

LIONTRUST UK ETHICAL FUND

Fund sustainability and impact report: Q2, 2021





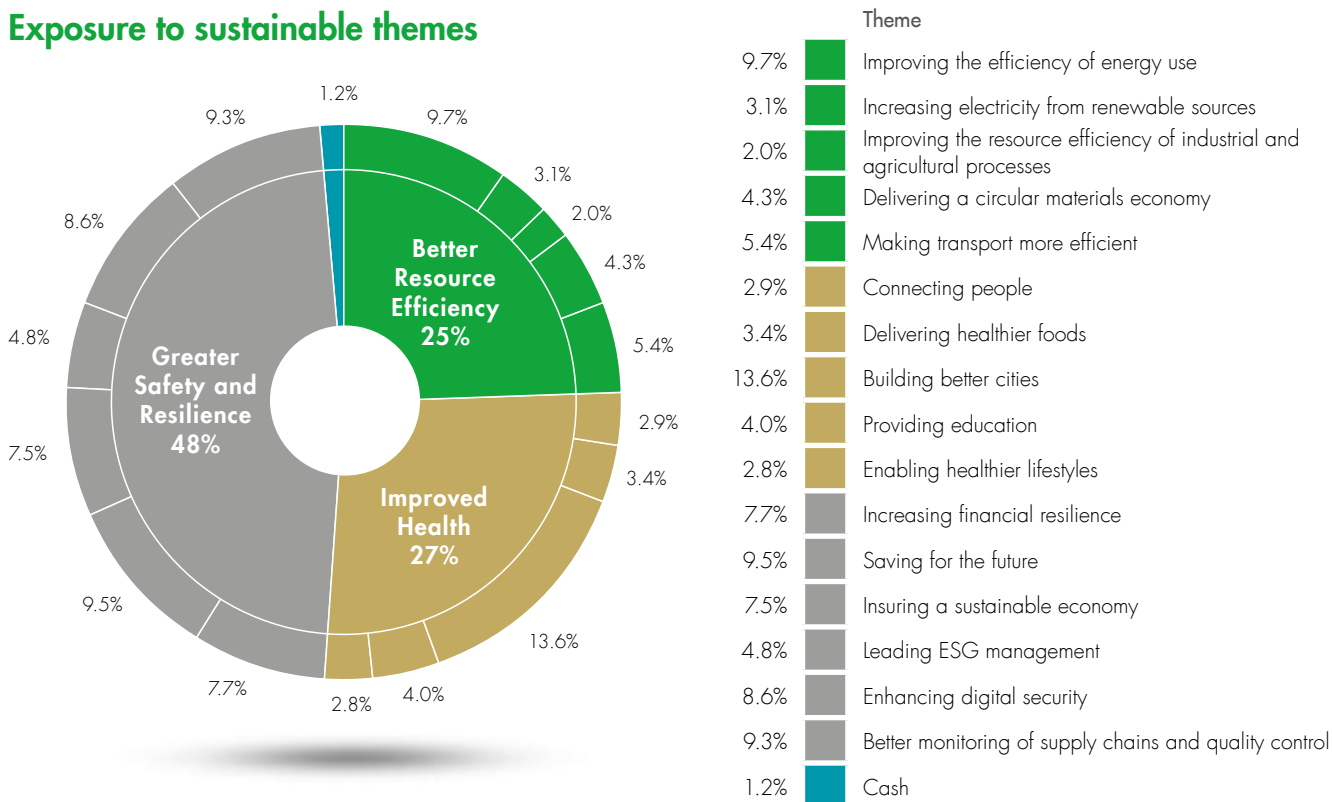
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Exposure to positive sustainability investment trends

We look to invest in companies having a positive impact on our economy by making it cleaner, healthier or safer. Exposure to 16 of our 21 sustainable investment themes is shown below.

