

LIONTRUST SF MONTHLY INCOME BOND FUND

Fund sustainability report: Q4, 2022

Marketing communication





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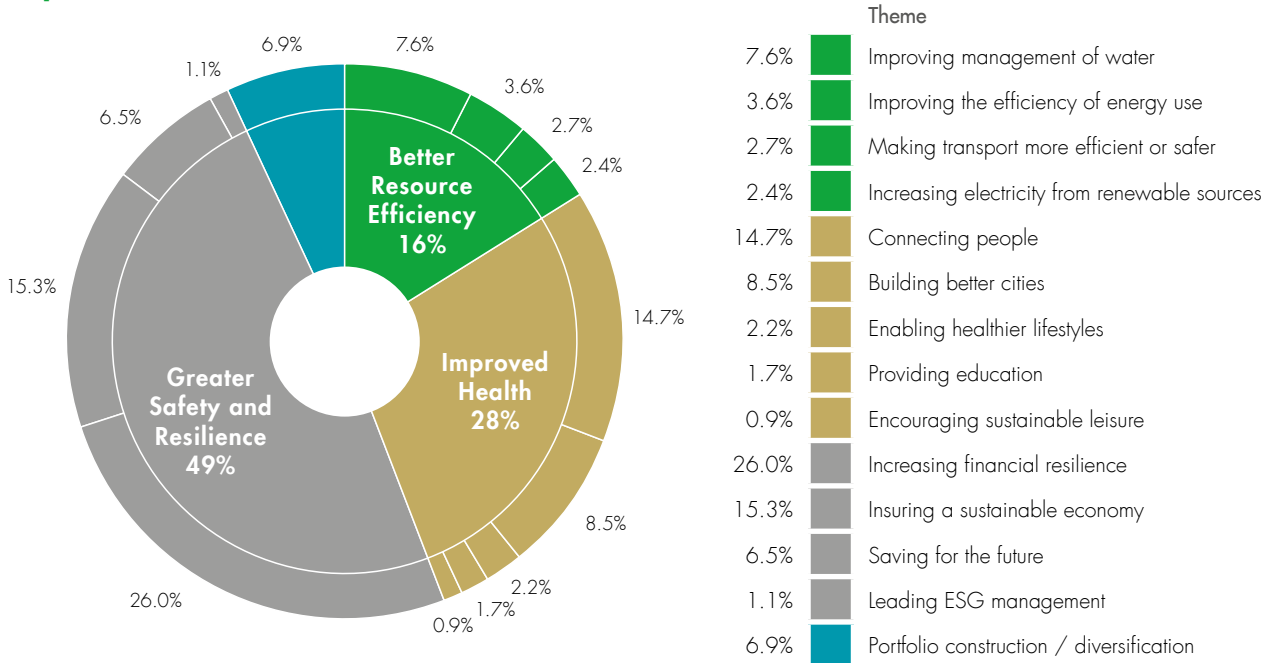
Exposure to positive sustainability investment trends

Consistent with the available opportunities in investment grade corporate bonds and our approach that seeks to invest in resilient companies, our fixed income funds typically have a high allocation to the Greater safety and resilience mega trend. For more detail on the sustainable themes, see liontrust.co.uk/sustainable

Within this trend, the two sub themes with the greatest exposure are *Increasing financial resilience* and *Insuring a sustainable economy*. The fund's exposure to Banks and Insurance generally sits within these themes and is a significant component. Typically, the exposure within the *Increasing financial resilience* theme is to banks that are well capitalised and have a focus on retail and SME lending coupled with

resilient and prudent lending practices. We believe that high quality lending and banking activities is important to a resilient economy. Typically, the exposure within the *Insuring a sustainable economy* theme is to insurance companies. Insurance facilitates economic growth by giving people the confidence to invest in themselves, their lives or their businesses. The leading insurance companies expend time and resources researching issues such as climate change in order to make them more efficient when it comes to pricing risk. Through this research they become better underwriters with a greater ability to advise their clients on potential risks, while also fully integrating their analysis in order to make better investments. We believe that these leading companies again create more resilient, sustainable economies.

Exposure to sustainable themes



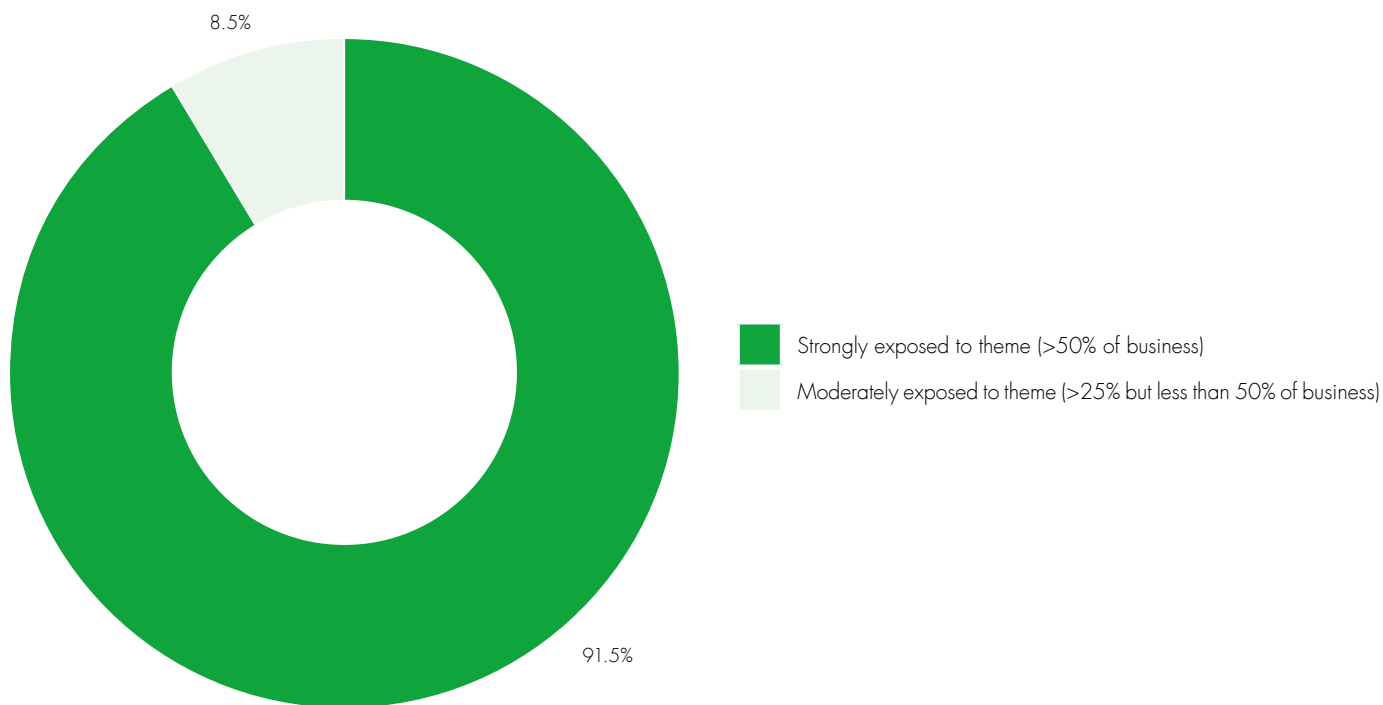
Data as at 31 December 2022. Chart is thematic exposure to corporate bonds only, Government bonds and cash excluded

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: 91.5% 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 8.5% of the fund is invested in companies that are moderately exposed to our themes, which means between 25% and 50% of revenues.



