LIONTRUST INVESTMENT FUNDS ICVC

Annual Report & Financial Statements

For the period:
1 January 2023
to
31 December 2023

LIONTRUST FUND PARTNERS LLP

LIONTRUST

LIONTRUST INVESTMENT FUNDS ICVC

Contents

* Collectively these comprise the Authorised Corporate Director's Report (herein referred to as the ACD's Report) along with the Investment objective and policy, Investment review, Portfolio Statement and Material portfolio changes of each Sub-fund.

Management and Administration

Management and Administration

The Authorised Corporate Director ("ACD") of Liontrust Investment Funds ICVC (the "Company") is:

Liontrust Fund Partners LLP

The registered office of the ACD and the Company is 2 Savoy Court, London, WC2R 0EZ.

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

Depositary

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
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.

Management and Administration (continued)

Company Information

The Company is an open-ended investment company ("OEIC") with variable capital under regulation 12 of the Open-Ended Investment Company Regulations 2001, incorporated in Scotland, under registered number IC000716, and authorised by the Financial Conduct Authority on 28 November 2008. At the year end the Company offered two sub-funds, the Liontrust Sustainable Future Monthly Income Bond Fund and the Liontrust Strategic Bond Fund (the "Sub-funds").

The Company is a UCITS scheme which complies with the FCA's Collective Investment Schemes Sourcebook ("COLL") and is structured as an umbrella company so that different Sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary.

The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. Investment of the assets of each of the Sub-funds must comply with the FCA's COLL and the investment objective and policy of the relevant Sub-fund.

Remuneration policy

Following the implementation of UCITS V in the UK on 18 March 2016, all authorised UCITS Managers are required to comply with the UCITS V Remuneration Code from the start of their next accounting year. Under the UCITS V Directive (2014/91/EU), the ACD is required to disclose information relating to the remuneration paid to its staff for the financial year.

The table below provides an overview of the following for the year ended 31 March 2023:

- Aggregate total remuneration paid by the ACD to its staff (employees and members)
- Aggregate total remuneration paid by the ACD to all relevant UCITS code staff

	Headcount	Total Remuneration (£'000)
ACD UK Staff[1]	**102**	**15,629**
of which		
Fixed remuneration	102	9,728
Variable remuneration	102	5,901
UCITS Remuneration Code Staff[1, 2]	**9**	**1,239**
of which		
Senior Management	2	49
Other control functions:		
Other code staff/risk takers	7	1,190

1 The ACD's UK staff costs have been incurred by another Group entity and allocated to the ACD. The most appropriate measure of staff costs are those staff who are members of Liontrust Investment Partners LLP or Group staff who are employed by LAM but have their costs apportioned to the LLP. The information has been disclosed on an annualised basis.

2 UCITS Aggregate Remuneration Code Staff applies only in respect of the provision of services to UCITS funds rather than their total remuneration in the year. For senior management and control function staff, remuneration is apportioned on the basis of assets under management for UCITS funds versus the total Group assets under management. For portfolio management staff remuneration is apportioned directly to the Sub-funds.

Remuneration is made up of fixed pay (i.e. salary and benefits such as pension contributions) and variable pay (annual performance based or linked directly to investment management revenues). Annual incentives are designed to reward performance in line with the business strategy, objectives, values and long term interests of the ACD and LAM PLC Group. The annual incentive earned by an individual is dependent on the achievement of financial and non-financial objectives, including adherence to effective risk management practices. The ACD provides long-term incentives which are designed to link reward with long-term success and recognise the responsibility participants have in driving future success and delivering value. Long-term incentive awards are conditional on the satisfaction of corporate performance measures. The structure of remuneration packages is such that the fixed element is sufficiently large to enable a flexible incentive policy to be operated.

Management and Administration (continued)

Remuneration policy (continued)

Staff are eligible for an annual incentive based on their individual performance, and depending on their role, the performance of their business unit and/or the group. These incentives are managed within a strict risk framework, and the Directors of LAM retain ultimate discretion to reduce annual incentive outcomes where appropriate.

The ACD actively manages risks associated with delivering and measuring performance. All our activities are carefully managed within our risk appetite, and individual incentive outcomes are reviewed and may be reduced in light of any associated risk management issues.

The Liontrust Group operates a Remuneration Committee (the "Committee"). The Committee reports to the Board. The Committee reviews risk and compliance issues in relation to the vesting of deferred awards for all employees and members. Compliance is monitored throughout the vesting period by the Committee.

These remuneration policies apply also to other entities in the Liontrust Group to which investment management of the Company has been delegated, and those delegates are subject to contractual arrangements to ensure that policies which are regarded as equivalent are applied.

The Board adopts, and reviews annually, the general principles of the applicable remuneration policies, and the implementation of the remuneration policies is, at least annually, subject to central and independent internal review by the Committee for compliance with policies and procedures.

Scope of the policy

By entity

The ACD is subject to the requirements of the UCITS Remuneration Code as set out in SYSC 19E of the FCA Handbook (the "Code").

The Committee has determined that it is appropriate for it to disapply the rules on retention (SYSC 19E.2.18R), deferral (SYSC 19E.2.20R) and performance adjustment (SYSC 19E.2.22R) of the Code, in view of the size, internal organisation and the nature, scope and complexity of activities of the ACD.

However, the ACD chooses to comply with certain of the above 'payout process rules' on a voluntary basis.

By individual

The requirements of the Code are applicable to the remuneration arrangements of individuals who fall within the definition of Code Staff under the Code and this policy sets out the basis on which the rules contained within the Code will be applied to Code Staff. The Committee itself sets the remuneration and has oversight of remuneration arrangements for all other Code Staff together with such other senior employees as the Committee may determine from time to time.

The Committee also reviews the remuneration arrangements of other employees and the operation of the incentive plans to ensure that remuneration arrangements have regard to pay and employment conditions. However, decisions on individual remuneration arrangements are made by management in the area, with oversight by the Human Resources Director.

No hedging or other mitigation arrangements may be entered into by employees as that would undermine risk alignment effects.

Approach to the remuneration

The Committee seeks to balance the components of remuneration, namely:

- Base salary,
- Benefits and allowances,
- Annual bonus (both paid immediately in cash and deferrals) and
- Longer-term incentives

Management and Administration (continued)

Approach to the remuneration (continued)

In order to ensure proper alignment of the interests with shareholders and investors in the Sub-funds within a framework which discourages excessive risk-taking and ensures that the policy is in line with the business strategy, objectives, values and interests of Liontrust, the Sub-funds and their investors.

The Committee has regard to the LAM Risk Appetite statement and the investment objectives of the Sub-funds (as outlined in the Prospectus) in its determination of the appropriate risk/reward balance.

Securities Financing Transactions Regulation

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) or total return swaps are required on all reports & accounts published after 13 January 2017. See pages 85 - 87 for disclosures at 31 December 2023.

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.

Changes to the Company

In September 2023, Stuart Steven retired from fund management, and began to relinquish his responsibilities from April 2023.

Aitken Ross, Kenny Watson and Jack Willis will continue their current roles as lead managers of the Liontrust SF Monthly Income Bond Fund.

Holdings in Other Funds of the Company

As at 31 December 2023, there were no shares in any Sub-fund held by other Sub-funds of the Company.

Statement of the Authorised Corporate Director's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Authorised Corporate Director ("ACD") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of the net revenue/expense and net capital gains or losses on the property of the Company for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;

Management and Administration (continued)

Statement of the Authorised Corporate Director's Responsibilities (continued)

- assessing the Company and its Sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its Sub-funds or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

The ACD is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report of the ACD to the Shareholders

The ACD, as sole director, presents its report and the audited financial statements of the Company for the year from 1 January 2023 to 31 December 2023.

The Company is a UCITS scheme which complies with the FCA's Collective Investment Schemes sourcebook. The shareholders are not liable for the debts of the Company.

The investment objectives and policies of each Sub-fund of the Company are covered in the section for each Sub-fund. The names and addresses of the ACD, the Depositary and the Auditor are detailed on page 1.

In the future there may be other Sub-funds of the Company.

The ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Sub-funds consist predominantly of securities that are readily realisable and, accordingly, the Sub-funds have adequate financial resources to continue in operational existence for at least 12 months.

Management and Administration (continued)

Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist fund management company with £27.8 billion in assets under management (AUM) as at 31 December 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.

The ongoing war in Ukraine and the resultant geopolitical tensions including sanctions imposed on Russia and retaliatory action taken by Russia against foreign investors, continue to impact global financial markets (including stock, currency and commodities markets). Economic sanctions and the fallout from the conflict are affecting companies operating in a wide variety of sectors worldwide, including energy, financial services and defence, amongst others. As a result, the performance of the Sub-funds may be negatively impacted even if they have no direct exposure to the regions involved in the conflict.

Member's Statement

In accordance with COLL 4.5.8BR, we hereby certify the Annual Report and the Financial Statements were approved by the management committee of members of the ACD and authorised for issue on 25 April 2024.

Antony Morrison

Member

25 April 2024

Statement of the Depositary's Responsibilities and Report of the Depositary

To the Shareholders of Liontrust Investment Funds ICVC ("the Company") for the year ended 31 December 2023.

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Corporate Director ("the ACD") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the ACD:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

For and on behalf of The Bank of New York Mellon (International) Limited

25 April 2024

Independent Auditor's Report to the Shareholders of Liontrust Investment Funds ICVC (the "Company")

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Company for the year ended 31 December 2023 which comprise the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for the each of the Company's Sub-funds listed on the Contents page and the accounting polices set out on pages 12 to 14.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of each of the Sub-funds as at 31 December 2023 and of the net revenue/expense and the net capital gains on the property of each of the Sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going Concern

The ACD has prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or its Sub-funds or to cease their operations, and as they have concluded that the Company and its Sub-funds' financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the ACD's conclusions, we considered the inherent risks to the Company's and its Sub-funds' business model and analysed how those risks might affect the Company's and its Sub-funds' financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the ACD's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the ACD's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's and its Sub-funds' ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company or its Sub-funds will continue in operation.

Independent Auditor's Report to the Shareholders of Liontrust Investment Funds ICVC (the "Company") (continued)

Report on the audit of the financial statements (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the ACD, the Depositary, the Administrator and the Investment Manager; and
- Reading ACD board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the ACD and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

Independent Auditor's Report to the Shareholders of Liontrust Investment Funds ICVC (the "Company") (continued)

Report on the audit of the financial statements (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The ACD is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the ACD's Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with the accounting records.

Authorised Corporate Director's responsibilities

As explained more fully in their statement set out on page 5, the ACD is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

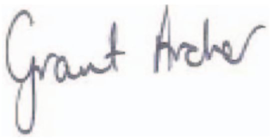
A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Shareholders of Liontrust Investment Funds ICVC (the "Company") (continued)

Report on the audit of the financial statements (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.



Grant Archer

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

KPMG LLP
319 St Vincent Street
Glasgow
G2 5AS

25 April 2024

Notes applicable to the financial statements of all Sub-funds

for the year ended 31 December 2023

1 Accounting Policies

a) Basis of accounting

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. 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 ACD has made an assessment of the Company and its Sub-funds' ability to continue as a going concern and is satisfied it has the resources to continue in business for at least the next twelve months after the financial statements are signed and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment considers liquidity, fluctuations in global capital markets, known redemption levels, expense projections and key service provider's operational resilience.

b) Valuation of investments

The valuation of the Sub-funds' listed investments is based on the bid-market prices, excluding any accrued interest in the case of debt securities, at close of business on the last day of the accounting year, in accordance with the provisions of the Prospectus. Unquoted securities are valued by the ACD on a fair value basis taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

c) Revenue

Revenue from securities lending is accounted for net of associated costs and is recognised on an accruals basis.

Interest on bank balances and deposits is recognised on an accruals basis.

Revenue arising on debt securities is accreted or amortised over the life of such securities and recognised at a consistent rate over the life of the instrument (effective yield basis). Future cash flow on all debt securities are considered when calculating revenue on an effective yield basis and where purchase costs are considered to reflect incurred credit losses, such losses are taken into account so that interest is recognised at a reasonably expected commercial rate.

Accrued interest purchased and sold on debt securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Sub-funds.

All revenue is recognised at a gross amount that includes any withholding taxes but excludes any other taxes, such as attributable tax credits.

d) Expenses

All expenses are recognised on an accruals basis and are charged against revenue except for costs associated with the purchase and sale of investments, and the Annual Management Charge and Performance Fee for the Liontrust Sustainable Future Monthly Income Bond Fund which are allocated to the capital of the Sub-fund. For the Sustainable Future Monthly Income Bond Fund, the ACD is entitled to a performance related fee of 20% of outperformance of the relevant index by each share class and is calculated to the end of the accounting year in December each year. The full amount of any performance fee is calculated on an accruals basis and is chargeable against capital in determining distribution. This is currently only applicable to the P share class, please refer to the Prospectus for more details.

e) Allocation of income and expenses

The allocation of income and expenses to each share class is based on the proportion of the Sub-funds' assets attributable to each share class on the day the income is earned or the expense is incurred. The ACD's charge is allocated at a fixed rate based on the net asset value (NAV) of the respective share class.

