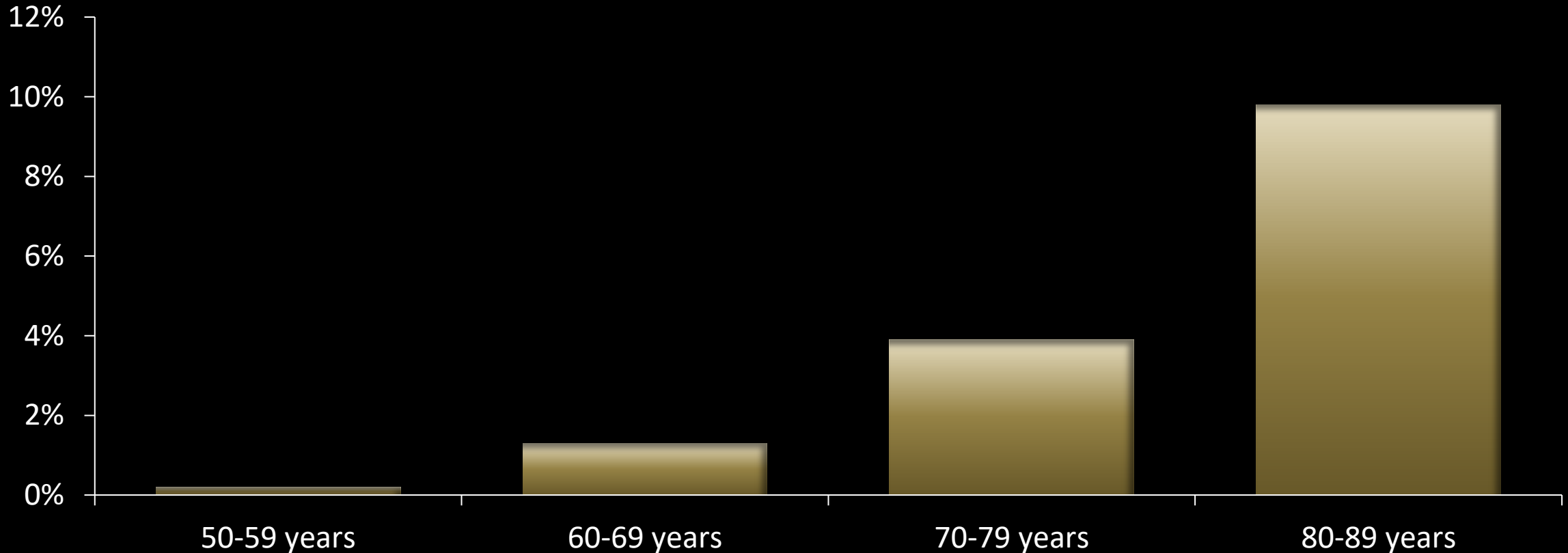
Ageing demographics and rising burdens





Edwards | Treating severe heart disease

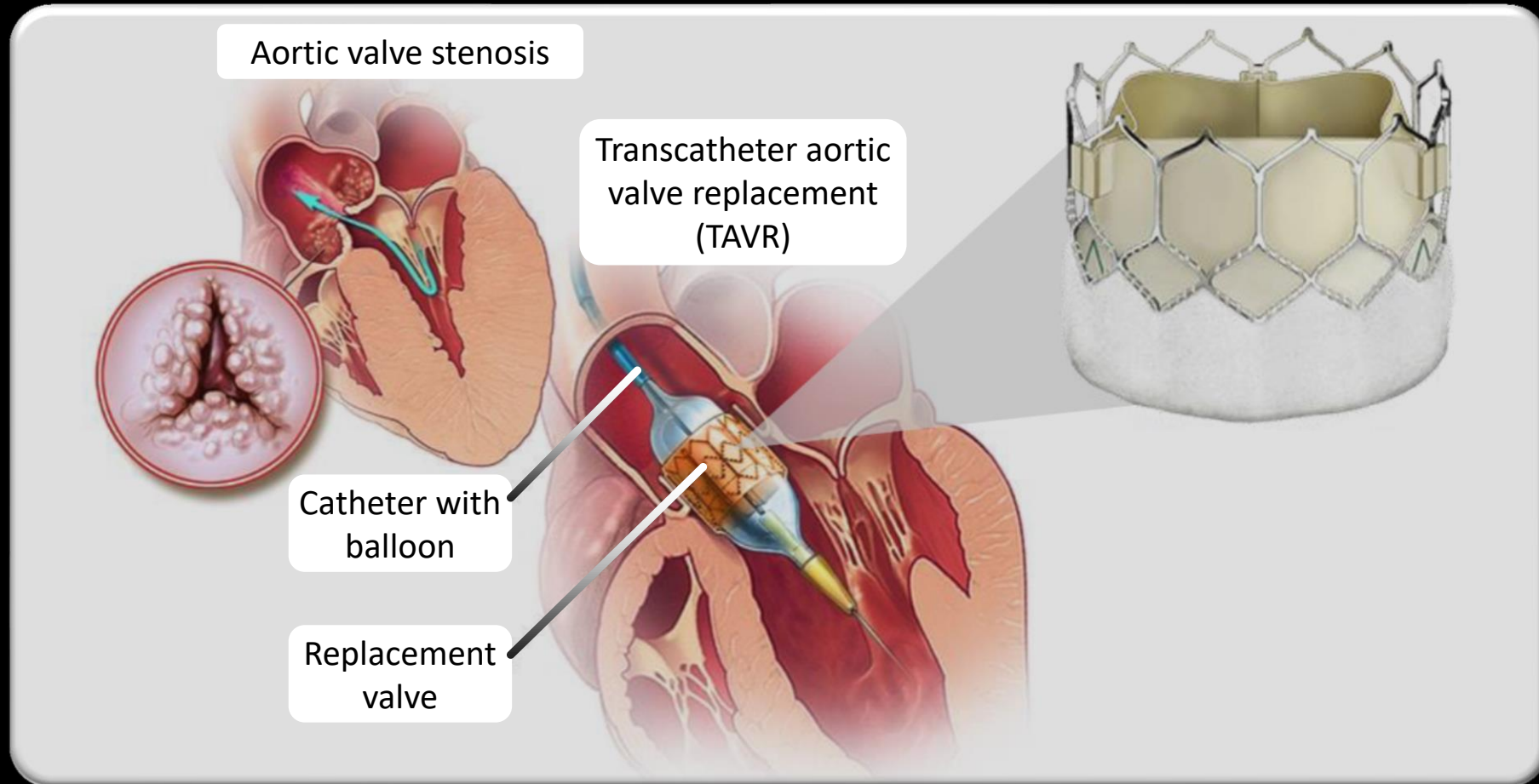
Aortic Stenosis Prevalence by Age Group



Source: [Epidemiology of aortic valve stenosis \(AS\) and of aortic valve incompetence \(AI\): is the prevalence of AS/AI similar in different parts of the world?](#); Acona R, Pinto, S 2020, 'Epidemiology