Source: Liontrust / Facstet as at 31 December 2022. Data is representative of corporate bonds only and excludes government bonds and cash

Alignment with UN Sustainable Development Goals

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 investment themes are aligned with the SDGs is available in the SF Annual Review: www.liontrust.co.uk/fund-managers/sustainable-investment/sustainable-documents

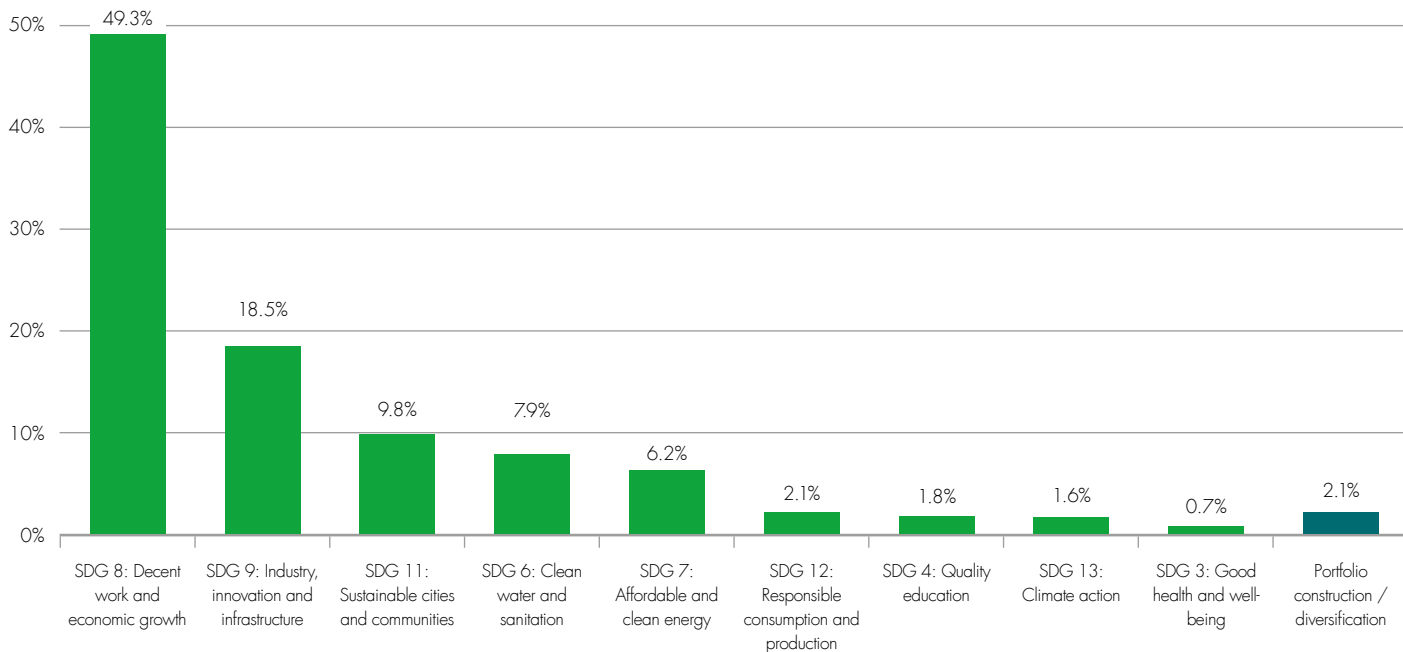
The fund has most exposure to SDG 8: Decent work and economic growth (49.3%); SDG 9: Industry, innovation and infrastructure (18.5%) and SDG 11: Sustainable cities and communities (9.8%).

While our methodology is to assign what we believe to be the most prevalent SDG or the one on which the company has the most impact, we believe that the companies we have exposure to can have an impact on multiple SDGs.

For example, many holdings in the Banking industry come under SDG 8: Decent work and economic growth as we believe that through the banks' lending practices they facilitate economic growth. However, given several of the banks we own have exposure to retail (mortgage), they could also be classified or have positive impact on SDG 11: Sustainable cities and communities.

The fund has exposure to nine of the 17 UN SDGs.

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

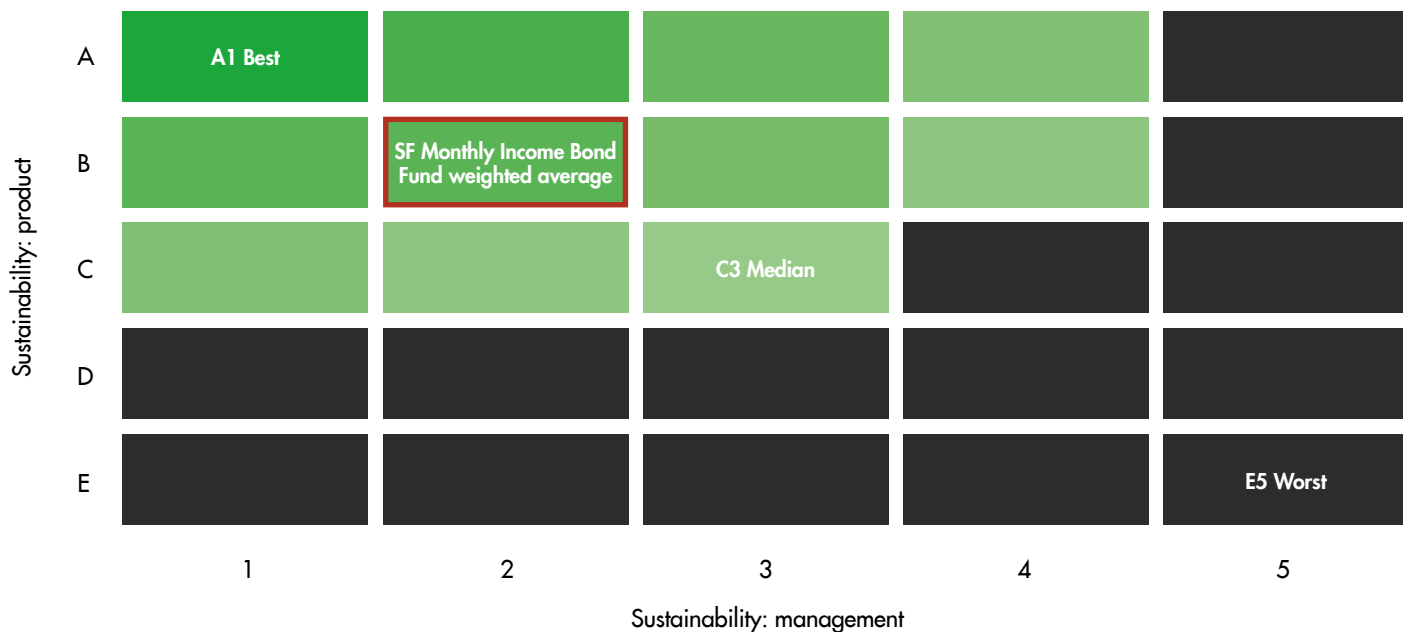


Source: Liontrust / Facset as at 31 December 2022. Data is representative of corporate bonds only and excludes government bonds and cash www.un.org/sustainabledevelopment

Assessment of how sustainable companies are: Sustainability Matrix Rating

We assess every company using our proprietary Sustainability Matrix Rating, which measures how sustainable its 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.