Notes applicable to the financial statements of all Sub-funds (continued)

for the year ended 31 December 2023

1 Accounting Policies (continued)

f) Taxation

Corporation tax is charged at 20% of the income liable to corporation tax, less expenses. Deferred tax is provided for at the rate at which taxation is likely to become payable in respect of all timing differences between the accounting and taxation treatment of items.

g) Exchange rates

Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling on the date of the transaction. Investments and other assets and liabilities denominated in foreign currencies are translated into Sterling at the exchange rates applicable at the end of the accounting period.

h) Financial instruments

Where appropriate, certain permitted financial instruments such as derivative contracts or forward exchange contracts are used for the purpose of efficient portfolio management. Where such financial instruments are used to protect or enhance revenue, the revenue and expenses derived there from are included in "Revenue" or "Expenses" in the Statement of Total Return. Where such financial instruments are used to protect or enhance capital, the returns derived there from are included in "Net capital gains/(losses) on investments" in the Statement of Total Return. Any positions in respect of such instruments open at the year end are reflected in the portfolio statement at their market value. Where positions generate total returns, such returns are apportioned between capital and revenue to properly reflect the nature of the transaction. The amounts held at futures clearing houses in respect of these financial instruments are included in the cash and bank balances and detailed in the Notes to the Financial Statements. Transaction costs associated with derivatives are charged to revenue when incurred. All forward contracts outstanding at financial reporting dates are marked-to-market. Some of the Sub-funds may enter into permitted transactions such as derivative contracts or forward currency transactions as outlined in the relevant Investment Objective and Policy of the Sub-funds.

Derivative financial instruments are initially recorded at transaction value on the date on which the derivative contract is entered into. All contracts outstanding at the financial reporting date are carried at a value provided by independent pricing providers.

Distribution Policies

i) Basis of distribution

The net revenue available for distribution at the end of each distribution period will be paid as a interest distribution. Should the expenses of a Sub-fund (including taxation) exceed the revenue of a Sub-fund, there will be no distribution and the shortfall will be set against the capital of a Sub-fund.

Any revenue attributable to accumulation shareholders is retained within a Sub-fund at the end of the distribution period and represents a reinvestment of income on behalf of the accumulation shareholders.

For the Liontrust Sustainable Future Monthly Income Bond Fund, all of the interim distributions are based on a fixed rate for each share class and any income available for distribution at the end of the accounting year will be distributed or accumulated. The financial statements have been prepared on an effective yield basis but the Liontrust Sustainable Future Monthly Income Bond Fund distributes on a coupon basis if the revenue calculated on that basis is higher than revenue calculated on an effective yield basis. A reconciliation of the net distribution to the net revenue of the Sub-fund as reported in the Statement of Total Return is shown in note 7 on page 31.

For the purposes of determining the distribution, all or part of the ACD's charge may be borne by the capital account of the Sub-funds. Currently only the Liontrust Sustainable Future Monthly Income Bond Fund charges the ACD's charge and performance fee against capital.

Notes applicable to the financial statements of all Sub-funds (continued)

for the year ended 31 December 2023

1 Accounting Policies (continued)

j) Special dividends

Special dividends are reviewed on a case by case basis when determining if the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distribution. The tax accounting treatment follows the treatment of the principal amount.

k) Functional currency

The base currency of the Company is Sterling and is taken to be the 'functional currency' of the Company.

Liontrust Sustainable Future Monthly Income Bond Fund

Report for the year from 1 January 2023 to 31 December 2023

Investment Objective

The Sub-Fund aims to produce monthly income payments together with capital growth through investment in sustainable securities.

Total Return Target Benchmark

The Sub-fund targets a net total return of at least the IBOXX GBP Corporates (5-15Y) index over the long term (rolling 5-year periods).

Investment Policy

The Sub-fund will invest a minimum of 80% in investment grade corporate bonds that are sterling denominated or hedged back to sterling.

The Sub-fund may also invest in government bonds, collective investment schemes (up to 10% of Sub-fund assets), sub-investment grade bonds, other fixed income securities, warrants, cash, deposits and money market instruments.

The investment objective of the Sub-fund will be achieved through investment in securities that provide or produce sustainable products and services as well as having a progressive approach to the management of environmental, social and governance ("ESG") issues. Further information on ESG considerations can be found in Appendix F of the Prospectus.

All securities will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

The Sub-fund is permitted to use derivatives and forwards for the purposes of efficient portfolio management and for investment purposes. The Sub-fund will also use derivatives (specifically currency forwards, credit default swaps, interest rate swaps, bond futures and embedded derivatives), to manage the Sub-fund's credit, currency and duration exposures. Please refer to the Derivatives' section of the Prospectus for further details.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Investment review

The Liontrust Sustainable Future Monthly Income Bond Fund returned 13.1% over the year, compared with the 9.4% average return from the IA Sterling Corporate Bond sector (the comparator benchmark) and 11.3% return from the iBoxx Sterling Corporates 5-15 Years Index (the target benchmark)*.

*Source: FE Analytics, as at *31.12.23*, B share class, total return, net of fees and interest reinvested. *Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

Market backdrop

Financial markets generally had a strong start to the year, as stronger than anticipated economic data and falling headline inflation heightened optimism of a soft landing and that central banks were approaching the end of the monetary policy tightening.

This optimism was further supported by the reopening of the Chinese economy, with the potential easing of supply chain pressures supporting lower inflation and stronger growth more broadly.

However, as the year progressed core inflation continued to surprise to the upside, which, alongside more resilient economic data, raised the prospect of a prolonged period of higher interest rates.

In March, significant market volatility followed the collapse of Silicon Valley Bank (SVB) in the US, which was swiftly followed by Credit Suisse's government-supported rescue by UBS. The rescue deal resulted in the full write-down of the bank's AT1 securities, despite ranking senior to equity investors who received some compensation, undermining the conventional bank loss absorption capital structure. This understandably undermined confidence in the AT1 asset class, and subordinated bank debt more broadly. However, investor sentiment recovered swiftly, as all major central banks came out to reiterate their confidence in the financial system and the risks were largely seen as contained.

Focus then returned to central banks' efforts to tackle persistent levels of inflation, with core inflation in particular proving more stubborn than expected. Central banks reacted by raising interest rates in order to rein in inflation towards target levels. This, coupled with accompanying hawkish statements, resulted in markets pricing in higher terminal interest rates.

The final weeks of the year then saw a shift in market direction after the US Federal Reserve (Fed) signalled that it was moving to a less hawkish stance, ushering in a sharp rally across financial markets as they lurched to pricing multiple rate cuts in 2024 and beyond.

The Bank of England (BoE), Fed and European Central Bank (ECB) all paused their rate-hike programmes in the second half of the year as they awaited economic evidence of the lagged impact of their tightening efforts. Somewhat surprisingly though, it was the Bank of England and the ECB which maintained a consistent message through to year end: that rates would have to stay higher for longer in order to tame inflation and stamp out the threat of persistence, despite the economic outlook looking more challenged than in the US. The Fed, by contrast, dropped its prior commitment to maintaining restrictive policy. Its dot-plot forecasts included more interest rate cuts than expected, with the median moving from one cut to three in 2024. This move, focusing more on the declines in inflation and ignoring the impacts of rate moves on financial conditions, something Fed chair Jay Powell had been pointing to repeatedly just a couple of weeks prior, solidified the market's belief that the time had come to price in a significant easing in US monetary policy.

Sub-fund performance

The Sub-fund's strong absolute and relative performance was driven by active management of its long duration position as well as good returns from credit as spreads tightened.

The Sub-fund began the year with duration of 7.84 years, 1 year overweight versus the iBoxx Sterling Corporates 5-15 Years Index.As the year progressed, yields moved higher due to the narrative of higher terminal interest rates gathering momentum. We increased interest rate risk in the Sub-fund to 1.25 year overweight. This long duration position proved beneficial as the final quarter of the year saw a sharp rally which pushed yields lower.

The strong performance from our duration management over the course of the year was complemented by the Sub-fund's overweight credit position as corporate bonds rallied alongside broader risk assets during the period, especially towards the end of the year.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Investment review (continued)

Sterling corporate credit spreads tightened by 58 basis points over the year, as the combination of falling inflation, strong corporate balance sheets and expectations of earlier rate cuts led to the increasing belief that central banks would achieve a ‘soft landing’.

Our overweight positioning to higher beta, subordinated financials, in both the banks and insurance sector, outperformed relative to our more defensive allocation to gilts, which lagged the rally.

Meanwhile, our exposure to some higher beta and longer spread duration holdings within the telecommunications and travel & leisure sectors were also positive contributors in the spread tightening environment.

The strength in stock selection was helped by strong sector allocation, as our underweight exposure to the more defensive parts of the market like utilities performed well, as riskier assets benefitted more from the broad-based rally. Our overweight to financials did well in this respect.

Trading activity

Trading activity was high at the start of the year as we topped up favoured names across financials, telecoms, insurance and utilities sectors and a few names in real estate.

We participated in a new issue from Prologis, a highly rated property company with a focus on the logistics industry that offered an attractive new issue premium. We also participated in new issues from Lloyds, BNP and ING in the banking sector, which came at attractive valuations.

We also bought into a new issued short-dated bond from Yorkshire Building Society, a bank with predominately exposure to mortgages, which we favour from a business risk view. The bank is defensively managed with low leverage, strong asset quality and strong liquidity. We also favour from a sustainability standpoint, with 87% of the loan book relating to owner occupied mortgages but also providing commercial loans to housing associations.

We participated in a newly issued high-coupon bond from Pension Insurance Corp, a leading operator in the Bulk Purchase Annuity market, with predominately investment-grade exposure and a healthy solvency position, which we favour from a business risk view.

Other new issues from favoured names including BPCE, Royal London and Rothesay. They all came at attractive valuations offering high coupons at a discount to existing bonds, in high quality companies, with robust underlying credit fundamentals.

We added new holdings of Veralto and Suez to the Sub-fund. Veralto, a spin-out company from Danaher, specialises in providing technology for water testing and treatment, as well as offering traceability and regulatory printing solutions for consumer-packaged goods. The company supports a high-growth profile, making it an appealing addition. Suez, emerging as a new entity post the Veolia acquisition, predominantly encompasses French water and UK waste and recycling operations, moving exposure to water assets outside of the pressured UK regulatory regime.

In terms of disposals, we exited positions the position in Aroundtown, after we lost confidence in the management strategy as they seemed to favour shareholders over bondholders in their investment decisions. We sold the position on increasing concerns of further potential downside risk. Poor market sentiment and negative headlines around the tenant performance in Medical Properties’ portfolio also led us to dispose of this holding.

We sold out of our AXA perpetual paper as the bond had outperformed the market on expectations that it would be taken out in a liability management exercise. Canary Wharf Group was divested on grounds of credit quality and concerns over medium term performance. While we believe the name had strong ESG credentials, demand for office space has been deteriorating and pressure on commercial real estate values weighed on the company’s ability to manage leverage and covenant metrics.

Portfolio activity was otherwise focused on relative value switches, where we were particularly active in the financials sector.

Outlook

We firmly believe that the Sustainable Future fixed income strategies continue to offer a very attractive opportunity for investors. The asset class offers all-in yield levels of more than 5.5%, so we believe that 2024 is set to be another strong year for total returns.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Investment review (continued)

We remain confident that both the economic slowdown and strong disinflationary momentum from late 2023 are set to continue throughout 2024. While we don't expect that the path to reach the 2% inflation target will be a smooth one, as evidenced by December's stronger-than-expected inflation release, we continue to believe that we will reach 2% far quicker than central banks and the broader market expect.

As inflation comes back to target, we believe that central banks will become more cognisant of the weakening growth outlook and will have to acknowledge that maintaining rates for a prolonged period will cause more harm than good. Therefore, we expect central banks to pivot to monetary policy easing through interest rate cuts. This provides a supportive backdrop for fixed income valuations, while also increasing the likelihood of a soft economic landing.

Broadly, UK 'tier 1' data has started to weaken materially – with growth, inflation and wages all coming in below market expectations. While it might be too early to declare outright victory, things are trending in the right direction for our positioning.

Having reduced our overweight interest rate risk position into the year-end following the significant moves in Q4 2023, we view the back up in yields seen since the turn of the year as an attractive entry point, and we added back to the overweight duration position recently with UK 10-year yields approaching 4%.

We continue to believe that corporate bonds remain an attractive investment opportunity, despite the more challenging economic growth outlook.

Firstly, credit typically performs well through periods of low economic growth, while the high level of yield carry on offer helps protect investors against any potential spread widening during the year. Alongside this, corporate fundamentals remain robust, with low levels of leverage, high interest coverage and ample liquidity. Though corporate fundamentals will inevitably weaken through a period of economic deterioration, the incredibly strong starting point means investment grade companies are more than capable of withstanding a prolonged period of low growth.

The underlying strength of corporate balance sheets, coupled with our high quality, sustainable portfolio, leaves us looking forwards to what should be another strong year ahead for our Sustainable Future fixed income strategies, as we continue to transition to a cleaner, healthier, and safer economy.

January 2024

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested.