of aortic valve stenosis (AS) and of aortic valve incompetence (AI): is the prevalence of AS/AI similar in different parts of the world?', European Society of Cardiology. All use of company logos, images or trademarks in this presentation are for reference purposes only

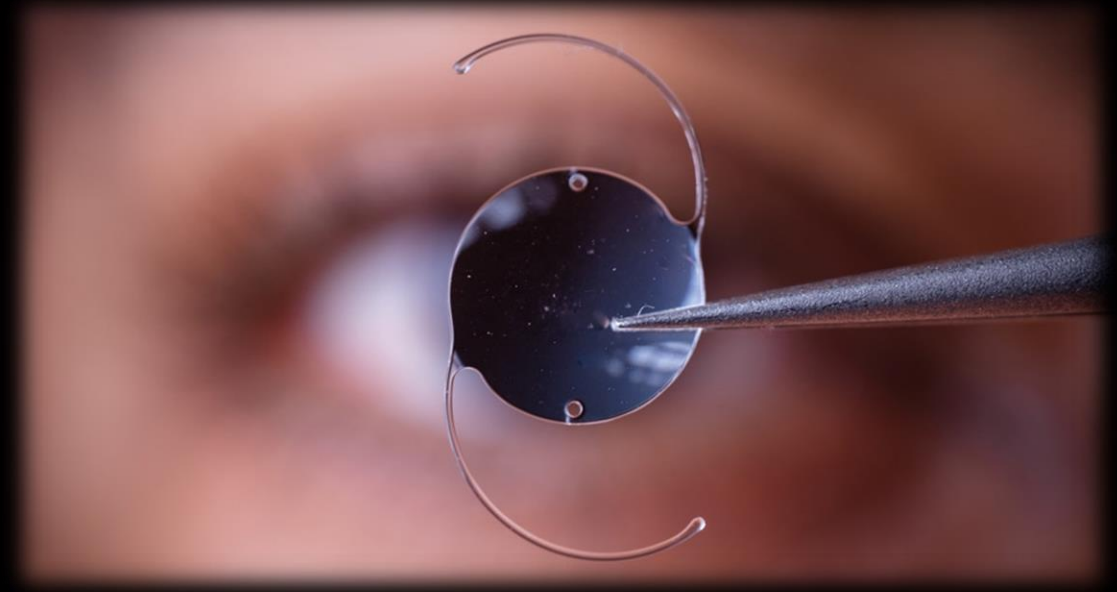
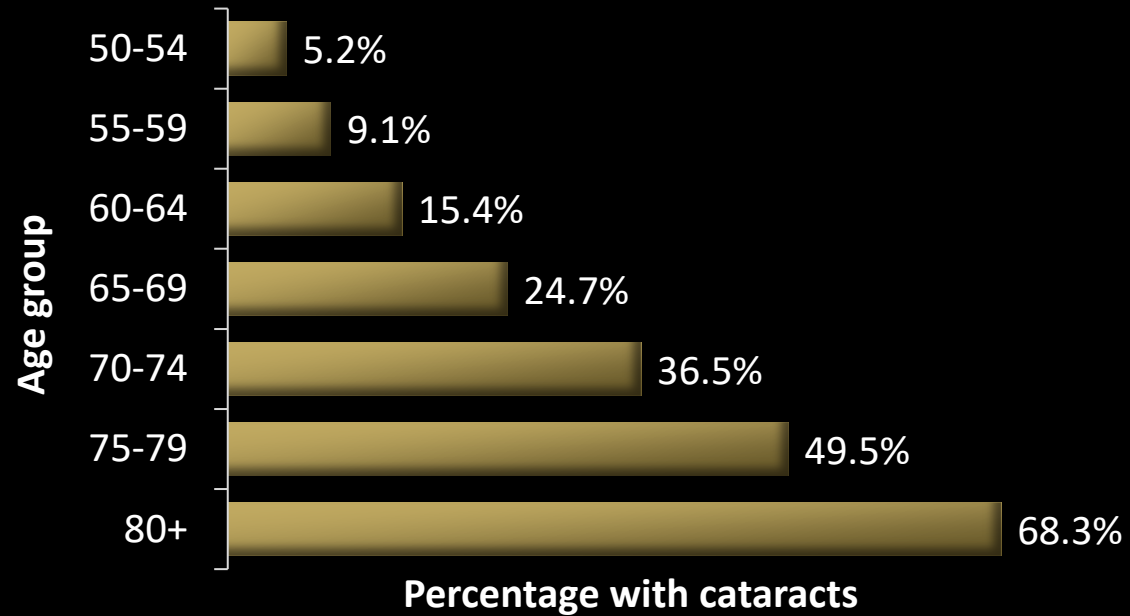


Edwards | Transcatheter aortic valve replacement (TAVR)