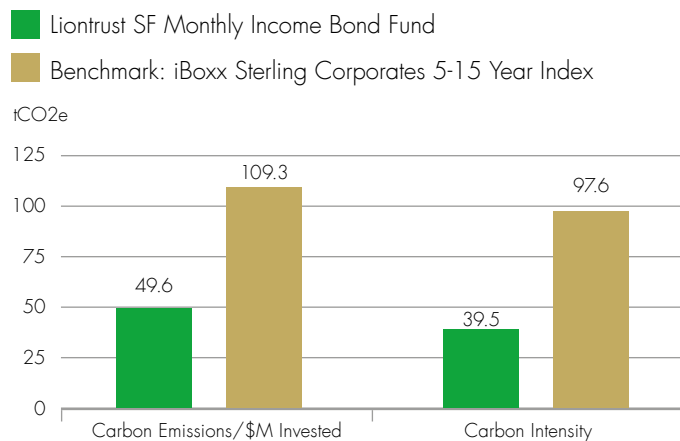


Source: Liontrust / Factset 31 December 2022

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

Carbon emissions of fund compared to conventional benchmark

We can see from the chart below that the investments in the fund emit 55% less carbon (tCO₂e) than the market it invests in. When looking at the carbon intensity of the investments, the fund has a carbon intensity (tCO₂e / \$M sales) that is 60% lower than the benchmark. This independent analysis includes direct emissions forming scope 1 and scope 2 emissions only*.

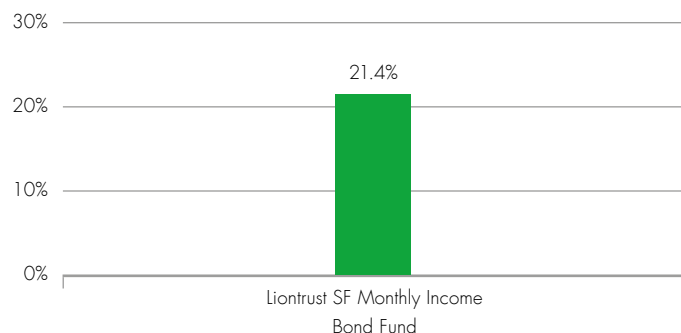


Source: MSCI Carbon Analytics and Liontrust 31 December 2022. The iBoxx Sterling Corporates 5-15 Year Index is the target benchmark for this fund. Carbon emissions data available for 91.2% of the fund and 97.1% of the benchmark. *Scope 1 emissions are direct greenhouse (GHG) emissions that occur from 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 21.4% of companies that MSCI has determined are providing clean technology solutions.

Owing to the nature of the fixed income asset class, many investments are to more developed stable companies. Therefore, it is difficult to obtain material exposure to companies overly exposed to cleantech solutions. Usually our exposure to cleantech will be as a result of investment within a larger more developed utility.



Source: MSCI Carbon Analytics and Liontrust 31 December 2022

	Carbon Footprint (tCO ₂ e / \$m invested)	Carbon Intensity (tCO ₂ e/\$m sales)	Weighted Average Carbon Intensity (tCO ₂ e/\$m sales)	Carbon Emissions Data Availability (Market value)
Liontrust SF Monthly Income Bond Fund	49.6	39.5	80.4	91.2%
Benchmark: iBoxx Sterling Corporate 5-15 years	109.3	97.6	132.3	97.1%
Fund relative to benchmark	-54.6%	-59.5%	-39.2%	-6.1%

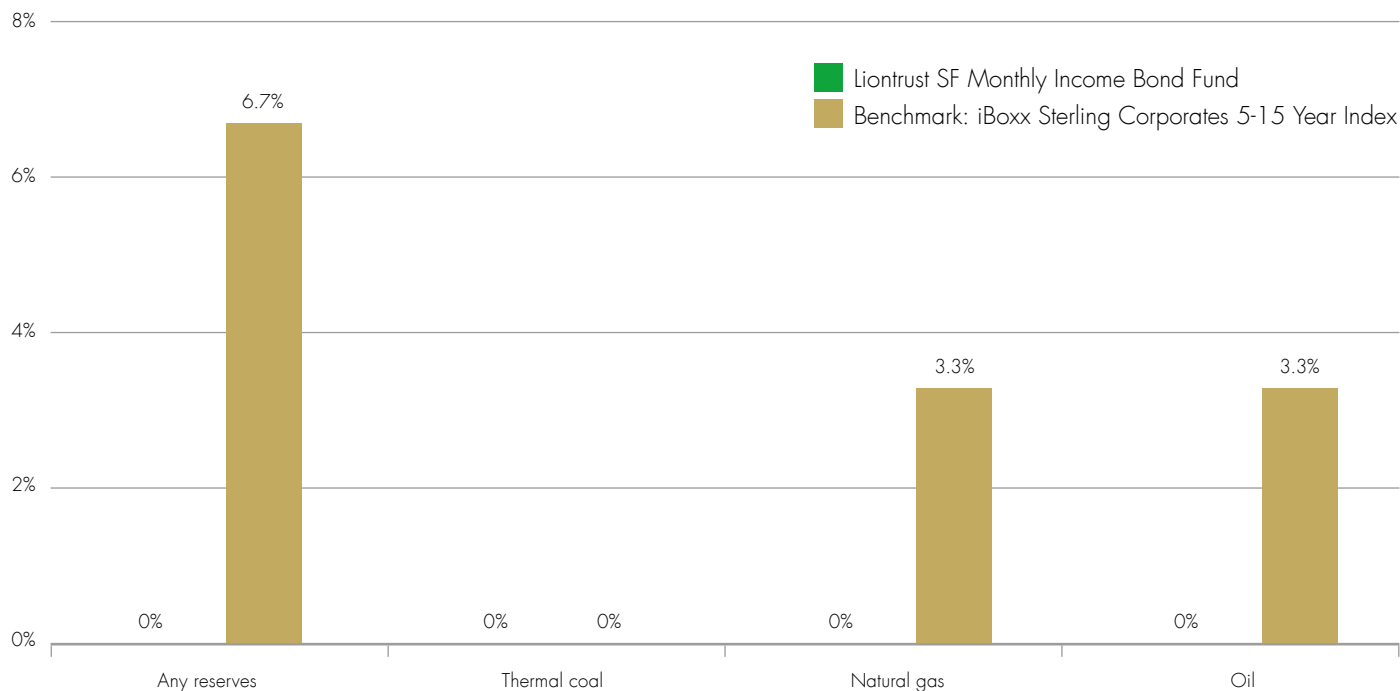
Source: MSCI Carbon Analytics as at 31 December 2022. At the issuer level, Carbon Intensity is the ratio of annual scope 1 and 2 carbon emissions to annual revenue.