Exposure to sustainable themes



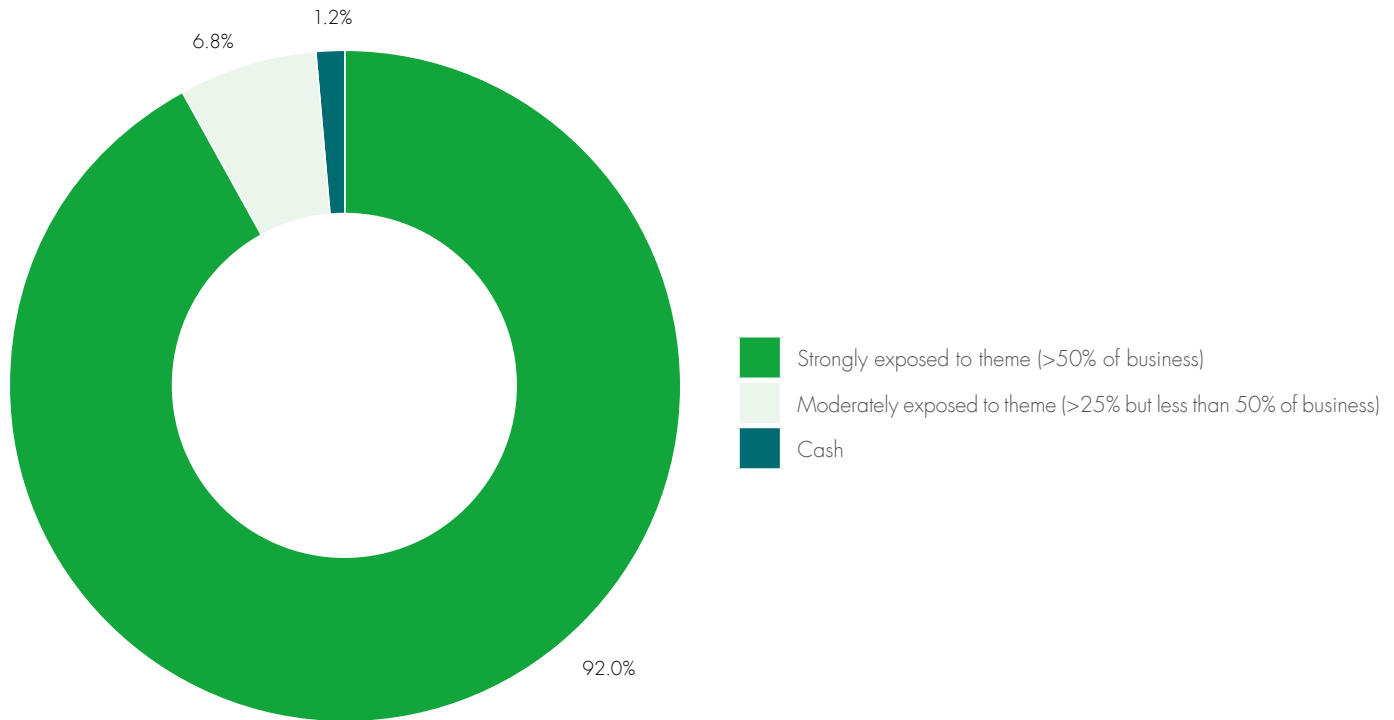
Source: Liontrust / Factset, 30 June 2021

Exposure to positive sustainability investment trends

Sustainable investment themes: how much of business is exposed

This analysis shows what proportion of companies held in the fund is exposed to the Sustainable investment themes: 92.0% of the fund is invested in companies that are strongly exposed to our themes (which

means more than 50% of the business's revenues); a further 6.8% of the fund is invested in companies that are moderately exposed to our themes, which means between 25% and 50% of revenues.



Source: Liontrust / Factset, 30 June 2021

Alignment with UN Sustainable Development Goals

This analysis shows how the Sustainable investment themes are linked to the United Nations' Sustainable Development Goals (SDGs).