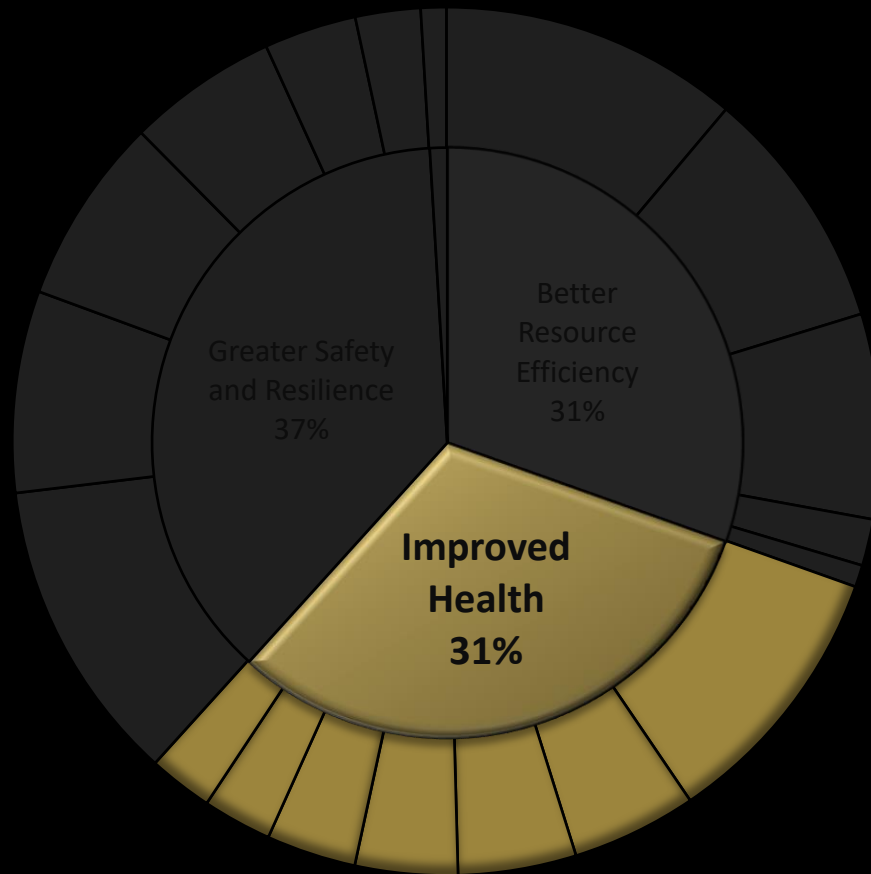


Alcon | Enabling sight

Cataract prevalence after age 50 (U.S.)



Thematic exposure: SF Global Growth



Improved Health



- Enabling innovation in healthcare
- Building better cities
- Connecting people
- Providing affordable healthcare
- Providing education
- Enabling healthier lifestyles
- Delivering healthier foods
- Encouraging sustainable leisure

31% of SF Global Growth fund exposed to companies Improving Health and quality of life

Improving resilience to natural events

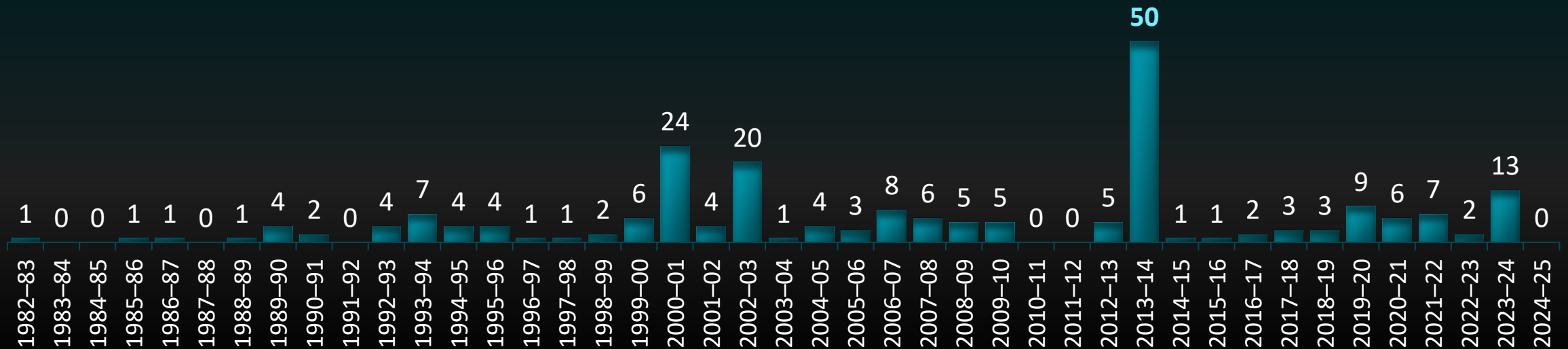
Mike Appleby



More extreme weather and disruptive natural events



Actual Thames Barrier closures – Average 5 times a year (max 50 in 2013/14)



Infrastructure | Ageing and in need of upgrades (investment)



nationalgrid

Market
Capitalisation
£53bn

Electricity grids
66%
of business

CAPEX:
£19bn
Capex into UK grids
2024-28

5-year upside to
price target:
66%

Grid owner and operator



Built environment



Market
Capitalisation

£91bn

Energy efficient
building controls and
chilled transport:

100%
of business

80%
of costs
from in use

5-year
upside:

50%

Specialist in energy efficient building controls
Heating & cooling

Insurance



Swiss Re

Improving resilience to natural events

Critical infrastructure

Monitoring and control

Good insurance



Management quality driving investment returns

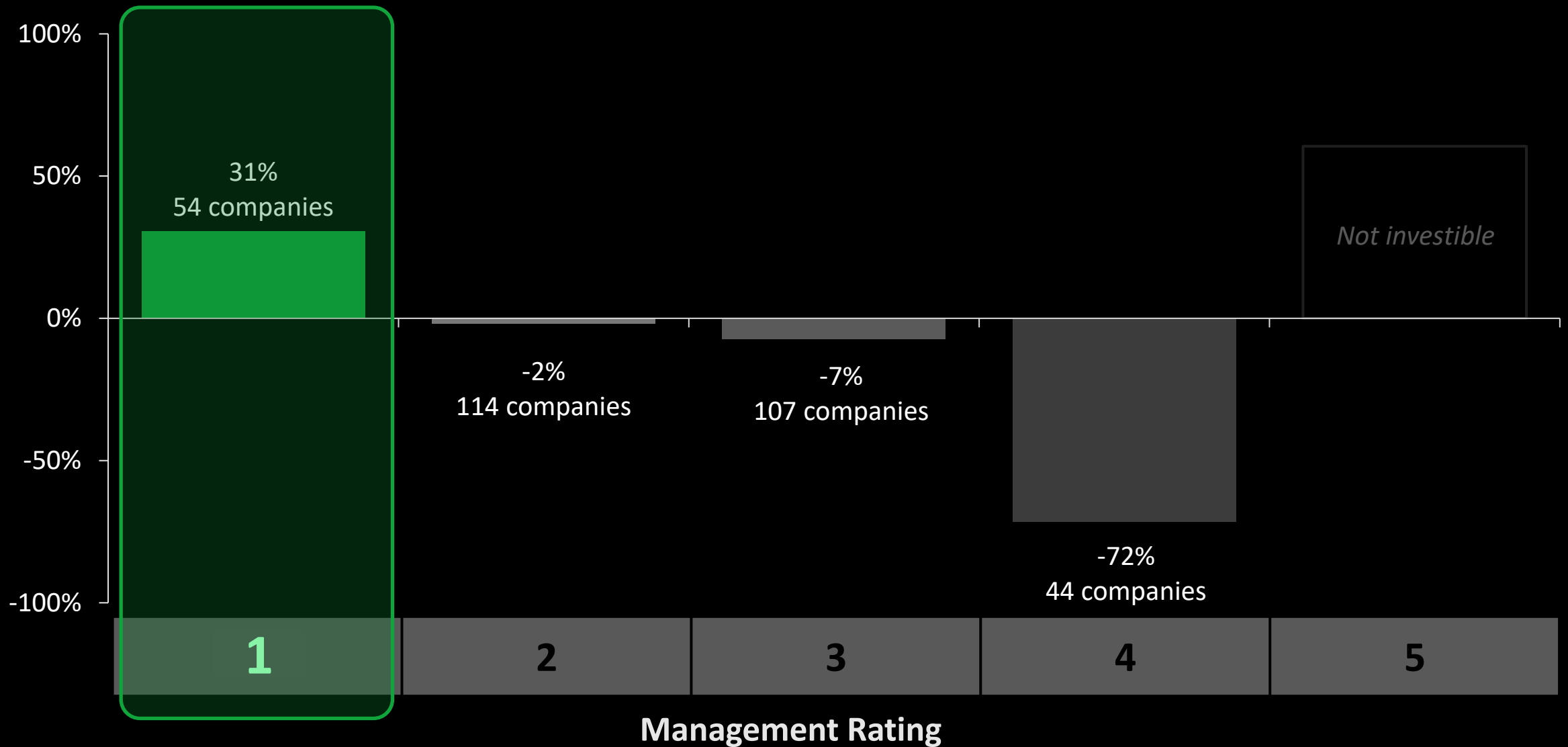
Chris Foster | Investment Manager



Our proprietary Sustainability Matrix

What they do Product	A					
	B					
	C					
	D					
	E					
		1	2	3	4	5
How they do it Management						

Relative total shareholder return



Management rating: Business fundamentals

Management Sustainability Rating

Sales and Margins	1	2	3	4
Operating margin	17%	16%	14%	16%
Returns	1	2	3	4
ROE	21%	15%	16%	14%
Balance Sheet	1	2	3	4
Net debt / EBITDA	1.0x	2.4x	1.7x	1.4x

Source: Liontrust, Factset, 2013-15 cohort, outliers or companies without data have been removed from the sample. ROE = Return on equity; EBITDA = Earnings before interest, taxes, depreciation, and amortisation

What they do | Product

A					
B			AJBell		
C					
D					
E					
	1	2	3	4	5

How they do it | Management

2019

What they do | Product

A					
B		AJBell			
C					
D					
E					
	1	2	3	4	5

How they do it | Management

2022

What they do | Product

A					
B					
C					
D					
E					
	1	2	3	4	5

How they do it | Management

2024



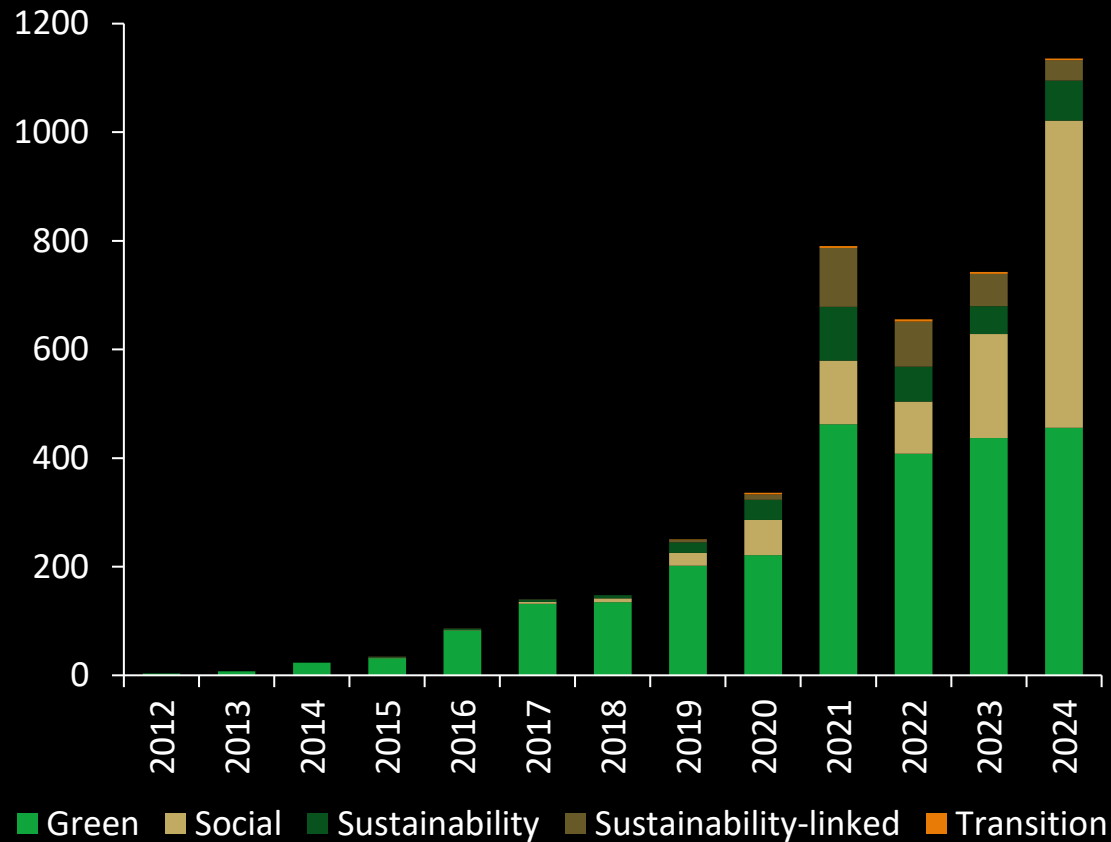
Corporate Bonds and Sustainable Investment