Weight of holdings owning fossil fuels

Weight of companies owning fossil fuel reserves

Based on the third-party available data (which covers 91.2% of the fund's holdings and 97.1% of the benchmark), the fund holds no exposure to fossil fuel reserves. Our own additional analysis

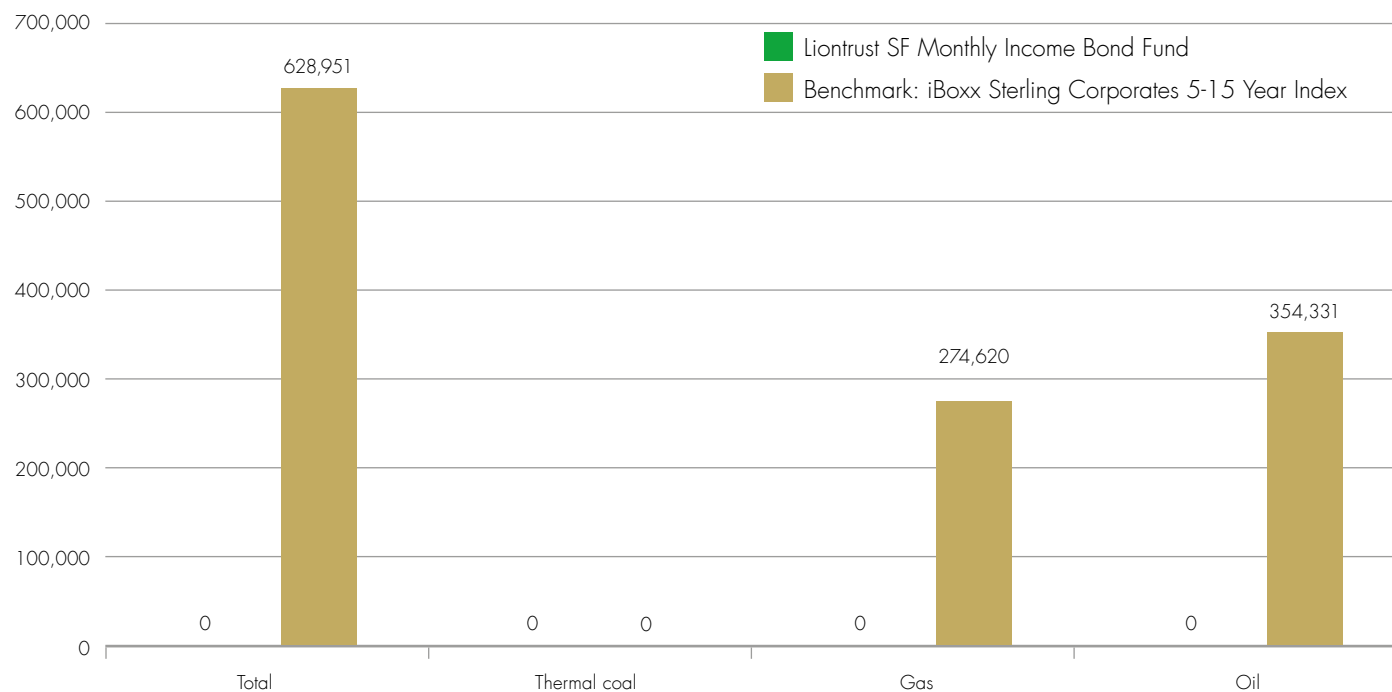
concludes that we are not holding companies with significant exposure to fossil fuel reserves in any companies not covered by this data set. Fossil fuel reserves include coal, gas, and oil reserves.



Source: MSCI Carbon Analytics and Liontrust 31 December 2022. The iBoxx Sterling Corporates 5-15 Year Index is the target benchmark for this fund

Potential emissions from fossil fuel reserves

Tons CO₂e



Source: MSCI Carbon Analytics and Liontrust 31 December 2022. The iBoxx Sterling Corporates 5-15 Year Index is the target benchmark for this fund.

All Fund holdings

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

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
3i Group Plc	Financial Services	C1	Increasing financial resilience	3i is a private equity company that invests predominantly in retail, infrastructure, healthcare, technology and industrial. It has strong responsible investment policies and firm exclusion on no-go areas.
Anglian Water Group Ltd.	Utilities	A2	Improving Management Of Water	Anglian Water is the 4th largest of the 10 water and sewerage companies in England & Wales by regulatory capital value. It provides water and wastewater services to around 6.3m customers in the south east of England.
Annington Funding Plc	Real Estate	A3	Building better cities	Annington is one of the UK's largest private residential landlords, with more than 40,000 homes across the country. The company is hoping to address the UK's housing crisis through the provision of affordable housing at a significant discount to market rents, while also refurbishing and redeveloping around 500 properties per annum for sale or rent at competitive prices.
Aroundtown SA	Real Estate	C3	Portfolio Construction/ Diversification	Aroundtown is the third largest listed real estate company in Europe, with a well diversified property portfolio predominantly focussed on commercial property including offices, hotels and logistics space, whilst also having some residential exposure.
AT&T Inc	Telecommunications	B3	Connecting people	AT&T engages in the provision of telecommunications, media and technology services, primarily to consumers and businesses in the US, while its Latin America arm provides entertainment and wireless as well. It also operates Warner Media, which produces and distributes films, television and gaming. The company is currently in the process of refocussing its primarily on communications services, which play a pivotal role in the transition to digital infrastructure, promoting digital inclusion and reducing the digital divide across underserved segments of the population.
Aviva Plc	Insurance	B2	Insuring a sustainable economy	Aviva is an international insurance company that provides all classes of general and life assurance, including fire, motor, marine, aviation, and transport insurance. The company also supplies a variety of financial services, including unit trusts, stockbroking, long-term savings, and fund management.

Source: Liontrust / Factset, 31 December 2022

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
AXA SA Paris	Insurance	B1	Insuring a sustainable economy	AXA is an insurance company focusing on the key areas of health, property and casualty insurance. It is reducing its exposure to financial markets in favour of purer insurance products and its stated purpose is 'to act for human progress by protecting what matters'.
Banco Santander SA	Banks	B2	Increasing financial resilience	Banco Santander attracts deposits and offers retail, commercial and private banking, and asset management services, offering consumer credit, mortgage loans, lease financing, factoring, mutual funds, pension funds, insurance, commercial credit and investment banking services. The group's financial resilience is supported by its geographical diversification, along with flexibility to allocate capital throughout its subsidiaries.
Barclays Bank Plc	Banks	C3	Increasing financial resilience	Barclays is a global financial services provider engaged in retail banking, credit cards, wholesale banking, investment banking, wealth management, and investment management services. Notwithstanding its investment banking operation, it is supported by strong credit ratings and international diversification that primarily focuses on retail banking and SME lending that is supportive of economic growth.
Blackstone Property Partners Europe Holdings SARL	Financials	C3	Portfolio Construction/ Diversification	Blackstone Property Partners Europe is an open-ended private equity fund focussed on "core plus" real estate investments, with its €13.3 million portfolio predominantly focussed on logistics assets, as well as the office and residential segments across 14 countries. Logistics real estate landlords play an increasingly pivotal role in global supply chains, particularly given the recent acceleration in the shift to e-commerce which requires 3 times more warehouse and logistics space than traditional brick-and-mortar business models, hence improving the sustainability credentials of these properties is becoming increasingly important. A 2021 study revealed that online shopping and home delivery from urban & core fulfilment centres holds substantial environmental advantages over traditional brick-and-mortar retail including: 36% fewer overall GHG emissions, 50% fewer transport-related emissions, and a 10% reduction in carbon footprint per package.