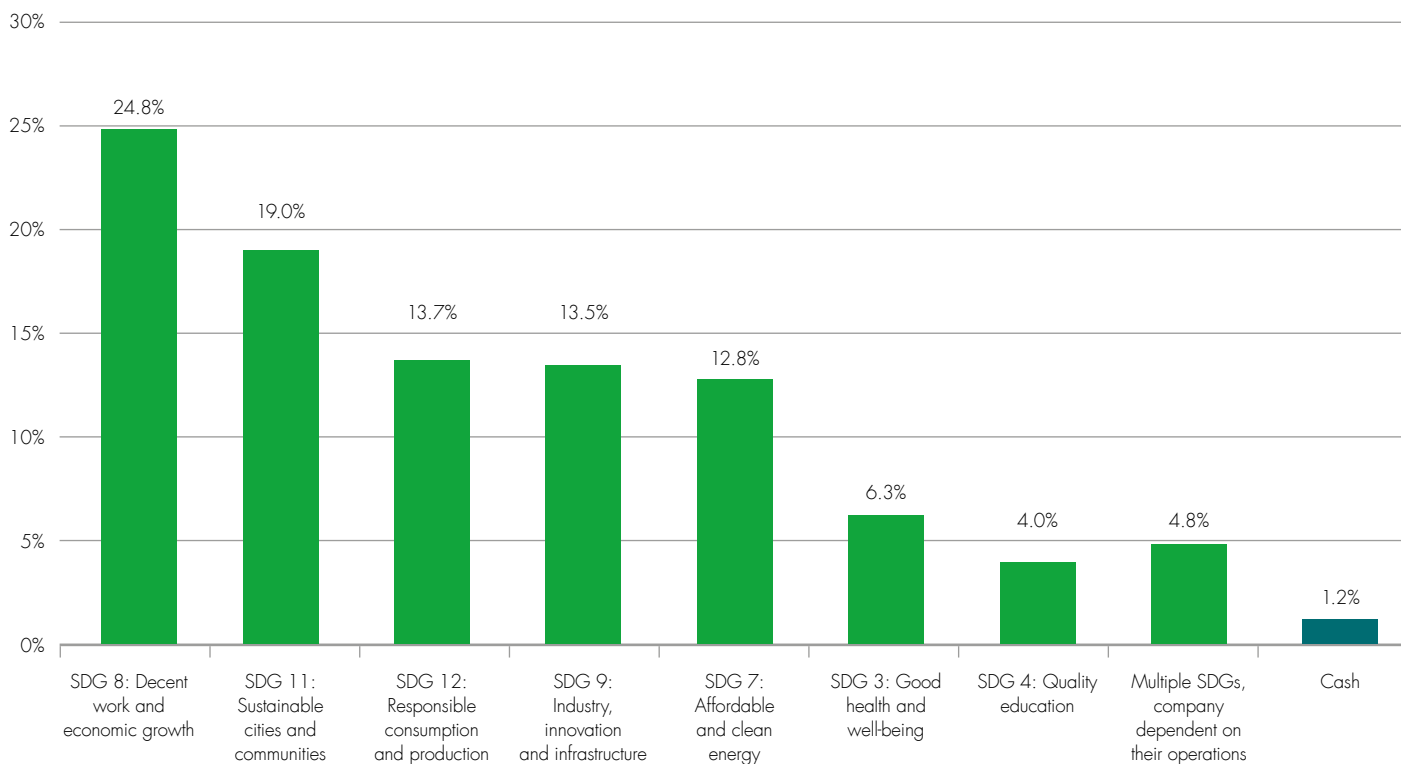
All of the Sustainable investment themes are linked to SDGs and the underlying Key Performance Indicator they relate to have been identified in the SDG text. A more detailed discussion on impact and how the Sustainable themes are aligned with the SDGs is

available in the SF Annual Review 2020 on pages 27-33: www.liontrust.co.uk/sustainable

The fund has most exposure to SDG 8: Decent work & economic growth (24.8%); SDG 11: Sustainable cities and communities (19.0%); SDG 12: Responsible consumption and production (13.7%); SDG 9: Industry, innovation and infrastructure (13.5%).

The fund is exposed to seven of the 17 UN SDGs.