Kenny Watson & Nancy Kondelidou

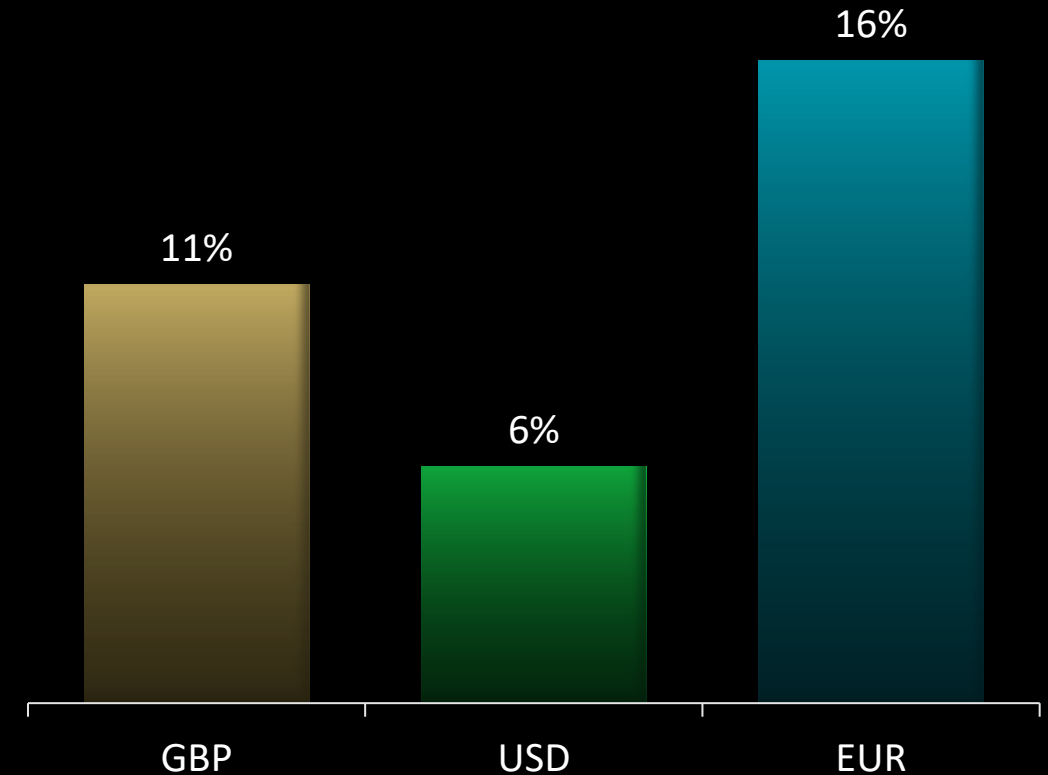


Bond Market Developments | Types of labelled bonds

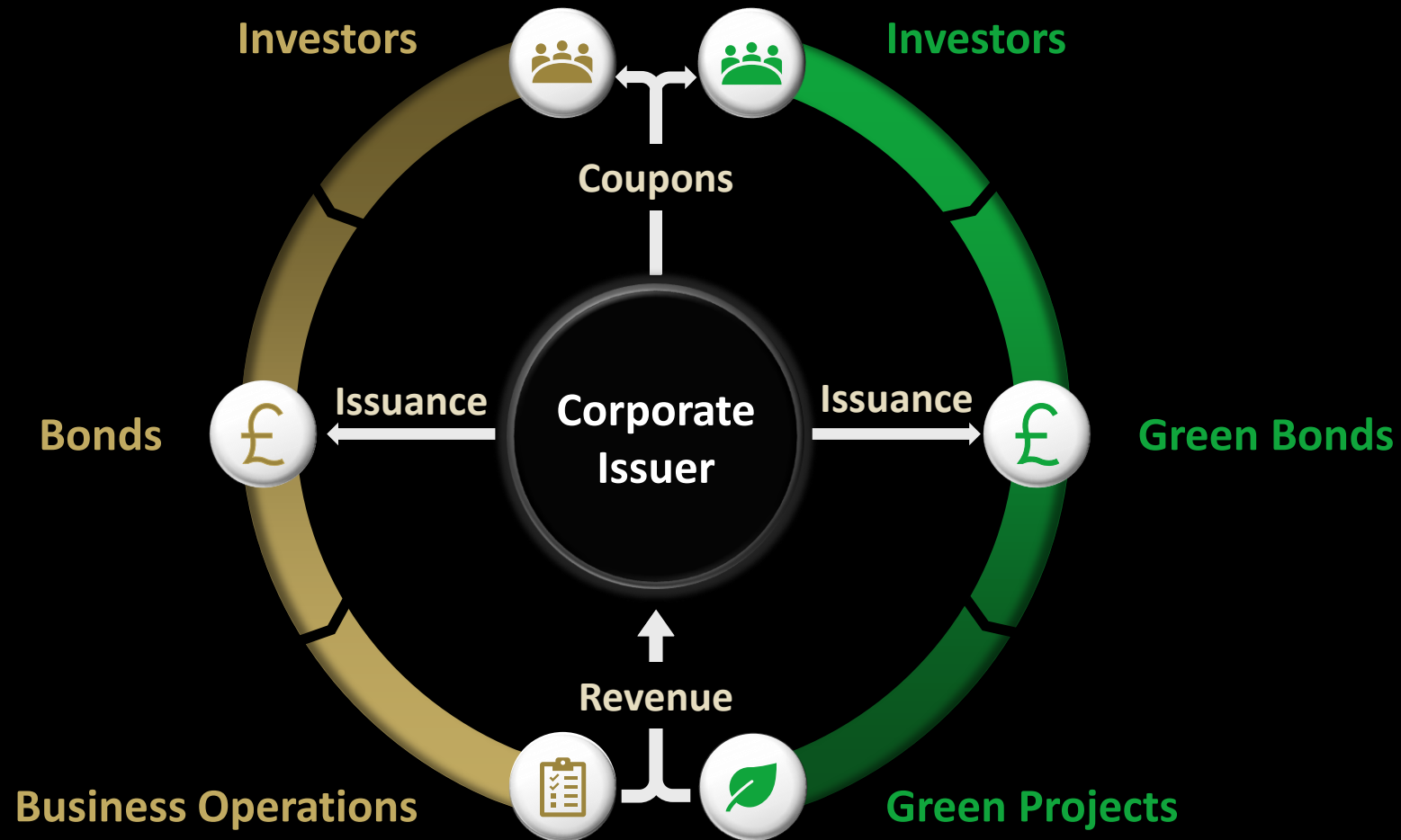
Labelled bond issuance has grown strongly...