Source: Liontrust / Factset, 31 December 2022

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
BNP Paribas	Banks	B4	Increasing financial resilience	BNP Paribas attracts deposits and offers commercial, retail, investment, and private and corporate banking services. The Bank also provides asset management and investment advisory services to institutions and individuals in Europe, the United States, Asia, and the emerging markets. This is a well-diversified financial institution by product, with over 60% of revenues generated from higher-rated revenue streams.
BPCE SA	Banks	B3	Insuring A Sustainable Economy	BPCE operates as a bank. The Bank provides personal banking, insurance, loans, real estate financing, asset management, investment solutions, payments, and other financial services.
Canary Wharf Finance Plc	Real Estate	C2	Building better cities	Canary Wharf Group is the owner and operator of London's largest REIT portfolio, which predominantly comprises office space, owning around 45% of the Canary Wharf Estate as well as most of the development potential. The company manages its key ESG exposures well compared to peers and plays a key role in modernising and improving the environmental footprint of London's office market.
Cellnex Telecom Sau	Telecommunications	B2	Connecting people	Cellnex is a leader in telco and broadcasting infrastructure in Europe and enables MNOs to use its infrastructure rather than have its own footprint of passive infrastructure, which can free up MNO balance sheets and increase investment in active investments. 5G will further boost network capacity and density, necessary for the continued exponential growth in data and our reliance on the digital economy.
Circle Anglia Social Housing Plc	Real Estate	A1	Building Better Cities	The mission of Clarion Housing Group is to provide good quality, affordable homes and neighbourhoods to people failed by the market. With 125,000 properties and more than 350,000 residents, they are the largest housing association in the country. They are a developer as well as a landlord - building thousands of affordable homes every year and invest in residents and their communities through Clarion Futures and their charitable foundation.
Compass Group PLC	Consumer Services	C1	Leading ESG Management	Compass Group provides catering services globally; it serves 5.5 billion meals a year and employs 600k people across 55k client locations.

Source: Liontrust / Factset, 31 December 2022

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
Cooperatieve Rabobank UA	Financials	B1	Increasing Financial Resilience	Cooperatieve Rabobank U.A. operates as a bank, offering personal, wholesale, international, and retail banking services. Cooperatieve Rabobank has historical ties to the food and agriculture sectors, accounting for circa 50% of corporate lending. The organisation has a stated mission of making a significant contribution to welfare and prosperity in the Netherlands as well as aiming to make a substantial contribution to feeding the world sustainably. Moreover, the majority of their corporate lending is to SME, consistent with aim of supporting economic growth in the Netherlands.
Coventry Building Society	Banks	B1	Building better cities	The company is exclusively UK based, with a business model that focuses on high-quality, low LTV (<55%) mortgages to owner-occupied and buy to let customers in the prime residential market. Coventry is an extremely highly capitalised entity that benefits from a not-for-profit mutual ownership that consequently offers significantly higher deposit rates that is consistent with the savings for the future theme.
Credit Agricole S.A.	Banks	C3	Increasing Financial Resilience	Credit Agricole, through its subsidiaries designs and manages specialised financial products and specialised financial services including management and securities, insurance, consumer finance, private banking, and leasing and factoring.
Deutsche Telekom AG	Telecommunications	B3	Connecting people	DT is the German incumbent telecommunications operator, providing services in Germany, the United States and Europe through its fixed and mobile networks for consumers and businesses. The company plays a pivotal role in the transition to digital infrastructure, with the leading fiberoptic network in nearly all of its markets, which forms a critical part of a sustainable economy.
DWR CYMRU (Financing) UK Plc	Financials	A1	Improving Management Of Water	Welsh Water is the 6th largest water and sewerage company in England & Wales, providing high quality drinking water and environmental services to 3.1m customers and 110,000 business customers. Welsh Water invests significant amounts of capital expenditure to maintain and improve its network infrastructure, reducing the risk of leakage from the network, which is vitally important given the impact of climate change. Their 2020-25 business plan involves incurring £2.5bn of capital investment in its network. They collect, treat and safely return wastewater to rivers and seas, protecting public health and the environment.

Source: Liontrust / Factset, 31 December 2022

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
HSBC Holdings Plc	Banks	C1	Increasing financial resilience	HSBC is a global bank that provides a variety of international banking and financial services, including retail and corporate banking, trade, trusteeship, securities, custody, capital markets, treasury, private and investment banking, and insurance. Its diverse business model and high levels of capital and liquidity make this one of most financially resilient banks in the UK.
Legal & General Grp Plc	Insurance	B1	Saving for the future	Legal and General manages capital and associated risks in order to provide customers with pension income and long-term savings. It benefits from the rise in defined contribution pensions and the de-risking of workplace institutional pensions. They are a beneficiary of the Saving for the future theme, helping individuals to provide for their retirement in an efficient and cost-effective way.
Liberty Living Finance Plc	Financials	A2	Providing Education	Unite is the UK's largest owner, manager and developer of affordable, safe and secure student accommodation, providing beds for over 76,000 students with a develop pipeline to 2023 aiming to add an additional 4,000 beds to its portfolio. Through the provision of affordable accommodation they are enabling the provision of higher education, which in turn drives greater levels of socioeconomic mobility as well as fostering research & development and innovation. Furthermore the company also supports numerous initiatives to support underprivileged students to attain higher education via free accommodation scholarships.
Lloyds Banking Group Plc	Banks	B1	Increasing financial resilience	Lloyds Banking Group, through subsidiaries and associated companies, offers a range of banking and financial services in the UK, including mortgages, pensions, asset management, insurance services, corporate banking, and treasury services. As well as being the leading lender to SME/start-ups in the UK, which is a key driver of long term economic growth, Lloyds also is one of the largest mortgage providers, thus enabling home ownership.
Medical Properties Trust Inc	Health Care	B4	Building better cities	Medical Properties Trust is the second-largest owner of hospital beds in the US, owning and managing a portfolio of hospitals, rehabilitation, surgical and other medical facilities, providing over 44,000 licensed beds. It provides pivotal infrastructure for the provision of healthcare, particularly in the context of aging population demographics.

Source: Liontrust / Factset, 31 December 2022

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
Midland Bank Plc	Financials	C1	Increasing Financial Resilience	HSBC is a global bank that provides a variety of international banking and financial services, including retail and corporate banking, trade, trusteeship, securities, custody, capital markets, treasury, private and investment banking, and insurance. It's diverse business model and high levels of capital and liquidity make this one of most financially resilient banks in the UK. In addition to supported global economic growth through SME lending, HSBC is committed to supporting the transition to a lower carbon economy through market leading levels of sustainable finance/lending.
Motability Operations Group Plc	Financial Services	B3	Enabling healthier lifestyles	Motability Operations Group provides transit services, offering finance for the acquisition of vehicles under hire purchase agreement for disabled people.
National Express Group Plc	Travel & Leisure	A1	Making transportation more efficient or safer	The company operates bus, coach and rail services, with an exceptional record on safety and progressive on environmental improvements. It helps to make cities less congested and air cleaner.
National Grid Electricity Distribution Network Holdings Ltd.	Utilities	B2	Improving The Efficiency Of Energy Use	National Grid engages in the transmission and distribution of electricity and gas to millions of customers and communities.
National Westminster Bank Plc	Banks	B2	Increasing financial resilience	NatWest is a UK-focused bank that operates retail and commercial operations, providing consumer loans, asset and invoice finances, commercial and residential mortgages, credit cards, and financial planning services, as well as life insurance. NatWest's corporate lending is focused on the areas we view as being most beneficial to sustained economic growth, namely SME lending, leasing and factoring and traditional retail banking.