Sustainable investment themes mapped to UN Sustainable Development Goals (% of fund exposure)

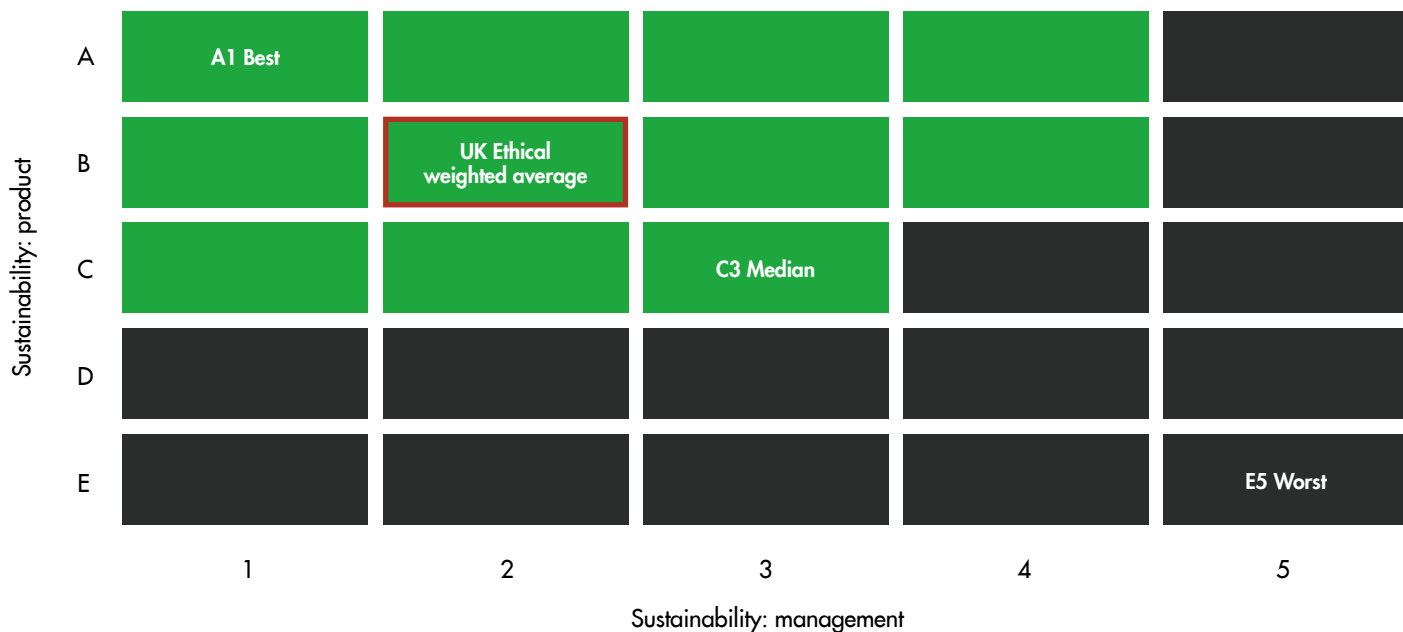


Source: Liontrust / Factset, 30 June 2021

Assessment of how sustainable companies are: Sustainability Matrix Rating

We assess every company using our proprietary Sustainability Matrix Rating, which measures how sustainable the products and services are as well as how well they manage the material environmental, social and governance (ESG) matters related to their business.

The weighted average Sustainability Matrix rating for the fund is B2 (marked in red in the figure below). This shows the fund is invested in companies whose products and services are more sustainable and whose management of ESG aspects of their business is better than the market it invests in. There are no companies in the fund which are rated in the ineligible grey area of the Sustainability matrix.