...and now makes up a sizable proportion of IG markets



Sustainability | Green Bonds – a holistic view



Annual Water Company Engagement

Better Resource Efficiency: Improving the management of water

Sector challenges

Underinvestment

Victorian-era
dated assets

Operational
performance

Remuneration
packages

Pollution incidents,
affordability and
water resilience

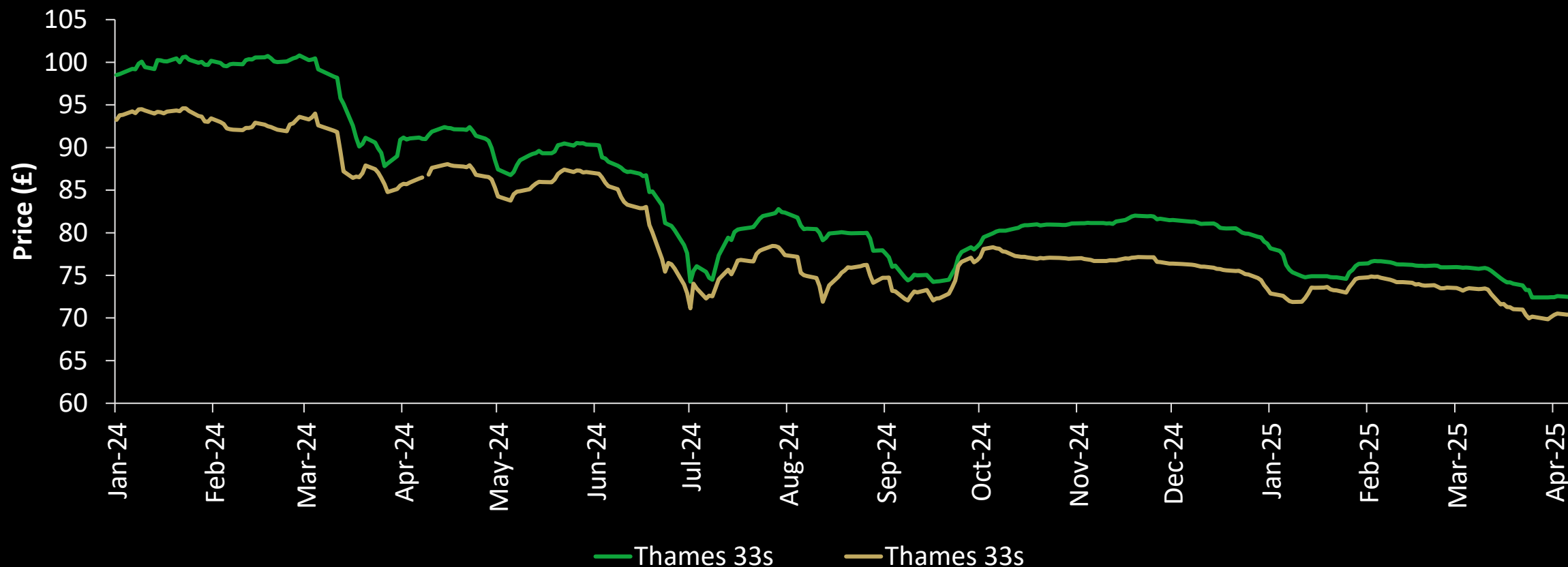
Public scrutiny

Our engagement



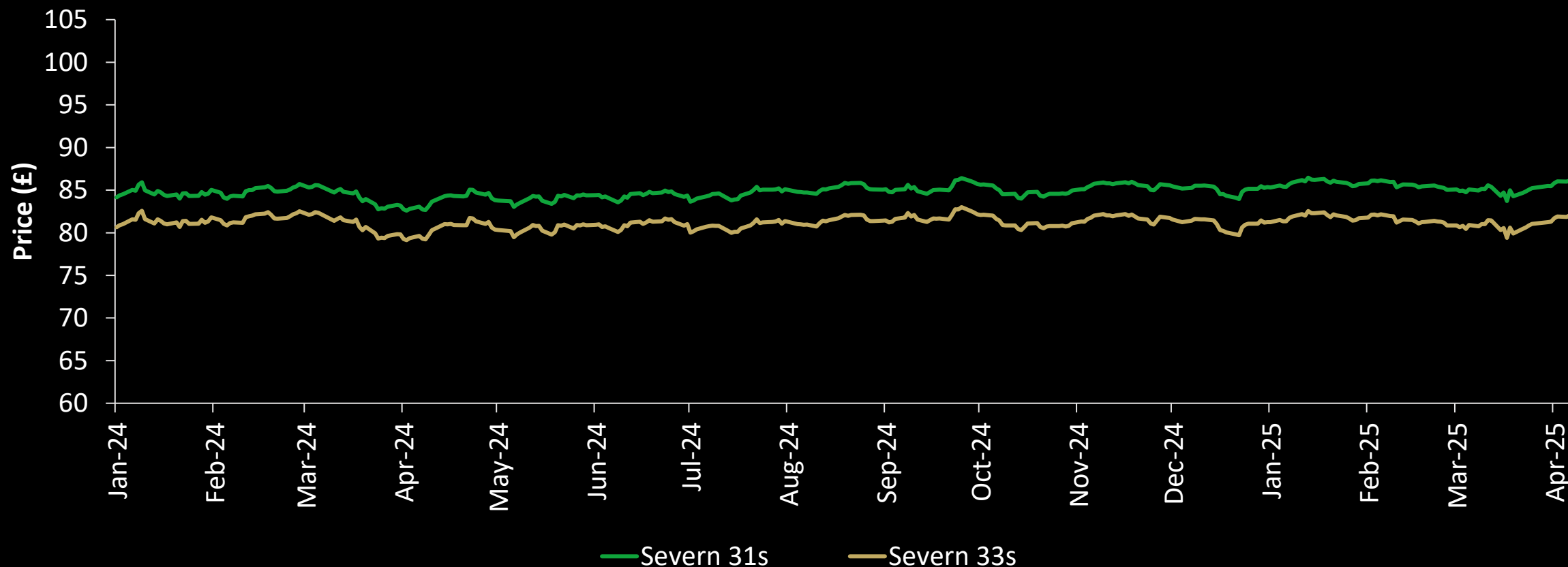
Green bonds | Issuers are judged on their individual merits

Green bonds don't isolate you from idiosyncratic risk...