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.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
United Kingdom Gilt 6% 7/12/2028	United Kingdom Gilt 6% 7/12/2028
Lloyds Banking 6.625% 2/6/2033	Vodafone 6.15% 27/2/2037
Rothesay Life 7.734% 16/5/2033	Credit Agricole 5.75% 29/11/2027
Severn Trent Utilities Finance 6.25% 7/6/2029	Severn Trent Utilities Finance 6.25% 7/6/2029
3i 5.75% 3/12/2032	Lloyds Banking 6.625% 2/6/2033
Pension Insurance 8% 13/11/2033	Lloyds Banking 2.707% 3/12/2035
ING Groep 6.25% 20/5/2033	AXA 6.379% Perpetual
Vodafone 5.9% 26/11/2032	Santander UK 7.098% 16/11/2027
Lloyds Banking 2.707% 3/12/2035	Deutsche Telekom International Finance 9.25% 1/6/2032
Rentokil Initial 5% 27/6/2032	Pension Insurance 5.625% 20/9/2030

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-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

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-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 Sub-Fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the higher of the actual historical annualised volatility and the translated annualised volatility of the Sub-fund based upon the internal Value at Risk limit.
- The Sub-fund is categorised 4 primarily for its exposure to a diversified portfolio of debt instruments along with a number of derivative positions.
- The SRRI may not fully take into account the following risks:
  - 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.
- The Sub-fund can invest in derivatives. Derivatives are used to protect against currency, credit or 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 Sub-fund uses 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.
- The Sub-fund may encounter liquidity constraints from time to time. Participation rates on advertised volumes could fall reflecting the less liquid nature of the current market conditions.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The level of targeted income is not guaranteed.
- The payment of a performance fee may provide incentive to the investment adviser to take more speculative investments.
- Environmental Social Governance (ESG) Risk: there may be limitations to the availability, completeness or accuracy of ESG

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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 Sub-fund's risks, please see the prospectus which may be obtained from Liontrust (at the address on page 1) or online at www.liontrust.co.uk.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Comparative Tables
for the year ended 31 December 2023

Class B Gross Accumulation Accounting year ended	31 December 2023 per share (p)	31 December 2022 per share (p)	31 December 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	147.96	174.87	175.03
Return before operating charges	20.19	(26.01)	0.86
Operating charges	(0.86)	(0.90)	(1.02)
Return after operating charges	19.33	(26.91)	(0.16)
Distributions	(8.82)	(7.94)	(7.85)
Retained distributions on accumulation shares	8.82	7.94	7.85
Closing net asset value per share	**167.29**	**147.96**	**174.87**
After direct transaction costs of*	(0.02)	(0.02)	(0.02)
Performance			
Return after charges	13.06%	(15.39%)	(0.09%)
Other information			
Closing net asset value (£'000)	94,597	91,392	36,673
Closing number of shares	56,548,558	61,766,666	20,971,324
Operating charges**	0.56%	0.57%	0.58%
Direct transaction costs*	0.01%	0.01%	0.01%
Prices			
Highest share price	168.72	176.03	178.39
Lowest share price	143.86	131.29	173.16

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Comparative Tables (continued)
for the year ended 31 December 2023

Class B Gross Income **Accounting year ended**	**31 December 2023** **per share (p)**	**31 December 2022** **per share (p)**	**31 December 2021** **per share (p)**
Change in net assets per share			
Opening net asset value per share	78.10	97.13	101.64
Return before operating charges	10.20	(14.22)	0.51
Operating charges	(0.44)	(0.49)	(0.58)
Return after operating charges	9.76	(14.71)	(0.07)
Distributions	(4.51)	(4.32)	(4.44)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	**83.35**	**78.10**	**97.13**
After direct transaction costs of*	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	12.50%	(15.14%)	(0.07%)
Other information			
Closing net asset value (£'000)	188,010	200,602	226,661
Closing number of shares	225,566,262	256,852,204	233,350,959
Operating charges**	0.56%	0.57%	0.58%
Direct transaction costs*	0.01%	0.01%	0.01%
Prices			
Highest share price	84.81	98.00	102.70
Lowest share price	73.67	70.41	97.31

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Comparative Tables (continued)
for the year ended 31 December 2023

Class P Gross Accumulation Accounting year ended	31 December 2023 per share (p)	31 December 2022 per share (p)	31 December 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	155.26	184.72	185.58
Return before operating charges	21.05	(27.28)	1.00
Operating charges	(1.06)	(2.18)	(1.86)
Return after operating charges	19.99	(29.46)	(0.86)
Distributions	(9.26)	(8.34)	(8.29)
Retained distributions on accumulation shares	9.26	8.34	8.29
Closing net asset value per share	**175.25**	**155.26**	**184.72**
After direct transaction costs of*	(0.02)	(0.02)	(0.02)
Performance			
Return after charges	12.88%	(15.95%)	(0.46%)
Other information			
Closing net asset value (£'000)	95,603	66,581	71,184
Closing number of shares	54,552,697	42,882,776	38,535,683
Operating charges**	0.26%	0.27%	0.28%
Direct transaction costs*	0.01%	0.01%	0.01%
Performance fee	0.40%	1.04%	0.72%
Prices			
Highest share price	176.72	185.74	188.64
Lowest share price	151.07	137.92	182.20

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Comparative Tables (continued)
for the year ended 31 December 2023

Class P Gross Income Accounting year ended	31 December 2023 per share (p)	31 December 2022 per share (p)	31 December 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	78.96	98.91	104.01
Return before operating charges	10.33	(14.40)	0.44
Operating charges	(0.42)	(1.17)	(0.99)
Return after operating charges	9.91	(15.57)	(0.55)
Distributions	(4.58)	(4.38)	(4.55)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	**84.29**	**78.96**	**98.91**
After direct transaction costs of*	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	12.55%	(15.74%)	(0.53%)
Other information			
Closing net asset value (£'000)	230,169	183,692	220,586
Closing number of shares	273,077,523	232,643,549	223,016,773
Operating charges**	0.26%	0.27%	0.28%
Direct transaction costs*	0.01%	0.01%	0.01%
Performance fee	0.27%	1.06%	0.69%
Prices			
Highest share price	85.57	99.79	105.10
Lowest share price	74.62	71.26	99.19

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Comparative Tables (continued)
for the year ended 31 December 2023

Class Z Gross Income Accounting year ended	31 December 2023 per share (p)	31 December 2022 per share (p)	31 December 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	83.80	103.70	107.98
Return before operating charges	11.03	(15.24)	0.57
Operating charges	(0.04)	(0.07)	(0.10)
Return after operating charges	10.99	(15.31)	0.47
Distributions	(4.89)	(4.59)	(4.75)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**89.90**	**83.80**	**103.70**
After direct transaction costs of*	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	13.11%	(14.76%)	0.44%
Other information			
Closing net asset value (£'000)	9	8	10
Closing number of shares	9,641	9,641	9,641
Operating charges**	0.05%	0.08%	0.09%
Direct transaction costs*	0.01%	0.01%	0.01%
Prices			
Highest share price	91.16	104.75	109.12
Lowest share price	79.43	75.63	104.17

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Portfolio Statement
as at 31 December 2023

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UNITED KINGDOM GOVERNMENT BONDS (4.96%)	**43,623**	**7.17**
£39,000,000	United Kingdom Gilt 6% 7/12/2028	43,623	7.17
	UK STERLING DENOMINATED DEBT SECURITIES (79.62%)	**516,843**	**84.95**
£11,497,000	3i 5.75% 3/12/2032	12,291	2.02
£8,650,000	Anglian Water Services Financing 6.625% 15/1/2029	9,367	1.54
£2,900,000	Annington Funding 3.935% 12/7/2047	2,250	0.37
£9,700,000	Annington Funding 4.75% 9/8/2033	9,026	1.48
£14,900,000	AT&T 7% 30/4/2040	17,361	2.85
£7,600,000	Aviva 5.125% 4/6/2050	7,224	1.19
£6,667,000	Aviva 6.875% Perpetual	6,061	1.00
£15,000,000	Barclays 8.407% 14/11/2032	15,995	2.63
£5,500,000	Barclays 7.09% 6/11/2029	5,857	0.96
£13,000,000	Blackstone Property Partners Europe 4.875% 29/4/2032	11,493	1.89
£3,200,000	BNP Paribas 5.75% 13/6/2032	3,369	0.55
£6,500,000	BNP Paribas 6% 18/8/2029	6,865	1.13
£10,000,000	BPCE 5.25% 16/4/2029	9,832	1.62
£8,300,000	BPCE 6.125% 24/5/2029	8,590	1.41
£6,350,000	Circle Anglia Social Housing 7.25% 12/11/2038	7,719	1.27
£8,750,000	Compass 4.375% 8/9/2032	8,810	1.45
£14,200,000	Cooperatieve Rabobank UA 4.625% 23/5/2029	13,750	2.26
£5,000,000	Coventry Building Society 6.875% Perpetual	4,901	0.80
£8,000,000	Deutsche Telekom International Finance 7.625% 15/6/2030	9,489	1.56
£7,672,000	Deutsche Telekom International Finance 8.875% 27/11/2028	9,223	1.52
£8,127,000	DWR Cymru Financing UK 6.015% 31/3/2028	8,558	1.41
£12,800,000	HSBC 7% 7/4/2038	14,030	2.31
£7,000,000	HSBC 8.201% 16/11/2034	7,724	1.27
£11,000,000	ING Groep 6.25% 20/5/2033	11,071	1.82
£2,700,000	Legal & General 5.125% 14/11/2048	2,636	0.43
£10,900,000	Legal & General 4.5% 1/11/2050	10,018	1.65
£9,942,000	Liberty Living Finance 3.375% 28/11/2029	9,100	1.50
£9,500,000	Lloyds Banking 2.707% 3/12/2035	7,638	1.25
£14,000,000	Lloyds Banking 6.625% 2/6/2033	14,312	2.35
£4,690,000	M&G 6.34% 19/12/2063	4,453	0.73
£3,400,000	M&G 5.625% 20/10/2051	3,222	0.53
£8,000,000	Motability Operations 5.625% 29/11/2030	8,620	1.42
£6,500,000	National Express 2.375% 20/11/2028	5,683	0.93
£16,000,000	Natwest 7.416% 6/6/2033	16,719	2.75
£4,500,000	NGG Finance 5.625% 18/6/2073	4,426	0.73
£6,200,000	Optivo Finance 2.857% 7/10/2035	4,989	0.82
£10,750,000	Orange 8.125% 20/11/2028	12,596	2.07

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Portfolio Statement (continued)
as at 31 December 2023

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UK STERLING DENOMINATED DEBT SECURITIES (continued)		
£11,000,000	Pension Insurance 8% 13/11/2033	11,775	1.93
£3,946,000	Phoenix 5.625% 28/4/2031	3,723	0.61
£8,500,000	Phoenix 7.75% 6/12/2053	8,874	1.46
£6,370,000	Places for People Homes 5.875% 23/5/2031	6,658	1.09
£2,375,000	Places For People Treasury 6.25% 6/12/2041	2,544	0.42
£3,750,000	RAC Bond 4.87% 6/5/2046	3,644	0.60
£9,000,000	Rentokil Initial 5% 27/6/2032	9,045	1.49
£6,000,000	RL Finance Bonds NO 6 10.125% Perpetual	6,365	1.05
£7,500,000	RL Finance Bonds No. 4 4.875% 7/10/2049	6,005	0.99
£10,500,000	Rothesay Life 7.734% 16/5/2033	11,181	1.84
£10,990,000	Severn Trent Utilities Finance 6.25% 7/6/2029	11,753	1.93
£9,900,000	South Eastern Power Networks 6.375% 12/11/2031	11,066	1.82
£5,423,000	SSE 8.375% 20/11/2028	6,350	1.04
£6,977,000	SSE 3.74% Perpetual	6,554	1.08
£3,200,000	Suez SACA 6.625% 5/10/2043	3,710	0.61
£9,550,000	Thames Water Utilities Finance 6.75% 16/11/2028	9,686	1.59
£1,608,000	UNITE 3.5% 15/10/2028	1,524	0.25
£16,350,000	Verizon Communications 4.75% 17/2/2034	16,213	2.66
£8,697,000	Vodafone 5.9% 26/11/2032	9,525	1.56
£1,500,000	Western Power Distribution 3.5% 16/10/2026	1,449	0.24
£8,951,000	Whitbread 3% 31/5/2031	7,676	1.26
£6,000,000	Yorkshire Building Society 6.375% 15/11/2028	6,113	1.00
£6,333,000	Yorkshire Building Society 7.375% 12/9/2027	6,561	1.08
£7,850,000	Yorkshire Water Finance 6.454% 28/5/2027	8,086	1.33
£16,100,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	15,495	2.55
	UK STERLING DENOMINATED FORWARD EXCHANGE CONTRACTS ((0.35%))	**(56)**	**(0.01)**
£15,810,289	UK sterling 15,810,289 Vs US dollar 20,100,000 - 20/3/2024	49	0.01
£21,443,723	UK sterling 21,443,723 Vs Euro 24,800,000 - 20/3/2024	(105)	(0.02)
	UK STERLING DENOMINATED OPEN FUTURES CONTRACTS ((1.61%))	**8,490**	**1.40**
1,500	Long Gilt Future March 2024	8,490	1.40
	UK STERLING DENOMINATED INTEREST RATE SWAPS (0.00%)	**2,185**	**0.36**
51,000,000	RECV IRS 5.6 29/6/2026 Interest Rate Swap (Counterparty: UBS)	2,185	0.36

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Portfolio Statement (continued)
as at 31 December 2023

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	EURO DENOMINATED DEBT SECURITIES (0.98%)	**21,866**	**3.60**
€9,500,000	Cellnex Finance 2% 15/2/2033	7,000	1.15
€9,500,000	Prologis International Funding II 4.625% 21/2/2035	8,563	1.41
€7,000,000	Veralto 4.15% 19/9/2031	6,303	1.04
	EURO DENOMINATED OPEN FUTURES CONTRACTS (0.05%)	**(420)**	**(0.07)**
(160)	Euro-Bund Future March 2024	(420)	(0.07)
	US DOLLAR DENOMINATED DEBT SECURITIES (14.20%)	**15,849**	**2.60**
$12,000,000	BNP Paribas 4.5% Perpetual	7,498	1.23
$10,500,000	Standard Chartered 7.014% Perpetual	8,351	1.37
	US DOLLAR DENOMINATED OPEN FUTURES CONTRACTS (0.14%)	**(141)**	**(0.02)**
(90)	US 10 Year Ultra Future March 2024	(141)	(0.02)
	Portfolio of investments	**608,239**	**99.98**
	Net other assets	**149**	**0.02**
	Total net assets	**608,388**	**100.00**

All investments are approved securities being either officially listed in a member state or under the rules of an eligible market, unless otherwise stated.