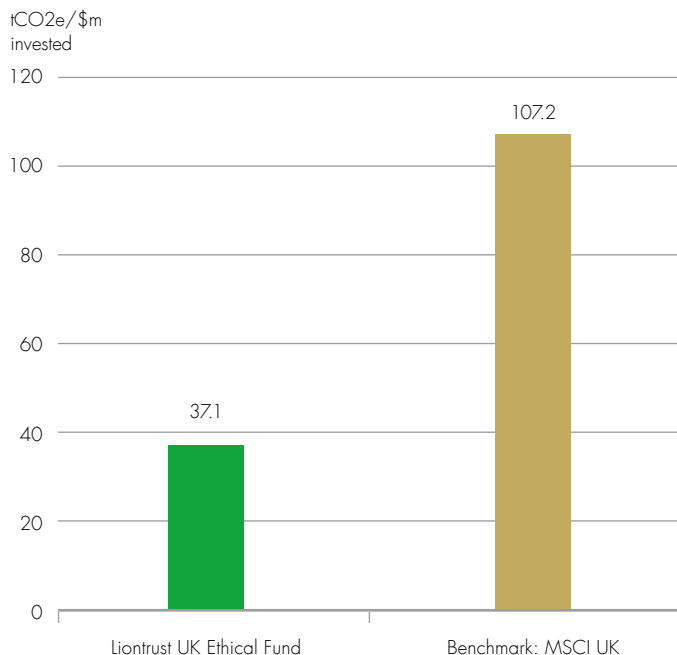


Source: Liontrust / Factset, 30 June 2021

Climate change: portfolio data on carbon, solutions and fossil fuels

Carbon emissions of fund compared to conventional benchmark

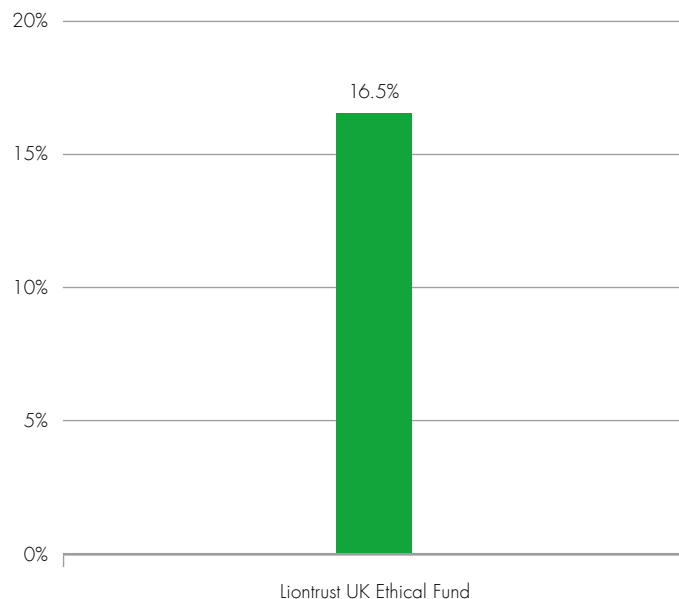
This analysis shows the investments in the fund emit 65.4% less carbon (tCO₂e) than the market it invests in. This independent analysis includes direct emissions forming scope 1 and scope 2 emissions only*.



Source: MSCI Carbon analytics as at 30 June 2021. The MSCI UK Index is one of two comparator benchmarks for this fund. Carbon emissions data available for 82.0% of the fund and 100% of the benchmark. *Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources controlled or owned by an organisation (associated with fuel combustion in boilers, furnaces, vehicles and so on). Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Scope 3 (all indirect emissions, not included in scope 2, that occur in the value chain of the reporting company) is important but not currently available in a consistent data set with enough coverage to be included in this independent analysis.

Companies offering clean technology solutions

This analysis shows that the fund holds 16.5% of companies that MSCI has determined are providing clean technology solutions. Although their methodology is different to ours, it does broadly correspond to 26% of the fund being invested in companies with significantly more than 25% of sales related to better resource efficiency, which reduces emissions.