Green bonds | Issuers are judged on their individual merits

...and they don't result in better performance either



Selection in action | What we focus on instead

Sustainability Themes





**Peter
Michaelis**

Head of Sustainable
Investment team



**Harriet
Parker**

Investment
Manager



**Sarah
Nottle**

Investment
Analyst



**Mike
Appleby**

Investment
Manager



**Chris
Foster**

Investment
Manager



**Kenny
Watson**

Investment
Manager



**Nancy
Kondelidou**

Investment
Analyst



SDR and Clients – Q&A

Mike Appleby | Investment Manager



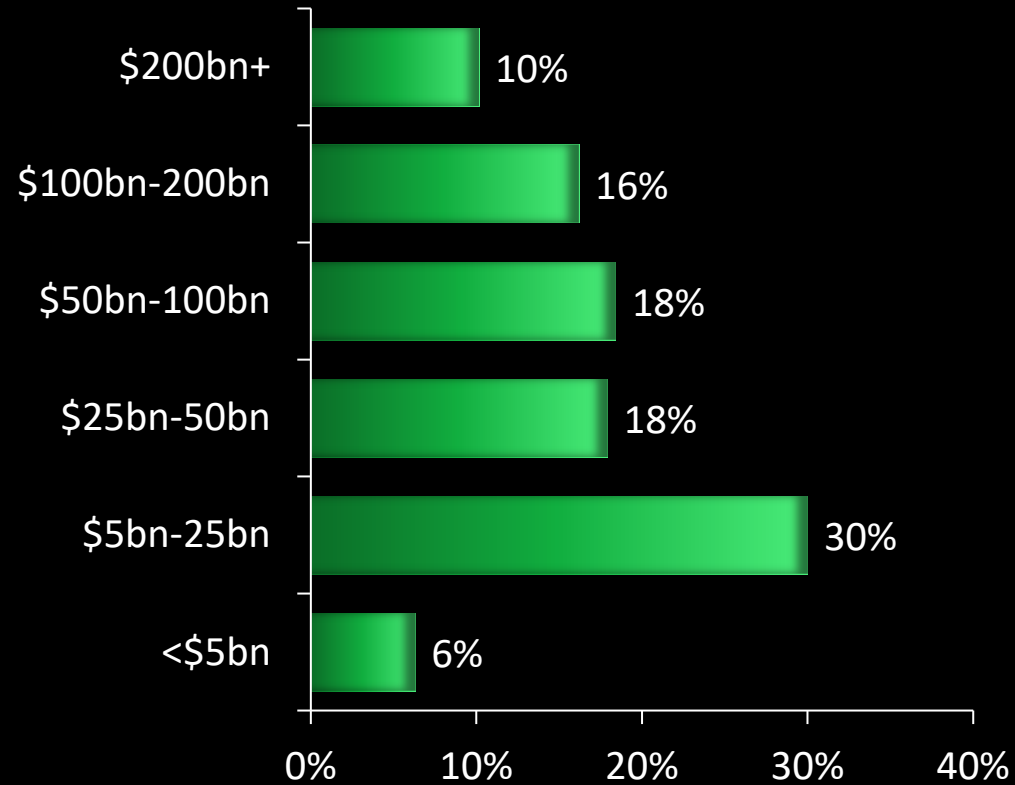
Outlook and prospects for sustainable investing