Source: Liontrust / Factset, 31 December 2022

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
Nationwide Building Society	Banks	B1	Building better cities	Nationwide Building Society is a UK-based mutual that provides financial services, offering saving accounts, investment and financial advice, loans, credit cards, retirement, mortgage, and insurance services. Almost all of Nationwide's loan book (94%) relates to mortgages, which we view as a positive to society. Risk management has been robust over time, with extremely low levels of loan losses and a commitment to working with clients that experience financial difficulties.
NatWest Markets Plc	Banks	B2	Increasing Financial Resilience	Natwest is a UK focused bank that operates both retail and commercial operations, providing consumer loans, asset and invoice finances, commercial and residential mortgages, credit cards, and financial planning services, as well as life insurance.
NGG Finance Plc	Financials	B2	Improving The Efficiency Of Energy Use	National Grid engages in the transmission and distribution of electricity and gas to millions of customers and communities. As operator of the UK electricity grid, it plays an important role in investing to upgrade the grid to be fit for the energy transition towards an ultra-low carbon economy by enabling more renewables as well as upgrading infrastructure for electric vehicle charging points and heat pumps.
Optivo Finance Plc	Housing Associations	A4	Building Better Cities	Optivo is one of the largest housing providers in the UK and a member of the G15 group of London's largest housing associations.
Orange SA	Telecommunications	B2	Connecting people	Orange is the French incumbent telecommunications provider, operating mobile and fixed network services, but also has a wider global footprint including Africa, the Middle East and other European countries. It invests heavily in R&D, aiming to expand its fiber and mobile networks, accelerating the transition towards digital infrastructure. Digital infrastructure is a critical part of a sustainable economy, promoting digital inclusion and reducing the digital divide across underserved segments of the population.
Pension Insurance Corp Plc	Insurance	B2	Saving for the future	Pension Insurance Corp provides risk management solutions and insurance products. The firm offers pension insurance buyouts, buy-ins, and longevity insurance solutions and it is contributing to a sustainable economy by de-risking clients' pension portfolio and assisting them in saving for their future.

Source: Liontrust / Factset, 31 December 2022

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
Phoenix Group Holdings Plc	Insurance	B3	Insuring a sustainable economy	Phoenix Group Holdings operates as a holding company. The company, through its subsidiaries, provides life insurance and pension funds services and is contributing to a sustainable economy by de-risking clients' pension portfolio and assisting them saving for their future.
Places For People Homes Ltd	Housing Associations	A2	Building better cities	Places for People provides housing facilities. The Company owns and manages over 209,000 properties, with an average discount to market rent of 40-50%.
Prudential Plc	Financials	B3	Insuring A Sustainable Economy	Prudential has finally restructured itself to be just the Asian life insurer we have long wanted to see. It is focused on providing Health and Protection products to the as yet largely underpenetrated region.
RAC Bond Co. Plc	Consumer Services	B3	Making Transportation More Efficient Or Safer	RAC Plc is a market leading breakdown assistance service providing vehicle repair and recovery, legal cover and claims management services.
Rentokil Initial Plc	Industrials	B1	Enabling Healthier Lifestyles	The company is a global leader in commercial pest control and hygiene services. It provides fully integrated facilities management and essential support services to government and commercial sector. Their purpose is to protect people from pest-borne diseases and from risks of poor hygiene. It utilizes innovative technologies and is invested in finding alternatives to eliminate the harmful effects of pest control chemicals and adapt more sustainable solutions. The company strives to be a world class employer with over 46,000 employees, upholds strict Health & Safety standards and encourages progression and development of its workforce.
Rothesay Life Ltd	Insurance	B2	Saving for the future	Rothesay Life operates as a holding company. The company, through its subsidiaries, provides life insurance and pension funds services. contributing to a sustainable economy by de-risking clients' pension portfolio and assisting them in saving for their future.

Source: Liontrust / Factset, 31 December 2022

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
Royal London Mutual Insurance Society Ltd	Insurance	B3	Saving for the future	Royal London Mutual Insurance Society offers life assurance, existing policies details, funeral planning, pensions, wealth management, home, and car insurance. It is contributing to a sustainable economy through the reduction of risk and the mitigation of financial impact for the policy holder, producing a safety net for people and business in times of catastrophe.
Scottish & Southern Energy Plc	Utilities	B2	Increasing electricity from renewable sources	SSE engages in the generation, transmission, distribution, and supply of electricity. It operates through the following segments: Networks, Retail, and Wholesale.
Severn Trent Plc	Utilities	A1	Improving management of water	Severn Trent engages in the provision of clean water and waste water treatment services and develops renewable energy solutions. It aims to provide clean and safe drinking water to its customers and is committed to invest £6.6bn over the next AMP, on new and existing pipes, treatment works and reservoirs.
South Eastern Power Networks Plc	Utilities	B2	Improving the efficiency of energy use	UK Power Networks is the UK's largest electricity distribution network (DNO), delivering power to 8.3 million homes and businesses via its network in London, the east and south east of England. The business invests significant capital in maintaining and improving its network, to ensure reliability and delivery of electricity in a safe and efficient manner.
Standard Chartered Plc	Banks	C2	Increasing financial resilience	Standard Chartered is an international banking group operating principally in Asia, Africa, and the Middle East offering products and services in the personal, consumer, corporate, institutional and treasury areas. It specialises in facilitating domestic and international trade in over 60 countries, including a number of under-banked emerging market countries, thus contributing to the economic growth profile across the globe.
Swiss Reinsurance Co Ltd	Insurance	B1	Insuring a sustainable economy	Swiss Re offers reinsurance, insurance, and insurance-linked financial market products. The company offers automobile, liability, accident, engineering, marine, aviation, life, and health insurance. Swiss Re also manages fixed-income and equity investments for itself and other insurance companies, contributing to a sustainable economy through the reduction of risk and the mitigation of financial impact for policyholders.

Source: Liontrust / Factset, 31 December 2022

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
Telefonica Europe BV	Telecommunications	B2	Connecting People	Telefonica is the Spanish incumbent telecommunications operator, however has a broader global footprint with over 345 million customers worldwide, across Spain, Hispanoamerica, Germany, Brazil and the UK.
Telefonica SA	Telecommunications	B2	Connecting people	Telefonica is the Spanish incumbent telecommunications operator but also has a broader global footprint with over 345 million customers worldwide, across Spain, Hispanoamerica, Germany, Brazil and the UK. Its presence in emerging markets provides crucial digital infrastructure in countries where reliable physical infrastructure is absent, enabling economic growth and reducing the digital divide.
Thames Water Ltd	Utilities	A3	Improving management of water	Thames Water is the largest water and sewerage companies in England and Wales by both RCV and number of customers served. It provides drinking water to around 9 million customers and sewerage services to around 1.5 million.
Unite Group Plc	Real Estate	A2	Providing education	Unite is the UK's largest owner, manager and developer of affordable, safe and secure student accommodation. Through the provision of affordable accommodation, it is enabling the provision of higher education, which in turn drives greater levels of socioeconomic mobility as well as fostering research & development and innovation.
Verizon Communications Inc	Telecommunications	B2	Connecting people	Verizon is one of the world's largest providers of communications products and services to consumers and businesses, providing consumer wireless and wireline communications services, video and data services, and security and managed network services, helping people to stay connected and conduct businesses across the globe. The company plays a pivotal role in the transition towards digital infrastructure, with the leading 5G network in the US, which forms a critical part of a sustainable economy.
Vodafone Plc	Telecommunications	B1	Connecting people	Vodafone is one of the largest telecommunications operators globally. It serves consumers and businesses, providing mobile, fixed line, voice and converged services as well as ICT solutions. The company plays a crucial role in facilitating the transition towards digital infrastructure, an essential component of a more sustainable economy.