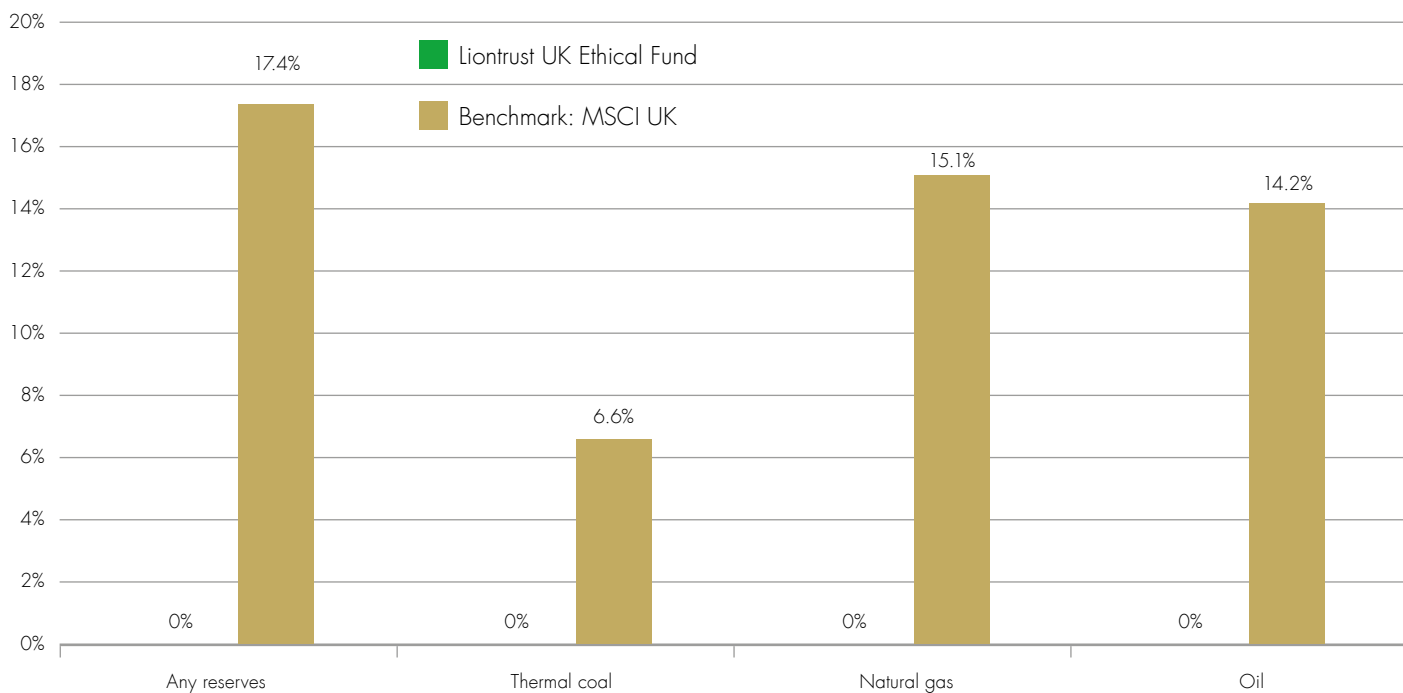
Source: MSCI Carbon Analytics as at 30 June 2021.

Weight of holdings owning fossil fuels

Weight of companies owning fossil fuel reserves

Liontrust UK Ethical Fund = zero exposure

This analysis shows the fund holds no companies that have fossil fuel reserves: 0% exposure to any fossil fuel reserves; 0% exposure to thermal coal reserves; 0% exposure to natural gas reserves; and 0% exposure to oil reserves.



Source: MSCI Carbon Analytics as at 30 June 2021. The MSCI UK Index is one of two comparator benchmarks for this fund. Carbon emissions data available for 82.0% of the fund and 100% of the benchmark

All Fund holdings

Alphabetical list showing all holdings in the fund along with their sector, our Sustainability Matrix Rating and Sustainable investment theme. The fund is invested in 43 companies.