Comparative figures show percentages for each category of holding at 31 December 2022.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Statement of Total Return
for the year ended 31 December 2023

	Notes	(£'000)	1.1.2023 to 31.12.2023 (£'000)	(£'000)	1.1.2022 to 31.12.2022 (£'000)
Income					
Net capital gains/(losses)	2		40,318		(94,616)
Revenue	3	28,528		18,660	
Expenses	4	(3,228)		(4,720)	
Interest payable and similar charges	6	(158)		(43)	
Net revenue before taxation		25,142		13,897	
Taxation	5	–		–	
Net revenue after taxation			25,142		13,897
Total return before distributions			**65,460**		**(80,719)**
Distributions	7		(32,933)		(24,938)
Change in net assets attributable to shareholders from investment activities			**32,527**		**(105,657)**

Statement of Change in Net Assets Attributable to Shareholders
for the year ended 31 December 2023

	(£'000)	1.1.2023 to 31.12.2023 (£'000)	(£'000)	1.1.2022 to 31.12.2022 (£'000)
Opening net assets attributable to shareholders		**542,275**		**555,114**
Amounts received on issue of shares	206,674		170,493	
Amounts paid on cancellation of shares	(183,090)		(85,152)	
		23,584		85,341
Dilution adjustment		90		459
Change in net assets attributable to shareholders from investment activities		32,527		(105,657)
Retained distributions on accumulation shares		9,912		7,018
Closing net assets attributable to shareholders		**608,388**		**542,275**

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Balance Sheet
as at 31 December 2023

	Notes	31.12.2023 (£'000)	31.12.2022 (£'000)
Assets			
Fixed assets			
Investments		608,905	541,990
Current assets:			
Debtors	8	13,139	11,412
Cash and bank balances	9	1,985	9,876
Total assets		**624,029**	**563,278**
Liabilities			
Investment liabilities		(666)	(10,626)
Creditors:			
Amounts due to futures clearing houses and brokers		(11,806)	–
Bank overdrafts		–	(1,293)
Distribution payable		(763)	(2,965)
Other creditors	10	(2,406)	(6,119)
Total liabilities		**(15,641)**	**(21,003)**
Net assets attributable to shareholders		**608,388**	**542,275**

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements
for the year ended 31 December 2023

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 12 to 14.

2 Net capital gains/(losses)

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
The net capital gains/(losses) comprise:		
Non-derivative securities	28,908	(105,501)
Derivative contracts	8,177	24,046
Forward currency contracts	2,369	(15,121)
Foreign currency gains	864	1,960
Net capital gains/(losses)	**40,318**	**(94,616)**

3 Revenue

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Bank interest	91	18
Interest from overseas fixed income securities	9,230	5,780
Interest from UK fixed income securities	19,207	12,838
Stock lending income	–	24
Total revenue	**28,528**	**18,660**

4 Expenses

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	1,959	1,740
General administration charges*	343	363
Performance fees	926	2,617
Total expenses	**3,228**	**4,720**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,850 (2022: £9,200). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

5 Taxation

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)

a) Analysis of the tax charge for the year
There is no corporation tax charge for the current year or prior year [see note (b)].

b) Factors affecting the tax charge for the year
The taxation assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Net revenue before taxation	25,142	13,897
Corporation tax at 20% (2022 - 20%)	5,028	2,779
Effects of:		
Add: transfer to capital re amortisation	981	1,338
Tax deductible interest distributions	(6,009)	(4,117)
Total tax charge [see note(a)]	**–**	**–**

Authorised investment companies with variable capital are exempt from UK tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c) Deferred tax
No deferred tax asset has been recognised in the accounts. The Sub-fund has no tax losses (2022: £nil).

6 Interest payable and similar charges

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Overdraft interest	137	43
Interest on collateral	21	–
Total interest payable and similar charges	**158**	**43**

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

7 Distributions

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
First Interim	2,402	1,750
Second Interim	2,578	1,757
Third Interim	2,550	1,719
Fourth Interim	2,613	1,707
Fifth Interim	2,614	1,685
Sixth Interim	2,500	1,687
Seventh Interim	2,399	1,651
Eighth Interim	2,386	1,658
Ninth Interim	2,410	1,751
Tenth Interim	2,363	1,838
Eleventh Interim	2,427	1,963
Final	5,913	7,533
	33,155	**26,699**
Amounts deducted on cancellation of shares	1,430	484
Amounts received on issue of shares	(1,652)	(2,245)
Distributions	**32,933**	**24,938**
The distributable amount has been calculated as follows:		
Net revenue after taxation	25,142	13,897
Less: Equalisation on conversions	(1)	(1)
Add: ACD's charge reimbursed by capital	1,960	1,740
Add: Performance fees reimbursed by capital	926	2,617
Add: Transfer to capital re amortisation	4,906	6,685
Distributions	**32,933**	**24,938**

The distribution per share is set out in the tables on pages 46 to 51.

8 Debtors

	31.12.2023 (£'000)	31.12.2022 (£'000)
Accrued revenue	10,920	10,400
Amounts receivable for issue of shares	1,218	1,012
Currency sales awaiting settlement	1,001	–
Total debtors	**13,139**	**11,412**

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

9 Cash and bank balances

	31.12.2023 (£'000)	31.12.2022 (£'000)
Amount held at futures clearing houses and brokers	718	9,876
Cash and bank balances	1,267	-
Total cash and bank balances	**1,985**	**9,876**

10 Creditors

	31.12.2023 (£'000)	31.12.2022 (£'000)
Accrued expenses	30	28
Accrued ACD's charge	171	167
Accrued performance fee	926	2,617
Amounts payable for cancellation of shares	280	1,095
Currency purchases awaiting settlement	999	–
Purchases awaiting settlement	–	2,212
Total other creditors	**2,406**	**6,119**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: £nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £1,127,000 (2022: £2,812,000).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was £3,228,000 (2022: £4,720,000).

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

13 Securities lending

The Sub-fund engages in security lending activities which expose the Sub-fund to counterparty credit risk. The maximum exposure to the Sub-fund is equal to the value of the securities loaned.

Securities lending transactions entered into by the Sub-fund are subject to a written legal agreement between the Sub-fund and the Stock Lending Agent, The Bank of New York Mellon (London Branch), 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 Depositary on behalf of the Sub-fund. Collateral received is segregated from the assets belonging to the Sub-fund's Depositary or the Stock Lending Agent. All operational costs are borne out of the Stock Lending Agent's share of income earned.

The total income earned from securities lending transactions is split between the relevant Sub-fund and the Stock Lending Agent. The Sub-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 Sub-fund from securities lending activity during the year to 31 December 2023.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Sustainable Future Monthly Income Bond Fund				
Securities lending				
Gross return	–	–	–	–
% of total	70%	0%	30%	100%
Cost	–	–	–	–

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 December 2022.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	24	–	10	34
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

13 Securities lending (continued)

Securities on loan and collateral received

Collateral accepted is non-cash in the form of sovereign debt rated AA or better from approved governments only, supranational debt obligations rated AAA or better listed on a recognised exchange.

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. At the year end all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange.

The Sub-fund also benefits from a borrower default indemnity provided by The Bank of New York Mellon (London Branch). The indemnity allows for full replacement of securities lent. The Bank of New York Mellon (London Branch) bears the cost of indemnification against borrower default.

14 Risk management policies

In accordance with the investment objectives and policies the Sub-fund can hold certain financial instruments as detailed in the Sub-fund's prospectus. These can comprise of:

- Investment grade corporate bonds and government bonds (both sterling and non-sterling);
- Sub-investment grade bonds, covered bonds and preference shares;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- short-term borrowings used to finance operational cash flows;
- units and shares in collective investment schemes;
- shareholders' funds, which represent investors' monies which are invested on their behalf from overseas investments held;
- derivative transactions for investment purposes as well as efficient portfolio management in accordance with the Sub-fund's investment policies.

In accordance with the requirements of the rules in the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Sub-fund is not permitted to trade in other financial instruments. The Sub-fund's use of financial instruments during the year satisfies these regulatory requirements.

The main risks arising from the Sub-fund's financial instruments are market price (including "emerging markets price risk"), currency, interest rate, liquidity and counterparty credit risk. The ACD's policies for managing these risks are summarised below.

The Sub-fund, alongside an independent risk function, has used a combination of risk measurements and limits to measure and monitor portfolio risk. This is in line with the Liontrust Group's Risk Management Process.

These policies have remained unchanged since the beginning of the year to which these financial statements relate and during the prior year.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

14 Risk management policies (continued)

Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet an acceptable risk reward profile. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes.

The Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the Prospectus.

Risk management process

The Sub-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR). The Sub-fund uses the VaR approach. VaR is a method of estimating potential loss due to market risk, rather than a statement of leverage, using a given confidence level, or probability, over a specific time period and assuming normal market conditions. The VaR is calculated using a Monte Carlo Simulation model carried out in accordance with regulatory guidelines. The table below provides an analysis of the VaR measures and leverage levels* for the Liontrust Sustainable Future Monthly Income Bond Fund. The maximum VaR the Sub-fund is allowed to use under the UCITS Regulations is 20%.

* The leverage has been calculated using the sum of the notionals of the derivatives used.

The Sub-fund’s lowest, highest and average utilisation of the VaR limit during the year was:

	2023			2022	
Lowest VaR	Highest VaR	Average VaR	Lowest VaR	Highest VaR	Average VaR
6.95%	10.21%	8.12%	1.73%	11.36%	5.03%

The Sub-fund's lowest, highest and average level of leverage employed during the year was:

	2023			2022	
Lowest Leverage	Highest Leverage	Average Leverage	Lowest Leverage	Highest Leverage	Average Leverage
36.19%	76.21%	52.97%	37.71%	99.01%	63.21%

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments may be significantly affected by currency risk movements as some of the assets and income are denominated in currencies other than Sterling, which is the Company’s functional and reporting currency.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

14 Risk management policies (continued)

Currency risk (continued)

The ACD has identified three principal areas where foreign currency risk could impact the Sub-fund:

- Movements in exchange rates affecting the value of investments;
- Movements in exchange rates affecting short-term timing differences; and
- Movements in exchange rates affecting the income received.

Currency exposure is monitored closely and is considered to be part of the overall investment process. Currency hedges via forward exchange contracts will only be used in the event of a specific unwanted currency risk being identified.

The Sub-fund may be subject to short-term exposure to exchange rate movements, for instance, where there is a difference between the date an investment purchase or sale is entered into and the date when settlement of the proceeds occurs. The ACD believes that the impact of such movements is not significant enough to warrant the cost incurred of eliminating them via hedging.

The Sub-fund may receive income in currencies other than Sterling, and the Sterling values of this income can be affected by movements in exchange rates. The Sub-fund converts all receipts of income into Sterling on or near the date of receipt; it does not, however, hedge or otherwise seek to avoid exchange rate risk on income accrued but not received.

The majority of the Sub-fund's financial assets and liabilities are denominated in the Sub-fund's functional currency. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of currency exchange rates. Therefore, no exchange rate sensitivity analysis has been prepared for these.

Interest rate risk

Interest rate risk is the risk that the revenue cash flow or the fair value of investments may be adversely affected by movements in market interest rates.

The Sub-fund's revenue is generated by the holding of bonds, which contractually oblige the borrower to repay the Sub-fund interest under specific terms. Changes to interest rates may affect the cash inflows and outflows calculated with reference to financial assets and liabilities. By a careful assessment of economic and other relevant factors, the Portfolio ACD will seek to invest in those companies most likely to benefit, or be shielded, from anticipated changes in interest rates.