Source: Liontrust / Factset, 31 December 2022

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
Vodafone Plc	Telecommunications	B1	Connecting people	Vodafone is one of the largest telecommunications operators globally. It serves consumers and businesses, providing mobile, fixed line, voice and converged services as well as ICT solutions. The company plays a crucial role in facilitating the transition towards digital infrastructure, an essential component of a more sustainable economy.
Whitbread Plc	Travel & Leisure	C2	Encouraging Sustainable leisure	Whitbread engages in the operation of a chain of hotels, restaurants, and coffee shops. It operates through the Premier Inn segment, which provides services in relation to accommodation and food. Its brands include Premier Inn, Beefeater, Table Table, Brewers Fayre, Cookhouse & Pub, and Thyme.
Yorkshire Water Finance Plc	Utilities	A2	Improving management of water	Kelda Group provides water and sewerage services to domestic and business customers across Yorkshire. Its main subsidiary is Yorkshire Water, which invests significant amounts of capital expenditure in its network to continue to supply safe drinking water to a growing population, while minimising its impact on the environment.
Zurich Finance	Insurance	B2	Insuring a sustainable economy	Zurich Insurance Group provides insurance-based financial services. The company offers general and life insurance products and services for individuals, small businesses, commercial enterprises, mid-sized and large corporations, and multinational companies, contributing to a sustainable economy through the reduction of risk and the mitigation of financial impact for policyholders.

Source: Liontrust / Factset, 31 December 2022

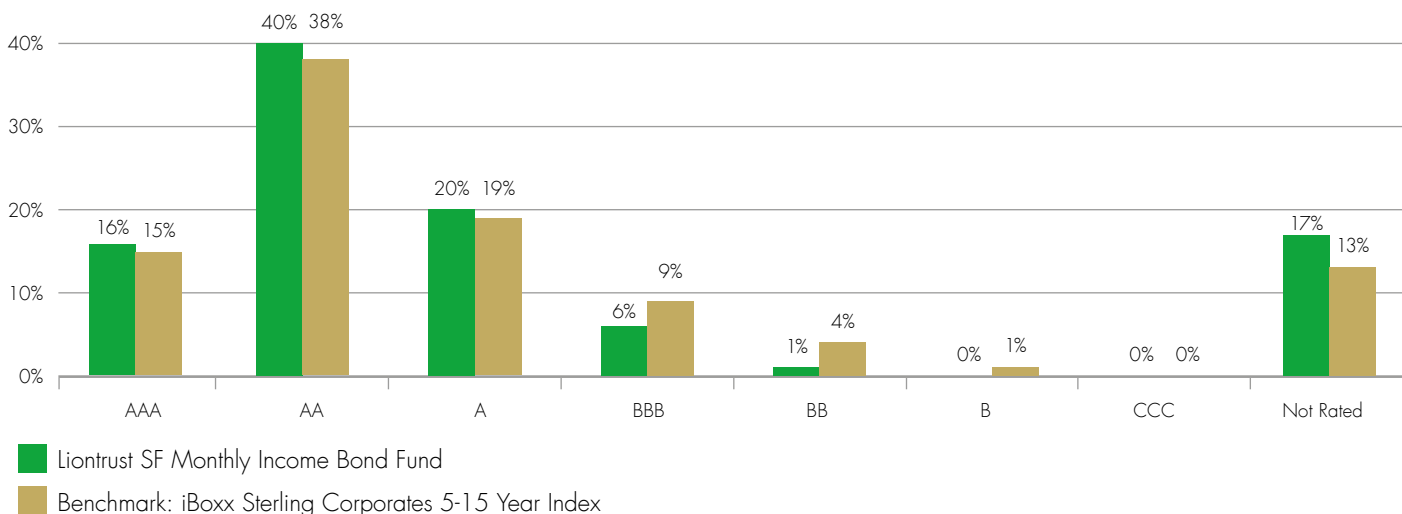
Other third party ESG measures

We are often asked to provide data on how our Sustainable Future funds are ranked by third party ESG data providers.

When the portfolio is independently analysed by MSCI, we can see the ESG scoring is strong and better than the benchmark, achieving a rating of AAA versus the iBoxx Sterling Corporates 5-15 Year Index's average of AA. When we decompose the portfolio score into its constituent E, S and G parts, we can see that the fund outperforms on all fronts.

MSCI rating distribution

Below is the rating breakout. We can see that the fund has a significantly higher weight towards higher-rated companies and is underweight the lower-rated companies. Ratings in the fund are compared to the benchmark using the third party data provider (MSCI Analytics).



ESG risk exposure

ESG quality scorecard			
	Portfolio	Benchmark	Active*
ESG Quality Score (0-10)	9.4	8.8	6.1%
Environmental Score	7.4	7.3	1.7%
Social Score	5.2	5.1	2.3%
Governance Score	6.5	6.0	7.1%

Source: MSCI Analytics and Liontrust as at 31 December 2022. The iBoxx Sterling Corporates 5-15 Year Index is the target benchmark for this fund. *The Active column for ESG Quality Scorecard (scores) uses following logic: $((\text{Portfolio Score} / \text{Benchmark Score}) - 1) * 100$.

Other third party ESG measures

As can be seen from the data below, the fund scores very well across a broad range of criteria:

Environmental risk

	Portfolio	Benchmark	Active*
Carbon Risk (T CO2E/\$M SALES)	80	132	-39.4%
Fossil Fuel Reserves (%)	0.0%	6.5%	-6.5%
High Impact Fossil Fuel Reserves (%)	0.0%	2.0%	-2.0%
Exposure to High Water Risk (%)	0.0%	4.1%	-4.1%

Reputational risk

Very severe controversy exposure

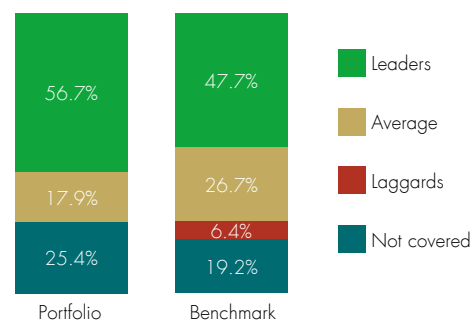
	Portfolio	Benchmark	Active*
Overall reputation risk	0.0%	0.8%	-0.8%
Environmental (%)	0.0%	0.0%	0.0%
Customer (%)	0.0%	0.0%	0.0%
Human rights (%)	0.0%	0.0%	0.0%
Labor (%)	0.0%	0.8%	-0.8%
Governance (%)	0.0%	0.0%	0.0%

Reputational risk represents the percentage of a portfolio's market value coming from holdings involved in very severe controversial events. It is based on MSCI ESG Controversies. Portfolio level Reputational risk is categorised as Very Low (0%), Low (>0% to <1%), Moderate (1% to <5%), High (5% to <10%), and Very High (>=10%).