Company name	Sector	Sustainability Matrix	Sustainable investment theme
AJ BELL PLC	Financials	B2	Saving for the future
AVAST PLC	Information Technology	A3	Enhancing digital security
CAPITAL FOR COLLEAGUES PLC	Financials	A3	Increasing financial resilience
CERES POWER HOLDINGS PLC	Industrials	A3	Improving the efficiency of energy use
COMPASS GROUP PLC	Consumer Discretionary	C1	Leading ESG management
COUNTRYSIDE PROPERTIES PLC	Consumer Discretionary	B2	Building better cities
CREST NICHOLSON HOLDINGS PLC	Consumer Discretionary	B3	Building better cities
DFS FURNITURE PLC	Consumer Discretionary	C1	Leading ESG management
DISTRIBUTION FINANCE CAPITAL HOLDINGS PLC	Financials	B2	Increasing financial resilience
ETHICAL PROPERTY CO	Real Estate	A2	Building better cities
FIRST DERIVATIVES PUBLIC LIMITED COMPANY	Information Technology	B3	Improving the resource efficiency of industrial and agricultural processes
GB GROUP PLC	Information Technology	B3	Enhancing digital security
GENUIT GROUP PLC	Industrials	B1	Building better cities
GREENCOAT UK WIND PLC	Utilities	A3	Increasing electricity from renewable sources
HALMA PUBLIC LIMITED COMPANY	Information Technology	A1	Better monitoring of supply chains and quality control
HARGREAVES LANSDOWN PLC	Financials	B3	Saving for the future
HELIOS TOWERS PLC	Communication Services	A3	Connecting people
HOME REIT PLC	Real Estate	A3	Building better cities
INTERTEK GROUP PLC	Industrials	B2	Better monitoring of supply chains and quality control
KINGSPAN GROUP PUBLIC LIMITED COMPANY	Industrials	A4	Improving the efficiency of energy use
LEARNING TECHNOLOGIES GROUP PLC	Information Technology	A2	Providing education

Continues on the next page

Source: Liontrust / Factset, 30 June 2021

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme
LEGAL & GENERAL GROUP PLC	Financials	B1	Insuring a sustainable economy
LONDON STOCK EXCHANGE GROUP PLC	Financials	B2	Increasing financial resilience
MORTGAGE ADVICE BUREAU (HOLDINGS) PLC	Financials	B3	Increasing financial resilience
NATIONAL EXPRESS GROUP PLC	Industrials	A1	Making transport more efficient
NATIONAL GRID PLC	Utilities	B2	Improving the efficiency of energy use
OXFORD INSTRUMENTS PLC	Information Technology	A2	Better monitoring of supply chains and quality control
PARAGON BANKING GROUP PLC	Financials	B1	Building better cities
PRUDENTIAL PUBLIC LIMITED COMPANY	Financials	B3	Insuring a sustainable economy
SDCL ENERGY EFFICIENCY INCOME TRUST PLC	Renewable Energy Infrastructure	A2	Improving the efficiency of energy use
SMART METERING SYSTEMS PLC	Industrials	B3	Improving the efficiency of energy use
SMURFIT KAPPA GROUP PUBLIC LIMITED COMPANY	Materials	B1	Delivering a circular materials economy
SOFTCAT PLC	Information Technology	B1	Enhancing digital security
ST. JAMES'S PLACE PLC	Financials	C2	Saving for the future
THE GYM GROUP PLC	Consumer Discretionary	A1	Enabling healthier lifestyles
THE PRS REIT PLC	Real Estate	B2	Building better cities
THE RENEWABLES INFRASTRUCTURE GROUP LIMITED	Utilities	A2	Increasing electricity from renewable sources
THRIVE RENEWABLES BEOCHLICH	Utilities	A2	Increasing electricity from renewable sources
TRAINLINE PLC	Consumer Discretionary	B1	Making transport more efficient
TREATT PLC	Materials	B2	Delivering healthier foods
TRUFIN PLC	Financials	B4	Increasing financial resilience
TRUSTPILOT GROUP PLC	Communication Services	B3	Increasing financial resilience
US SOLAR FUND PLC	Utilities	A3	Increasing electricity from renewable sources
CASH			

Source: Liontrust / Factset, 30 June 2021



Key risks

Past performance is not a guide to future performance. Do remember that the value of an investment and the income generated from them can fall as well as rise and is not guaranteed, therefore, you may not get back the amount originally invested and potentially risk total loss of capital.

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