Interest receivable on bank deposits and short-term deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The interest rates earned on sterling deposits are earned at a rate in line with overnight bank rates.

Liquidity risk

Liquidity risk is the risk that the Sub-fund will not be able to meet its obligations as they fall due. The Sub-fund's assets comprise mainly of readily realisable securities which can be sold to meet liquidity requirements.

The main liquidity risk of the Sub-fund is the redemption of any shares that investors wish to sell, which are redeemable on demand under the Prospectus. Where investments cannot be realised in time to meet any potential liability, the Sub-fund may borrow up to 10% of its value to ensure settlement.

In accordance with the ACD's policy, the ACD monitors the Sub-fund's liquidity on a daily basis.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

14 Risk management policies (continued)

Counterparty credit risk

Counterparty credit risk is the risk of suffering loss due to another party not meeting its financial obligation. Investments may be adversely affected if any of the institutions with which money is deposited or invested suffers insolvency or other financial difficulties or the credit rating of the bearers of the bonds held by the Sub-fund are downgraded.

The table below summarises the credit quality of the Sub-fund's debt portfolio as at 31 December 2023 and 31 December 2022.

Summary of Credit ratings	31.12.2023 (£'000)	31.12.2022 (£'000)
Investment grade	539,601	441,589
Below Investment grade	15,351	68,903
Not Rated	43,229	30,477
Total	**598,181**	**540,969**

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty. This list is reviewed at least annually.

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan.

Counterparty exposures

The counterparty exposure of financial derivative transactions at 31 December 2023 is shown below:

Counterparty details Financial Derivative Transactions	Forward Foreign Exchange Contracts (£'000)	Interest Rate Swaps (£'000)	Total Exposure (£'000)
Bank of New York Mellon International	(56)	–	**(56)**
UBS AG	–	2,185	**2,185**
Total	**(56)**	**2,185**	**2,129**

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

14 Risk management policies (continued)

Counterparty exposures (continued)

The counterparty exposure of financial derivative transactions at 31 December 2022 is shown below:

Counterparty details Financial Derivative Transactions	Forward Foreign Exchange Contracts (£'000)	Total Exposure (£'000)
Bank of New York Mellon International	(1,886)	**(1,886)**
Total	**(1,886)**	**(1,886)**

At the year end collateral of £Nil (2022: £Nil) was received; collateral pledged was £16,338,000 (2022: £Nil) and none (2022: none) of the Sub-fund's financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2023 and at 31 December 2022 was A (Standard & Poor's rating).

BNYMSA, in the discharge of its delegated Depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the Sub-fund's rights with respect to its assets to be delayed or may result in the Sub-fund not receiving the full value of its assets.

Maturity profile of financial liabilities

All financial liabilities of the Sub-fund at the current and prior year-end are due to settle in one year or less, or on demand.

Fair value of financial assets and liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

14 Risk management policies (continued)

Valuation of financial investments

31.12.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	52,113	(561)
Level 2: Observable market data	556,792	(105)
	608,905	**(666)**

31.12.2022	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	27,932	(8,740)
Level 2: Observable market data	514,058	(1,886)
	541,990	**(10,626)**

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.

15 Share movement

For the year ending 31 December 2023

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class B Gross Accumulation	61,766,666	40,641,050	(46,020,977)	161,819	56,548,558
Class B Gross Income	256,852,204	42,203,007	(72,621,645)	(867,304)	225,566,262
Class P Gross Accumulation	42,882,776	39,301,029	(27,454,098)	(177,010)	54,552,697
Class P Gross Income	232,643,549	58,756,004	(19,226,273)	904,243	273,077,523
Class Z Gross Income	9,641	–	–	–	9,641

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

16 Portfolio transaction costs
for the year ending 31 December 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	336,024	–	–	–	–
Total purchases	**336,024**	**–**		**–**	
Total purchases including transaction costs	**336,024**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	302,824	–	–	–	–
Total sales	**302,824**	**–**		**–**	
Total sales net of transaction costs	**302,824**				
Derivative transaction costs		**58**		**–**	
Total transaction costs		**58**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**–**	

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

16 Portfolio transaction costs (continued)
for the year ending 31 December 2022

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	349,822	–	–	–	–
Total purchases	**349,822**	**–**		**–**	
Total purchases including transaction costs	**349,822**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	239,872	–	–	–	–
Total sales	**239,872**	**–**		**–**	
Total sales net of transaction costs	**239,872**				
Derivative transaction costs		**61**		**–**	
Total transaction costs		**61**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**–**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

During the year the Sub-fund utilised derivative instruments including credit default swaps and futures covering different underlying asset classes. The settlement values for opening and closing derivative positions are not comparable to principal values for transactions in direct holding investments and therefore purchase and sale amounts for derivative transactions are not quantified in the analysis above. Transaction costs for derivatives positions will be either suffered as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.64% (2022: 0.76%).

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

17 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class B Gross Income share has decreased by 3.85% to 17 April 2024. The other share classes in the Sub-fund have moved by a similar magnitude.

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Distribution Tables
for the year ended 31 December 2023

Final distribution

Group 1 - Shares purchased prior to 1 December 2023

Group 2 - Shares purchased 1 December 2023 to 31 December 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.1.2024 Pence per share	Distribution paid 31.1.2023 Pence per share
Class B Gross Accumulation - Group 1	4.4232	–	4.4232	4.2011
Class B Gross Accumulation - Group 2	0.3664	4.0568	4.4232	4.2011
Class B Gross Income - Group 1	0.1150	–	0.1150	0.5785
Class B Gross Income - Group 2	0.1015	0.0135	0.1150	0.5785
Class P Gross Accumulation - Group 1	4.8553	–	4.8553	4.6021
Class P Gross Accumulation - Group 2	0.4589	4.3964	4.8553	4.6021
Class P Gross Income - Group 1	0.1844	–	0.1844	0.6355
Class P Gross Income - Group 2	0.1580	0.0264	0.1844	0.6355
Class Z Gross Income - Group 1	0.4908	–	0.4908	0.8481
Class Z Gross Income - Group 2	0.4908	–	0.4908	0.8481

Eleventh interim distribution

Group 1 - Shares purchased prior to 30 November 2023

Group 2 - Shares purchased 1 November 2023 to 30 November 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.12.2023 Pence per share	Distribution paid 31.12.2022 Pence per share
Class B Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class B Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Income - Group 2	0.3786	0.0214	0.4000	0.3400
Class P Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class P Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Income - Group 2	0.3196	0.0804	0.4000	0.3400
Class Z Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class Z Gross Income - Group 2	0.4000	–	0.4000	0.3400

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Distribution Tables (continued)
for the year ended 31 December 2023

Tenth interim distribution

Group 1 - Shares purchased prior to 1 October 2023

Group 2 - Shares purchased 1 October 2023 to 31 October 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.11.2023 Pence per share	Distribution paid 30.11.2022 Pence per share
Class B Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class B Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Income - Group 2	0.3228	0.0772	0.4000	0.3400
Class P Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class P Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Income - Group 2	0.3465	0.0535	0.4000	0.3400
Class Z Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class Z Gross Income - Group 2	0.4000	–	0.4000	0.3400

Ninth interim distribution

Group 1 - Shares purchased prior to 1 September 2023

Group 2 - Shares purchased 1 September 2023 to 30 September 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.10.2023 Pence per share	Distribution paid 31.10.2022 Pence per share
Class B Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class B Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Income - Group 2	0.3260	0.0740	0.4000	0.3400
Class P Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class P Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Income - Group 2	0.3505	0.0495	0.4000	0.3400
Class Z Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class Z Gross Income - Group 2	0.4000	–	0.4000	0.3400

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Distribution Tables (continued)
for the year ended 31 December 2023

Eighth interim distribution

Group 1 - Shares purchased prior to 1 August 2023

Group 2 - Shares purchased 1 August 2023 to 31 August 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.9.2023 Pence per share	Distribution paid 30.9.2022 Pence per share
Class B Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class B Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Income - Group 2	0.3330	0.0670	0.4000	0.3400
Class P Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class P Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Income - Group 2	0.2979	0.1021	0.4000	0.3400
Class Z Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class Z Gross Income - Group 2	0.4000	–	0.4000	0.3400

Seventh interim distribution

Group 1 - Shares purchased prior to 1 July 2023

Group 2 - Shares purchased 1 July 2023 to 31 July 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2023 Pence per share	Distribution paid 31.8.2022 Pence per share
Class B Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class B Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Income - Group 2	0.3409	0.0591	0.4000	0.3400
Class P Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class P Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Income - Group 2	0.3226	0.0774	0.4000	0.3400
Class Z Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class Z Gross Income - Group 2	0.4000	–	0.4000	0.3400

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Distribution Tables (continued)
for the year ended 31 December 2023

Sixth interim distribution

Group 1 - Shares purchased prior to 1 June 2023

Group 2 - Shares purchased 1 June 2023 to 30 June 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.7.2023 Pence per share	Distribution paid 31.7.2022 Pence per share
Class B Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class B Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Income - Group 2	0.3325	0.0675	0.4000	0.3400
Class P Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class P Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Income - Group 2	0.3177	0.0823	0.4000	0.3400
Class Z Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class Z Gross Income - Group 2	0.4000	–	0.4000	0.3400

Fifth interim distribution

Group 1 - Shares purchased prior to 1 May 2023

Group 2 - Shares purchased 1 May 2023 to 31 May 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.6.2023 Pence per share	Distribution paid 30.6.2022 Pence per share
Class B Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class B Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Income - Group 2	0.2785	0.1215	0.4000	0.3400
Class P Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class P Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Income - Group 2	0.2659	0.1341	0.4000	0.3400
Class Z Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class Z Gross Income - Group 2	0.4000	–	0.4000	0.3400

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Distribution Tables (continued)
for the year ended 31 December 2023

Fourth interim distribution

Group 1 - Shares purchased prior to 1 April 2023

Group 2 - Shares purchased 1 April 2023 to 30 April 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.5.2023 Pence per share	Distribution paid 31.5.2022 Pence per share
Class B Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class B Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Income - Group 2	0.3136	0.0864	0.4000	0.3400
Class P Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class P Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Income - Group 2	0.2624	0.1376	0.4000	0.3400
Class Z Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class Z Gross Income - Group 2	0.4000	–	0.4000	0.3400

Third interim distribution

Group 1 - Shares purchased prior to 1 March 2023

Group 2 - Shares purchased 1 March 2023 to 31 March 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.4.2023 Pence per share	Distribution paid 30.4.2022 Pence per share
Class B Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class B Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Income - Group 2	0.2569	0.1431	0.4000	0.3400
Class P Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class P Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Income - Group 2	0.2119	0.1881	0.4000	0.3400
Class Z Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class Z Gross Income - Group 2	0.4000	–	0.4000	0.3400

Liontrust Sustainable Future Monthly Income Bond Fund (continued)

Distribution Tables (continued)
for the year ended 31 December 2023

Second interim distribution

Group 1 - Shares purchased prior to 1 February 2023

Group 2 - Shares purchased 1 February 2023 to 28 February 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.3.2023 Pence per share	Distribution paid 31.3.2022 Pence per share
Class B Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class B Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Income - Group 2	0.3422	0.0578	0.4000	0.3400
Class P Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class P Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Income - Group 2	0.2572	0.1428	0.4000	0.3400
Class Z Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class Z Gross Income - Group 2	0.4000	–	0.4000	0.3400

First interim distribution

Group 1 - Shares purchased prior to 1 January 2023

Group 2 - Shares purchased 1 January 2023 to 31 January 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2023 Pence per share	Distribution paid 28.2.2022 Pence per share
Class B Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class B Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class B Gross Income - Group 2	0.1896	0.2104	0.4000	0.3400
Class P Gross Accumulation - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Accumulation - Group 2	–	0.4000	0.4000	0.3400
Class P Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class P Gross Income - Group 2	0.1544	0.2456	0.4000	0.3400
Class Z Gross Income - Group 1	0.4000	–	0.4000	0.3400
Class Z Gross Income - Group 2	0.4000	–	0.4000	0.3400

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Liontrust Strategic Bond Fund

Report for the year from 1 January 2023 to 31 December 2023

Investment Objective

The Sub-fund aims to maximise total return over the long term (5 years or more) through a combination of income and capital growth.

Investment Policy

The Sub-fund will invest in government bond and credit securities globally.

The Sub-fund may also invest in collective investment schemes (up to 10% of Sub-fund assets), other fixed income securities, warrants, cash, deposits and money market instruments.

The Sub-fund may invest up to 40% of its net assets in emerging markets. Emerging market countries can be defined as all the countries in the world other than those classified as "advanced" by the International Monetary Fund ("IMF").

Investments will be made in debt securities of differing creditworthiness (including sovereign debt, investment grade instruments, high yield or speculative grade instruments, or unrated instruments) issued by governments, corporate issuers and borrowers in developed and emerging market countries and those of, or guaranteed by, supranational, national and local governments and government related entities in such countries.

The environmental, social and governance ("ESG") characteristics of securities will be considered when selecting investments for the Sub-fund. Further information on ESG considerations can be found in Appendix F of the Prospectus.