Peter Michaelis | Head of Sustainable Investment

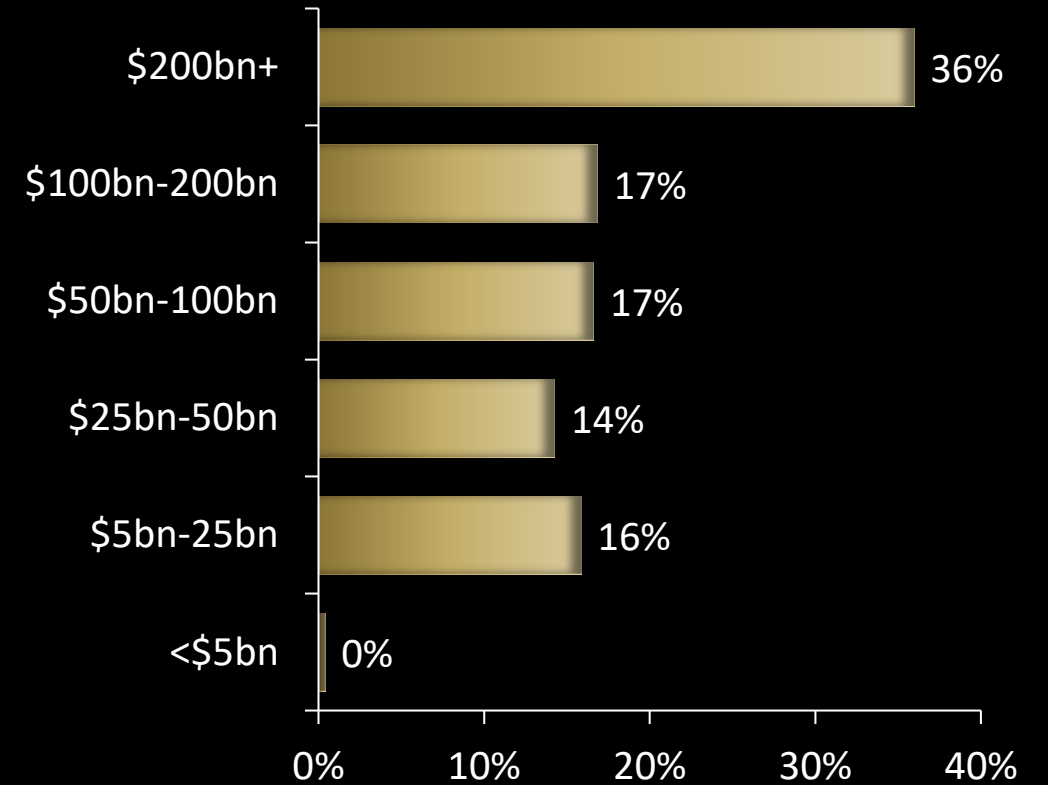


SF Global Growth Fund | Market cap split

Portfolio



MSCI Global

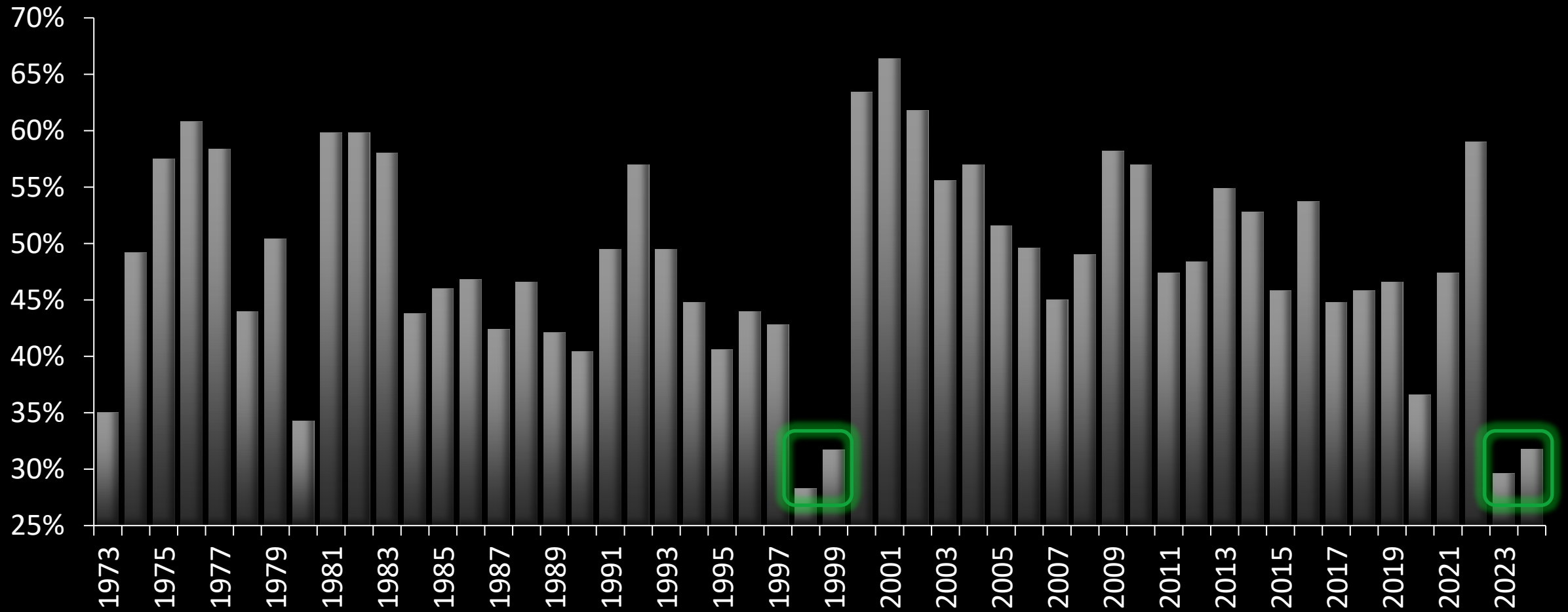


Total Shareholder Return

Small, Mid and Large Caps (MSCI World)



Record-low percentage of stocks outperforming the S&P 500 index



Opportunity in Small and Mid caps



Discount to 5-year average



Discount to 5-year average



	Discount to 5-year average	Revenue Growth FY1	EPS Growth FY1	Return on Common Equity
MSCI World	2%	3%	7%	15%
SF Global Growth Fund	-24%	8%	15%	25%

Source: Liontrust and Bloomberg as at 30.04.25. Excluding Spotify, Transmedics, Vestas



LIONTRUST

COURAGE • POWER • PRIDE



Kristian Cook | Head of UK Distribution



Feedback survey



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For investment professionals

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