Governance risk

	Portfolio	Benchmark	Active*
Governance Leaders (%)	56.7%	47.7%	9.0%
Governance Laggards (%)	0.0%	6.4%	-6.4%
Board Flag (%)	2.6%	7.3%	-4.7%
Lack of Independent Board (%)	1.0%	2.8%	-1.9%
No Female Directors (%)	0.0%	0.8%	-0.8%
Female Rep. 30% of Directors (%)	80.3%	73.9%	6.5%
Accounting Flag (%)	4.7%	17.3%	-12.5%
Pay Flag (%)	0.0%	1.6%	-1.6%
Ownership & Control Flag (%)	0.0%	8.9%	-8.9%

Governance risk: global percentile



Laggards: 6.4% less than the benchmark
Leaders: 9.0% greater than the benchmark

Source: MSCI Analytics and Liontrust as at 31 December 2022. The iBoxx Sterling Corporates 5-15 Year Index is the target benchmark for this fund. *The Active column for ESG Quality Scorecard (scores) uses following logic: ((Portfolio Score/Benchmark Score)-1)*100.

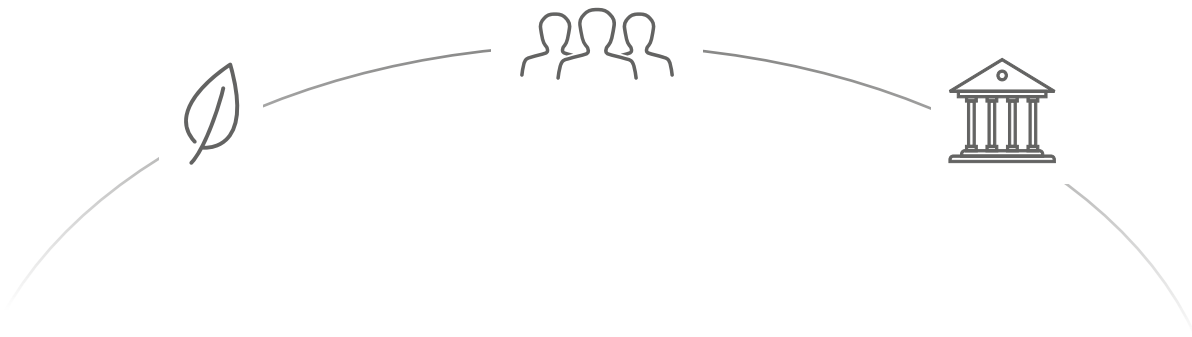
Additional ESG metrics

We have committed to disclose additional ESG data for investors in the SF Funds. The following data relating to social, governance and human rights metrics has been requested by investors or sustainability labels. We have engagement and voting policies designed to improve the social, governance, environmental and human rights aspects for the companies in which the fund invests.

Data availability is improving. For example, in the case of staff turnover, where data availability was as low as 20-25% when we first started disclosing this in 2019, it has now nearly doubled. Our engagement priority is to encourage companies to participate in the Workforce Disclosure Initiative, which aims to target companies to report more information on how they manage staff and we believe is contributing to this increased disclosure on social metrics.

For human rights, we use data on the United Nations Global Compact as a proxy. The UN Global Compact is a set of principles to minimise unintended negative impacts in terms of harm to the environment and society and includes a significant amount relating to labour rights and human rights.

We have committed to disclose additional data related to the sustainability aspects of the fund, which we will disclose as part of our reporting cycle every six months.



Additional ESG metrics

Social: staff turnover

	Social: staff turnover	Data coverage	
		% weight	Number of companies
Liontrust SF Monthly Income Bond Fund	4.7%	44.2%	40.5%
Benchmark: iBoxx Sterling Corporate 5-15 Years Index	3.5%	33.2%	28.5%
Fund relative to benchmark	1.3%		

Governance: % women on board

	% women on board	Data coverage	
		% weight	By number
Liontrust SF Monthly Income Bond Fund	23.7%	57.6%	52.7%
Benchmark: iBoxx Sterling Corporate 5-15 Years Index	21.6%	55.7%	48.9%
Fund relative to benchmark	2.1%		

Governance: <30% women on board

	<30% women on board	Data coverage	
		% weight	By number
Liontrust SF Monthly Income Bond Fund	2.5%	57.6%	52.7%
Benchmark: iBoxx Sterling Corporate 5-15 Years Index	7.1%	55.7%	48.9%
Fund relative to benchmark	-4.6%		

Governance: number of women on board

	Number of women on board	Data coverage	
		% weight	By number
Liontrust SF Monthly Income Bond Fund	2.96	57.6%	52.7%
Benchmark: iBoxx Sterling Corporate 5-15 Years Index	2.72	55.7%	48.9%
Fund relative to benchmark	0.24		

Source: MSCI ESG Manager as 31 December 2022. Data coverage includes the % coverage of companies reporting ESG metric and % of fund covered by available data

Additional ESG metrics

Governance: board independence

	% Independent board	Data coverage		Proportion with <50% independent board (by weight)
		% weight	By number	
Liontrust SF Monthly Income Bond Fund	45.9%	55.5%	50.0%	0.0%
Benchmark: iBoxx Sterling Corporate 5-15 Years Index	44.4%	54.1%	46.7%	1.0%
Fund relative to benchmark	1.5%			-1.0%

Governance: Joint CEO & Chairman

	Joint CEO & Chairman	Data coverage	
		% weight	By number
Liontrust SF Monthly Income Bond Fund	2.2%	57.6%	52.7%
Benchmark: iBoxx Sterling Corporate 5-15 Years Index	13.6%	55.9%	49.2%
Fund relative to benchmark	-11.4%		

Human Rights: UN Global Compact Signatory

	% Signatories to UN Global Compact	Data coverage	
		% weight	By number
Liontrust SF Monthly Income Bond Fund	35.9%	43.9%	39.2%
Benchmark: iBoxx Sterling Corporate 5-15 Years Index	30.9%	46.8%	37.8%
Fund relative to benchmark	5.0%		

Human Rights: UN Global Compact Status

				Data coverage	
	Pass	Watch List	Fail	% weight	By number
Liontrust SF Monthly Income Bond Fund	100.0%	0.0%	0.0%	57.6%	52.7%
Benchmark: iBoxx Sterling Corporate 5-15 Years Index	90.8%	9.2%	0.0%	55.9%	49.2%
Fund relative to benchmark	9.2%	-9.2%	0.0%		

Source: MSCI ESG Manager as 31 December 2022. Data coverage includes the % coverage of companies reporting ESG metric and % of fund covered by available data

Key risks

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. 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. The Distribution Yield is higher than the Underlying Yield because the fund distributes coupon income and the fund's expenses are charged to capital. This has the effect of increasing dividends while constraining the fund's capital appreciation. The Fund may invest in derivatives. The use of derivatives may create leverage or gearing. 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.

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