The Sub-fund's investments will generally be broadly diversified, however at times (i.e. where market factors dictate) the fund manager may choose to hold a portfolio with concentrated exposure to certain instrument types, issuer types, creditworthiness, duration or geography.

In normal market conditions, the majority of the Sub-fund's investments will be in government bond and credit securities, although it is possible that at certain times, (i.e. where market factors dictate or at times of significant subscription and redemptions in the Sub-fund), a substantial portion, or the entire Sub-fund could be invested in cash or cash equivalents (such as money market instruments, treasury bills, certificates of deposit, commercial paper).

Investment will be made in government bond and credit securities denominated in hard currencies (including the US Dollar, Euro and the currencies of the developed countries) and may invest up to 25% of the Sub-fund in soft currencies (for example, emerging markets). The majority of currency exposure will be hedged back to the base currency of the Sub-fund using currency forwards, with a 10% aggregate unhedged limit.

The Sub-fund is permitted to use derivatives and forwards for the purposes of efficient portfolio management and for investment purposes. Investment in bonds will primarily be direct but may also be indirect via derivatives (specifically total return swaps and embedded derivatives). The Sub-fund will also use derivatives (specifically currency forwards, credit default swaps, interest rate swaps, futures, options and embedded derivatives), to manage the Sub-Fund's credit, currency and duration exposures. Please refer to the Derivatives section of the Prospectus for further details.

Liontrust Strategic Bond Fund (continued)

Investment review

The Liontrust Strategic Bond Fund returned 8.4%* (B accumulation class) in the 12 months to 31 December 2023.

The average return from the IA Sterling Strategic Bond sector, the Sub-fund's comparator sector, was 7.8%*.

The start of 2023 witnessed a strong rally in fixed income assets on premature hopes for a turning point in the monetary tightening cycle. It soon transpired that bond markets had become too sanguine about the inflationary outlook, attempting yet again to price in a "dovish pivot" by central banks. The prevailing themes then became stronger economic data and the need for higher terminal interest rates in order to conquer inflation.

In March, the market's attention shifted to the failure of three banks, Silicon Valley Bank and Signature Bank in the US as well as Credit Suisse in Europe. Our view was that this was not a systemic crisis; the banks involved had all shot themselves in the foot in some way or other over the last few years, either completely mis-managing the duration of their assets (relative to their liabilities) or having a series of scandals that eroded stakeholder trust. Although legitimate market concerns remained about the asset quality of some US regional banks, deposit flight from the system gradually slowed.

With contagion from the US regional banking crisis contained, markets then moved on to their next main worry, the US debt ceiling. Ultimately, a last-minute bipartisan compromise between the Democrats and Republicans led to the suspension of the debt ceiling until January 2025.

The tightening in lending standards and fall in economic sentiment following the banking 'mini crisis' did some of the Federal Reserve's monetary tightening job for it, but the Fed still pushed through four quarter-point interest rate rises in the first seven months of the year.

The European Central Bank (ECB) twice raised rates by 50 basis points (bps) in the first quarter of the year before slowing its pace of tightening to 25bps for four hikes between May and September.

The Bank of England, faced with more persistent inflation data in the UK, surprised the market by hiking rates by 50bps in February and June, while also serving up three other 25bps hikes, the last of which as in August. Having had the wrong approach during the Covid crisis and been very slow to take away the proverbial punchbowl, the BoE was having to work hard to regain credibility.

The bond market then witnessed a large 'bear steepening' in developed economy sovereign bond markets, reducing the level of yield curve inversion. The bear part of this jargon refers to the fact that yields rose, the steepening means that longer dated bonds saw their yields rise by more than those with shorter maturity tenors.

There were three main reasons for this shift. Firstly, although economic data were mixed there were enough signs of economic robustness for the market to continue to delay, and sometimes cancel, forecasts of recession. Secondly, the continued large fiscal deficits, combined with shrinking central bank balance sheets, led the market to demand more 'term premium' to lend to governments over longer time horizons. Finally, the over-riding message from developed economy central banks at this point was that rates will be "higher for longer". Although interest rates may be at or near their peak, central bankers were stressing that policy will stay at these restrictive levels for a prolonged period.

The Fed, ECB and Bank of England all paused their monetary tightening cycles for the remainder of 2023, as they waited to see the lagged effect of holding rates at restrictive levels. Bank of England economic Huw Pill characterised this as a Table Mountain approach where rates hold steady at the peak, as opposed to a Matterhorn in which rates swiftly descend on the other side.

Inflation data in November then acted as the main catalyst for a significant bond market rally. For example, US Consumer Price Inflation (CPI) came in a tenth better than expectations on most measures, including ex food and energy.

After November's fall in inflation data and associated bond rally, investors' attention in December focussed on how central bankers would react to lower bond yields. Dovish Federal Reserve comments dominated perceptions in bond markets, with more hawkish pronouncements from the European Central Bank and Bank of England failing to curb markets' enthusiasm.

While the Federal Reserve's FOMC (Federal Open Market Committee) held rates steady, its statement and economic projections were a lot more dovish than expected. It lowered its core inflation expectations for future years and issued a 'dot plot' of interest rate forecasts which showed 75bps of cuts by the end of 2024.

Liontrust Strategic Bond Fund (continued)

Investment review (continued)

Overall, it will take a while for the 'higher-for-longer' mantra to change, particularly due to central bankers having to regain credibility after the transitory farce. However, monetary policy is restrictive, and this is starting to show through in a wider array of economic data. We believe that the natural consequence for interest rates of higher-for-longer will be later but larger rate cuts. Once economic data, including inflation and labour market indicators, has weakened enough for central banks to start cutting then I think they will want to rapidly move towards a more neutral policy stance. This is presently somewhere in the region of 2-3% on base rates in the US and UK. Markets may be pricing in the first cuts happening too soon, but the eventual extent of cuts is still underestimated.

*Source: Financial Express, bid to bid basis, total return, net of fees, income reinvested, 31.12.2023. Please note that total return has been calculated at midday whereas the financial statements are at close of business.

The Sub-fund is constructed as a portfolio of interacting risk positions with alpha anticipated to arise from sources in: Rates, Allocation and Selection:

Rates

The Sub-fund started the year with core duration of 5.25 years. We reduced this to 4.5 years in the first weeks of 2023 as we believed bond markets were pricing in a too sanguine view and underestimating the chance of further rate rises from central banks.

May then brought significant bond weakness which we used to build up to a meaningful strategic long duration position which reached 7.5 years by the end of June – well above the Sub-fund's neutral level of 4.5 years, but retaining headroom below our 9-year maximum. Duration was increased further to 8.25 by mid October as US 10-year yields flirted with the 5% milestone. As bonds then rallied later in the quarter, we took the opportunity to reduce duration back to 7.0 years.

For the avoidance of doubt, we deem 7.0 years of duration exposure to be a significant long duration position. Strategically, the rates cycle has turned, and we expect yields to be a lot lower later in 2024. However, the markets had priced in rate cuts happening too soon so it was prudent to take some profits and leave room to buy back a year of duration should there be a setback in the rates markets.

The geographic split of duration is US 3.15 years, Canada -0.5 years, UK 1.25 years, Europe 2.25 years, and New Zealand 0.85 years. We continue to prefer short-dated and medium-dated bonds. The net duration exposure in the 15+ year maturity bucket is zero.

The Sub-fund also established a curve steepener position in the US in March as yield curve inversion between the 2-year and 10-year bonds hit 1%. In the wake of the banking mini-crisis the curve steepened, allowing us to take profits. However, the curve inversion returned to a 1% differential in June, so we implemented the steepener again with a duration-neutral position comprising a short in the 10-year future and long of the 2-year future. Except for just before SVB failed in March, the last time the curve was this inverted was in the late 1970s/early 1980s.

As the curve bear steepened in the 'higher-for-longer' environment of the third quarter, the Sub-fund's steepener generated good alpha again, allowing us to close it out. In addition to the capital gain, the position had also given the Sub-fund a small income boost; because the 10-year bond is naturally longer duration than the 2-year, the duration-neutral steepener position involved much higher notional fund exposure in the latter, which had a higher yield.

Outside of core duration exposure, we also took a short duration position in Japan for part of the period on the hope the Bank of Japan's new governor, Ueda, might exit the Yield Curve Control (YCC) policy given how dysfunctional the Japanese government bong market had become. However, it looks like Ueda is sticking with YCC for the time being, so we exited the position at a small loss.

A new cross market position was established; using bond futures we have gone 0.5 years short duration Canadian 10-year bonds and long duration US 10-year bonds. The Canadian economy is slowing more rapidly than that of its neighbour. Canadian bond yields should be below those in the US, but how much below is the key question; valuations have reached extreme levels. At a yield differential of 85bps on the generics (or 80bps on the cheapest-to-deliver into the futures contracts) the disparity is at multi-decade wide levels.

Liontrust Strategic Bond Fund (continued)

Investment review (continued)

Allocation

Strategically, we believe credit offers long-term value both examining spreads and, particularly, the all-in yield. But with the tensions between rate rises and recessionary risk, there will inevitably be further volatility in credit markets. If credit spreads widen enough to make valuation levels become very compelling again, then we will increase allocations significantly.

Investment grade and high yield exposure both remained close to their neutral levels of 50% and 20% over the year. As a reminder, we have a quality bias within credit, limited exposure to the most cyclical parts of the credit market, and the Sub-fund owns no CCC rated bonds.

As the high yield market rallied at the end of the year, we took some profits, reducing exposure to 15% (23% in individual credits, offset by a 8% short overlay in the iTraxx Xover credit default swap index).

We await a better valuation opportunity to establish a strategic overweight position in credit.

Selection

A natural market implication of increased yields is a gradual re-couponing of debt as issuers refinance their liabilities. As old low-coupon debt gradually matures over the coming years, companies will have to pay a much higher coupon, commensurate with today's market yield levels, to attract capital. The downside to this is a deterioration in interest coverage ratios and free cash flow for the companies. This is another reason why we avoid those issuers with the most fragile balance sheets. The upside is that bond investors receive a significant boost to the running yield from the higher coupons and that lifts future expected returns from the asset class.

There were two good examples of existing issuers paying up to access the bond markets, both issuing senior secured debt. Firstly, Loxam issued 5-year Euro denominated debt with a 6.375% coupon. We really like this equipment rental business as they have great local economies of scale and can flex the size of its fleet during downturns to manage cashflow. Secondly, Cheplapharm, a specialist pharmaceutical company, issued 7-year Euro denominated debt with a 7.5% coupon. Both represent great opportunities to lend to quality companies at a senior secured level with attractive yields.

Staying in the Sub-fund's high yield holdings, we exited the position in Catalent. A rapid succession of profit adjustments and delays to its reporting raised governance concerns for us. Longer term, we still like the fundamentals of the business, but we want to be able to gain confidence in the robustness of its financial statements before we would feel comfortable buying back into the bonds. The ongoing corporate governance concerns surrounding Drahi's various telecommunications companies caused us to exit holdings in both SFR and Altice International.

Other new high yield purchases during 2023 included Coty, a beauty company with a $10 billion market capitalisation. Coty has a strong spectrum of brands across various pricing points, this helps to provide a buffer against any trading down by consumers during an economic slowdown. We like the clear path to deleveraging the balance sheet and see potential for the company to be a "rising star" (get upgraded to investment grade) in a few years' time. We deem the 5-year BB-rated euro-denominated debt with a yield of 5.75% to be a very attractive bond investment. Additionally, a new purchase was made in Intesa, a solid, well-diversified, leading Italian bank with a robust capital position. While Intesa is investment grade rated, its sterling denominated 9-year maturity tier 2 bonds that were purchased are BB+ rated. This is the highest rung in the high yield rating category, sitting in the 'crossover' area on the cusp of investment grade, where its often possible to find good value relative to credit risk. With a credit spread of over 450bps and all-in yield of almost 9% at the time of purchase, we think these bonds offer compelling value.

During the rates selloff in October the Sub-fund sold out of its Southern Company hybrid bonds. The market convention is for the bonds to trade on a cash price as opposed to credit spread. That cash price was almost unmoved over the prior six months despite sovereign bond yields being much higher, i.e. the credit spread is much tighter. Two other subordinated debt issues were sold earlier in the year too, bond issued by both Telefonica and AT&T. The companies themselves are great credits but hybrid bonds do exhibit elevated market volatility.

The majority of corporate bonds in the Sub-fund produced a small excess return above and beyond the returns generated by the same maturity government bonds. There were a few notable positive performers, including Amgen which benefited from having a large

Liontrust Strategic Bond Fund (continued)

Investment review (continued)

Selection (continued)

spread duration in a rallying market; Dell; Netflix; and Barclays. The real estate sector was a notable detractor in a strong year for credit returns overall. Bonds issued by Nordic residential real estate company Heimstaden Bostad were weaker. The real estate companies we hold are all operating well, helped by rent indexation to inflation. Yet the European corporate bond market has grown extremely averse to this sector risk. In November, sentiment deteriorated further with news that Heimstaden Bostad's second largest shareholder has itself flagged issues with the initial decision making process of investing in the real estate company. Heimstaden itself is not accused of any wrong-doing, but the market has taken the view that an equity rights issue is now less likely.

Meanwhile, another real estate holding, CPI Property, was victim to a note written by notorious short selling hedge fund, Muddy Waters. Most of the accusations to date pertain to a period when CPI Property was an entirely family-owned company and not an international bond issuer. The claims are mostly centred around asset stripping to enrich the family owner. The company have passionately argued that the claims are false. The combined exposure to the two issuers finished 2023 just above 1%, and they are unique in the portfolio in terms of scale of volatility. We have held on to these positions despite the volatility and negative headlines based on operational performance, asset cover and liquidity.

Within investment grade, a new issue from Brambles offered a great entry opportunity to buy bonds in a defensive credit and leader in the circular economy (reusable pallets and packaging containers) at an attractive credit spread. We also added a Tier 2 bond issued by Allianz. The bonds have a 30-year maturity and are callable after 10 years; to compensate for this structure, one is paid a significantly higher credit spread. Overall, a €5.824% coupon for this single-A rated instrument offers compelling long-term value.

Bonds issued by a stock market stalwart 3i were a further addition to the investment grade exposure. Although one of its portfolio holdings (Action) has become an outsized position for it, this is only due to its success. 3i's gearing is very low, and its long-term investment approach and diversity appeal to us. A spread of 278bps for a 6-year BBB+ rated bond is very attractive.

Balancing these additions, sales included Credit Suisse senior debt in early March – where we were concerned about ongoing deposit outflows but did not expect such a rapid demise to occur and Pershing Square, which proved less liquid than we desired despite the credit looking fundamentally very solid.

Also within the investment grade ratings arena, we undertook a relative value switch in Standard Chartered. We sold the holding company lower tier 2 bonds and bought into the operating company lower tier 2 bonds. The latter have a lower spread – it is still 250bps, but benefit from a bullet maturity; note that lower tier 2 bonds are frequently double dated for regulatory reasons. The bonds are obsolete capital subject to grandfathering arrangements, so we may see a liability management exercise by the company which would benefit bondholders.

January 2024

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested.

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.

Liontrust Strategic Bond Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
United States Treasury Note/Bond 0.125% 15/1/2024	United States Treasury Note/Bond 0.5% 30/4/2027
New Zealand Government Bond 2% 15/5/2032	United States Treasury Note/Bond 4.125% 15/11/2032
United States Treasury Note/Bond 3% 31/7/2024	United States Treasury Note/Bond 0.125% 15/1/2024
Barclays 7.119% 27/6/2034	Global Switch Finance 1.375% 7/10/2030
3i 4.875% 14/6/2029	Fresenius Medical Care US Finance III 2.375% 16/2/2031
Brambles Finance 4.25% 22/3/2031	Pershing Square 3.25% 15/11/2030
Bayer 4.625% 26/5/2033	New Zealand Government Bond 2% 15/5/2032
Cheplapharm Arzneimittel 7.5% 15/5/2030	Eli Lilly 1.7% 1/11/2049
Loxam SAS 6.375% 15/5/2028	Standard Chartered 3.265% 18/2/2036
NatWest 4.771% 16/2/2029	Bayer 1.375% 6/7/2032

Liontrust Strategic Bond Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-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

- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Sub-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 Sub-fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the higher of the actual historical annualised volatility and the translated annualised volatility of the Sub-fund based upon the internal Value at Risk limit.
- The Sub-fund is categorised 4 primarily for its exposure to a diversified portfolio of debt instruments along with a number of derivative positions.
- The SRRI may not fully take into account the following risks:
  - 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.
- The Sub-fund can invest in derivatives. Derivatives are used to protect against currency, credit and interest rate movements 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 Sub-fund uses 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.
- The Sub-fund invests in emerging markets which carries a higher risk than investment in more developed countries. This may result in higher volatility and larger drops in the value of the fund over the short term.
- The Sub-fund may encounter liquidity constraints from time to time. Participation rates on advertised volumes could fall reflecting the less liquid nature of the current market conditions.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Environmental Social Governance (ESG) Risk: there may be limitations to the availability, completeness or accuracy of ESG

Liontrust Strategic Bond Fund (continued)

Investment review (continued)

Risk and Reward profile (continued)

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 Sub-fund's risks, please see the prospectus which may be obtained from Liontrust (at the address on page 1) or online at www.liontrust.co.uk.

Liontrust Strategic Bond Fund (continued)

Comparative Tables
for the year ended 31 December 2023

Class B Accumulation **Accounting year ended**	**31 December 2023** **per share (p)**	**31 December 2022** **per share (p)**	**31 December 2021** **per share (p)**
Change in net assets per share			
Opening net asset value per share	100.53	113.64	114.15
Return before operating charges	9.17	(12.45)	0.22
Operating charges	(0.65)	(0.66)	(0.73)
Return after operating charges	8.52	(13.11)	(0.51)
Distributions	(3.99)	(2.61)	(1.56)
Retained distributions on accumulation shares	3.99	2.61	1.56
Closing net asset value per share	**109.05**	**100.53**	**113.64**
After direct transaction costs of*	(0.01)	(0.02)	(0.02)
Performance			
Return after charges	8.48%	(11.54%)	(0.44%)
Other information			
Closing net asset value (£'000)	22,406	31,041	23,874
Closing number of shares	20,546,608	30,876,116	21,007,750
Operating charges**	0.63%	0.63%	0.64%
Direct transaction costs*	0.01%	0.02%	0.02%
Prices			
Highest share price	109.73	113.94	115.23
Lowest share price	97.99	94.83	112.33

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Liontrust Strategic Bond Fund (continued)

Comparative Tables (continued)
for the year ended 31 December 2023

Class B Income Accounting year ended	31 December 2023 per share (p)	31 December 2022 per share (p)	31 December 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	91.05	105.64	107.58
Return before operating charges	8.10	(11.59)	0.20
Operating charges	(0.58)	(0.60)	(0.68)
Return after operating charges	7.52	(12.19)	(0.48)
Distributions	(3.56)	(2.40)	(1.46)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**95.01**	**91.05**	**105.64**
After direct transaction costs of*	(0.01)	(0.02)	(0.02)
Performance			
Return after charges	8.26%	(11.54%)	(0.44%)
Other information			
Closing net asset value (£'000)	5,667	16,287	30,290
Closing number of shares	5,964,833	17,889,033	28,674,075
Operating charges**	0.63%	0.63%	0.64%
Direct transaction costs*	0.01%	0.02%	0.02%
Prices			
Highest share price	96.57	105.97	108.22
Lowest share price	86.24	86.58	105.34

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Liontrust Strategic Bond Fund (continued)

Comparative Tables (continued)
for the year ended 31 December 2023

Class M Income Accounting year ended	31 December 2023 per share (p)	31 December 2022 per share (p)	31 December 2021 per share (p)
Change in net assets per share			
Opening net asset value per share	91.05	105.65	107.59
Return before operating charges	8.10	(11.60)	0.21
Operating charges	(0.39)	(0.41)	(0.47)
Return after operating charges	7.71	(12.01)	(0.26)
Distributions	(3.74)	(2.59)	(1.68)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	**95.02**	**91.05**	**105.65**
After direct transaction costs of*	(0.01)	(0.02)	(0.02)
Performance			
Return after charges	8.47%	(11.37%)	(0.24%)
Other information			
Closing net asset value (£'000)	16,261	109,546	297,413
Closing number of shares	17,112,468	120,308,283	281,508,989
Operating charges**	0.43%	0.43%	0.44%
Direct transaction costs*	0.01%	0.02%	0.02%
Prices			
Highest share price	96.63	105.99	108.26
Lowest share price	86.26	86.60	105.38

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the year - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Liontrust Strategic Bond Fund (continued)

Portfolio Statement
as at 31 December 2023

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UK STERLING DENOMINATED DEBT SECURITIES (6.78%)	**2,894**	**6.52**
£500,000	Banco Bilbao Vizcaya Argentaria 8.25% 30/11/2033	537	1.21
£450,000	Barclays 8.875% Perpetual	448	1.01
£600,000	HSBC 1.75% 24/7/2027	551	1.24
£400,000	Intesa Sanpaolo 8.505% 20/9/2032	434	0.98
£400,000	Santander UK 2.92% 8/5/2026	383	0.86
£300,000	Virgin Media Vendor Financing Notes III DAC 4.875% 15/7/2028	276	0.62
£300,000	Vmed O2 UK Financing I 4% 31/1/2029	265	0.60
	UK STERLING DENOMINATED FORWARD EXCHANGE CONTRACTS (0.63%)	**1,155**	**2.60**
£5,525,679	UK sterling 5,525,679 Vs New Zealand dollar 11,500,000 - 5/2/2024	(186)	(0.42)
£19,278,387	UK sterling 19,278,387 Vs Euro 22,100,000 - 5/2/2024	105	0.24
£25,705,913	UK sterling 25,705,913 Vs US dollar 31,200,000 - 5/2/2024	1,236	2.78
	UK STERLING DENOMINATED OPEN FUTURES CONTRACTS ((0.41%))	**332**	**0.75**
47	Long Gilt Future March 2024	332	0.75
	CANADIAN DOLLAR DENOMINATED OPEN FUTURES CONTRACTS (0.00%)	**(153)**	**(0.34)**
(44)	Canada 10 Year Bond Future March 2024	(153)	(0.34)
	EURO DENOMINATED DEBT SECURITIES (36.06%)	**15,040**	**33.93**
€800,000	3i 4.875% 14/6/2029	723	1.63
€800,000	AIA 0.88% 9/9/2033	590	1.33
€800,000	Allianz 5.824% 25/7/2053	757	1.71
€700,000	Andina de Fomento 0.25% 4/2/2026	566	1.28
€500,000	AusNet Services Pty 0.625% 25/8/2030	365	0.82
€700,000	AXA 1.875% 10/7/2042	498	1.12
€700,000	Bayer 4.625% 26/5/2033	632	1.43
€1,000,000	Becton Dickinson Euro Finance Sarl 1.336% 13/8/2041	595	1.34
€700,000	Brambles Finance 4.25% 22/3/2031	639	1.44
€550,000	Castellum 3.125% Perpetual	357	0.81
€700,000	Cheplapharm Arzneimittel 7.5% 15/5/2030	644	1.45
€500,000	Chorus 3.625% 7/9/2029	439	0.99
€350,000	Coty 5.75% 15/9/2028	319	0.72
€400,000	CPI Property 3.75% Perpetual	83	0.19
€500,000	CPI Property 4.875% Perpetual	124	0.28

Liontrust Strategic Bond Fund (continued)

Portfolio Statement (continued)
as at 31 December 2023

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	EURO DENOMINATED DEBT SECURITIES (continued)		
€1,100,000	Global Switch Finance 1.375% 7/10/2030	859	1.94
€850,000	Heimstaden Bostad 3.625% Perpetual	282	0.64
€600,000	IQVIA 2.875% 15/6/2028	495	1.12
€400,000	Julius Baer 6.625% Perpetual	310	0.70
€627,000	Loxam SAS 6.375% 15/5/2028	565	1.27
€700,000	LSEG Netherlands 0.75% 6/4/2033	487	1.10
€1,000,000	Medtronic Global 1.5% 2/7/2039	660	1.49
€1,000,000	Muenchener Rueckversicherungs-Gesellschaft in Muenchen 1.25% 26/5/2041	717	1.62
€600,000	NatWest 4.771% 16/2/2029	540	1.22
€500,000	Netflix 3.625% 15/6/2030	440	0.99
€800,000	Optus Finance Pty 1% 20/6/2029	605	1.36
€300,000	SoftBank 4% 19/9/2029	236	0.53
€400,000	Stichting AK Rabobank Certificaten 6.5% Perpetual	347	0.78
€550,000	Volkswagen Leasing 0.5% 12/1/2029	413	0.93
€800,000	Vonovia 0.625% 14/12/2029	571	1.29
€250,000	Ziggo Bond 3.375% 28/2/2030	182	0.41
	EURO DENOMINATED FORWARD EXCHANGE CONTRACTS (0.23%)	**(18)**	**(0.04)**
€4,900,000	Euro 4,900,000 Vs UK sterling 4,270,007 - 5/2/2024	(18)	(0.04)
	EURO DENOMINATED OPEN FUTURES CONTRACTS (0.80%)	**38**	**0.08**
6	Euro-Bund Future March 2024	14	0.03
(7)	Euro-Buxl Future March 2024	(39)	(0.09)
27	Euro-OAT Future March 2024	63	0.14
	EURO DENOMINATED CREDIT DEFAULT SWAPS ((0.03%))	**(257)**	**(0.58)**
3,650,000	Buying protection on Markit iTRAXX Europe Crossover S40 5 Year Index EUR 5% 20/12/2028 Credit Default Swap (Counterparty: UBS)	(257)	(0.58)
	NEW ZEALAND GOVERNMENT BONDS (4.58%)	**5,381**	**12.13**
NZD6,000,000	New Zealand Government Bond 1.5% 15/5/2031	2,462	5.55
NZD7,000,000	New Zealand Government Bond 2% 15/5/2032	2,919	6.58
	NEW ZEALAND DOLLAR DENOMINATED FORWARD EXCHANGE CONTRACTS (0.00%)	**13**	**0.03**
NZD1,000,000	New Zealand dollar 1,000,000 Vs UK sterling 483,234 - 5/2/2024	13	0.03

Liontrust Strategic Bond Fund (continued)

Portfolio Statement (continued)
as at 31 December 2023

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	UNITED STATES OF AMERICA GOVERNMENT BONDS (9.80%)	**4,228**	**9.54**
$2,000,000	United States Treasury Note/Bond 0.5% 30/4/2027	1,400	3.16
$1,600,000	United States Treasury Note/Bond 4.125% 15/11/2032	1,278	2.88
$2,000,000	United States Treasury Note/Bond 3% 31/7/2024	1,550	3.50
	US DOLLAR DENOMINATED DEBT SECURITIES (39.50%)	**14,686**	**33.13**
$950,000	AbbVie 4.5% 14/5/2035	731	1.65
$700,000	Albion Financing 1 SARL / Aggreko 6.125% 15/10/2026	544	1.23
$1,000,000	Amgen 4.663% 15/6/2051	716	1.62
$600,000	Ashtead Capital 5.5% 11/8/2032	466	1.05
$1,000,000	Bank of New York Mellon 3.75% Perpetual	678	1.53
$600,000	Barclays 7.119% 27/6/2034	503	1.13
$900,000	CCO 4.5% 15/8/2030	636	1.43
$1,000,000	Credit Agricole 4.375% 17/3/2025	771	1.74
$800,000	DaVita 4.625% 1/6/2030	547	1.23
$750,000	Dell International 8.1% 15/7/2036	725	1.64
$700,000	FMG Resources August 2006 Pty 6.125% 15/4/2032	553	1.25
$1,000,000	Fresenius Medical Care US Finance III 2.375% 16/2/2031	608	1.37
$700,000	Goodyear Tire & Rubber 5.25% 15/7/2031	498	1.12
$600,000	Iliad SASU 7% 15/10/2028	468	1.06
$1,000,000	Lloyds Banking 4.65% 24/3/2026	768	1.73
$650,000	MetLife 5.875% Perpetual	500	1.13
$750,000	Morgan Stanley 3.95% 23/4/2027	571	1.29
$1,000,000	NBN 2.625% 5/5/2031	674	1.52
$500,000	Oracle 2.875% 25/3/2031	348	0.78
$800,000	Phoenix 5.375% 6/7/2027	598	1.35
$600,000	Sealed Air Corp/Sealed Air US 6.125% 1/2/2028	475	1.07
$700,000	Sensata Technologies 5.875% 1/9/2030	545	1.23
$600,000	Standard Chartered Bank 8% 30/5/2031	520	1.17
$200,000	UBS 9.25% Perpetual	174	0.39
$950,000	Vodafone 5.125% 4/6/2081	561	1.27
$800,000	Zurich Finance Ireland Designated Activity 3% 19/4/2051	508	1.15
	US DOLLAR DENOMINATED FORWARD EXCHANGE CONTRACTS (0.03%)	**(143)**	**(0.32)**
$6,700,000	US dollar 6,700,000 Vs UK sterling 5,397,381 - 5/2/2024	(143)	(0.32)
	US DOLLAR DENOMINATED OPEN FUTURES CONTRACTS (0.09%)	**309**	**0.70**
13	US 10 Year Note (CBT) Future March 2024	41	0.09

Liontrust Strategic Bond Fund (continued)

Portfolio Statement (continued)
as at 31 December 2023

Holding/ Nominal Value	Stock description	Market value (£000's)	Percentage of total net assets (%)
	US DOLLAR DENOMINATED OPEN FUTURES CONTRACTS (continued)		
30	US 10 Year Ultra Future March 2024	134	0.30
106	US 5 Year Note (CBT) Future March 2024	223	0.51
(9)	US Ultra Bond (CBT) Future March 2024	(89)	(0.20)
	Portfolio of investments	**43,505**	**98.13**
	Net other assets	**829**	**1.87**
	Total net assets	**44,334**	**100.00**

All investments are approved securities being either officially listed in a member state or under the rules of an eligible market, unless otherwise stated.

Comparative figures show percentages for each category of holding at 31 December 2022.

Liontrust Strategic Bond Fund (continued)

Statement of Total Return

for the year ended 31 December 2023

	Notes	(£'000)	1.1.2023 to 31.12.2023 (£'000)	(£'000)	1.1.2022 to 31.12.2022 (£'000)
Income					
Net capital gains/(losses)	2		2,009		(41,076)
Revenue	3	4,276		7,632	
Expenses	4	(481)		(1,124)	
Interest payable and similar charges	6	(110)		(220)	
Net revenue before taxation		3,685		6,288	
Taxation	5	(33)		(128)	
Net revenue after taxation			3,652		6,160
Total return before distributions			**5,661**		**(34,916)**
Distributions	7		(3,652)		(6,160)
Change in net assets attributable to shareholders from investment activities			**2,009**		**(41,076)**

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2023

	(£'000)	1.1.2023 to 31.12.2023 (£'000)	(£'000)	1.1.2022 to 31.12.2022 (£'000)
Opening net assets attributable to shareholders		**156,874**		**351,577**
Amounts received on issue of shares	2,907		45,096	
Amounts paid on cancellation of shares	(118,421)		(199,589)	
		(115,514)		(154,493)
Dilution adjustment		18		312
Change in net assets attributable to shareholders from investment activities		2,009		(41,076)
Retained distributions on accumulation shares		947		554
Closing net assets attributable to shareholders		**44,334**		**156,874**

Liontrust Strategic Bond Fund (continued)

Balance Sheet
as at 31 December 2023

	Notes	31.12.2023 (£'000)	31.12.2022 (£'000)
Assets			
Fixed assets			
Investments		44,390	156,875
Current assets:			
Debtors	8	494	1,696
Cash and bank balances	9	1,572	3,252
Total assets		**46,456**	**161,823**
Liabilities			
Investment liabilities		(885)	(3,051)
Creditors:			
Amounts due to futures clearing houses and brokers		(430)	–
Distribution payable		(230)	(1,072)
Other creditors	10	(577)	(826)
Total liabilities		**(2,122)**	**(4,949)**
Net assets attributable to shareholders		**44,334**	**156,874**

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements
for the year ended 31 December 2023

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 12 to 14.

2 Net capital gains/(losses)

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
The net capital gains/(losses) comprise:		
Non-derivative securities	(1,703)	(34,054)
Derivative contracts	(1,491)	12,674
Forward currency contracts	4,883	(25,358)
Foreign currency gains	320	5,662
Net capital gains/(losses)	**2,009**	**(41,076)**

3 Revenue

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Bank interest	147	56
Interest from overseas fixed income securities	3,407	6,236
Interest from UK fixed income securities	703	1,221
Stock lending income	19	17
Taxable overseas dividends	–	102
Total revenue	**4,276**	**7,632**

4 Expenses

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Payable to the ACD or associates of the ACD:		
ACD's charge	409	933
General administration charges*	72	191
Total expenses	**481**	**1,124**

* The audit fee for the year (borne out of the General administration charges), excluding VAT, was £10,850 (2022: £9,200). Where the fee exceeds the General administration charges, the shortfall will be met by the ACD.

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

5 Taxation

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
a) Analysis of the tax charge for the year		
Corporation tax	5	17
Overseas tax	28	85
Corporation tax prior year adjustment	–	26
Total tax charge [see note(b)]	**33**	**128**

b) Factors affecting the tax charge for the year
The taxation assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Net revenue before taxation	3,685	6,288
Corporation tax at 20% (2022 - 20%)	737	1,258
Effects of:		
Overseas tax	28	85
Corporation tax prior year adjustment	–	26
Tax deductible interest distributions	(732)	(1,241)
Total tax charge [see note(a)]	**33**	**128**

Authorised investment companies with variable capital are exempt from UK tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c) Deferred tax
No deferred tax asset has been recognised in the accounts. The Sub-fund has no tax losses (2022: £nil).

6 Interest payable and similar charges

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
Overdraft interest	3	73
Interest paid on margin deposits	107	147
Total interest payable and similar charges	**110**	**220**

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

7 Distributions

	1.1.2023 to 31.12.2023 (£'000)	1.1.2022 to 31.12.2022 (£'000)
First Interim	1,129	1,485
Second Interim	814	1,619
Third Interim	631	1,314
Final	455	1,322
	3,029	**5,740**
Amounts deducted on cancellation of shares	636	519
Amounts received on issue of shares	(13)	(99)
Distributions	**3,652**	**6,160**
The distributable amount has been calculated as follows:		
Net revenue after taxation	3,652	6,160
Distributions	**3,652**	**6,160**

The distribution per share is set out in the tables on pages 83 to 84.

8 Debtors

	31.12.2023 (£'000)	31.12.2022 (£'000)
Accrued revenue	483	1,658
Amounts receivable for issue of shares	11	38
Total debtors	**494**	**1,696**

9 Cash and bank balances

	31.12.2023 (£'000)	31.12.2022 (£'000)
Amount held at futures clearing houses and brokers	356	1,367
Cash and bank balances	1,216	1,885
Total cash and bank balances	**1,572**	**3,252**

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

10 Creditors

	31.12.2023 (£'000)	31.12.2022 (£'000)
Accrued expenses	3	10
Accrued ACD's charge	18	60
Amounts payable for cancellation of shares	550	739
Corporation tax	6	17
Total other creditors	**577**	**826**

11 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: £nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The charges paid to Liontrust Fund Partners LLP and its associates are shown in note 4. Details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders and balances due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates in respect of expenses at the year end was £21,000 (2022: £71,000).

The total expenses due to Liontrust Fund Partners LLP and its associates for the year was £481,000 (2022: £1,124,000).

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

13 Securities lending

The Sub-fund engages in security lending activities which expose the Sub-fund to counterparty credit risk. The maximum exposure to the Sub-fund is equal to the value of the securities loaned.

Securities lending transactions entered into by the Sub-fund are subject to a written legal agreement between the Sub-fund and the Stock Lending Agent, The Bank of New York Mellon (London Branch), 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 Depositary on behalf of the Sub-fund. Collateral received is segregated from the assets belonging to the Sub-fund's Depositary or the Stock Lending Agent. All operational costs are borne out of the Stock Lending Agent's share of income earned.

The total income earned from securities lending transactions is split between the relevant Sub-fund and the Stock Lending Agent. The Sub-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 Sub-fund from securities lending activity during the year to 31 December 2023.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Liontrust Strategic Bond Fund				
Securities lending				
Gross return	19	–	8	27
% of total	70%	0%	30%	100%
Cost	–	–	–	–

The table below shows the net income earned by the Sub-fund from securities lending activity during the year to 31 December 2022.

	Collective Investment Undertaking (£'000)	ACD of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
Securities lending				
Gross return	17	–	7	24
% of total	70%	0%	30%	100%
Cost	–	–	–	–

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

13 Securities lending (continued)

Securities on loan and collateral received

The following table details the value of securities on loan and associated collateral received, analysed by borrowing counterparty as at the Balance Sheet date.

Counterparty	Counterparty's country of establishment	31 December 2023 Securities on loan (£'000)	31 December 2023 Collateral received (£'000)	31 December 2022 Securities on loan (£'000)	31 December 2022 Collateral received (£'000)
BNP Paribas	France	2,227	2,335	–	–
Citigroup Global Markets Limited	UK	1,565	1,634	–	–
Credit Suisse International	Switzerland	–	–	155	164
J.P. Morgan Securities Plc	UK	306	322	925	965
Merrill Lynch International	UK	–	–	416	437
Morgan Stanley International	UK	–	–	1,160	1,208
The Bank of Nova Scotia	Canada	–	–	1,073	1,181
Total		**4,098**	**4,291**	**3,729**	**3,955**

Collateral accepted is non-cash in the form of sovereign debt rated AA or better from approved governments only, supranational debt obligations rated AAA or better listed on a recognised exchange.

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Sub-fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. At the year end all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange.

The Sub-fund also benefits from a borrower default indemnity provided by The Bank of New York Mellon (London Branch). The indemnity allows for full replacement of securities lent. The Bank of New York Mellon (London Branch) bears the cost of indemnification against borrower default.

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

14 Risk management policies

In accordance with the investment objectives and policies the Sub-fund can hold certain financial instruments as detailed in the Sub-fund's prospectus. These can comprise of:

- Investment grade corporate bonds and government bonds (both sterling and non-sterling);
- Sub-investment grade bonds, covered bonds and preference shares;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- short-term borrowings used to finance operational cash flows;
- units and shares in collective investment schemes;
- shareholders' funds, which represent investors' monies which are invested on their behalf from overseas investments held;
- derivative transactions for investment purposes as well as efficient portfolio management in accordance with the Sub-fund's investment policies.

In accordance with the requirements of the rules in the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Sub-fund is not permitted to trade in other financial instruments. The Sub-fund's use of financial instruments during the year satisfies these regulatory requirements.

The main risks arising from the Sub-fund's financial instruments are market price (including "emerging markets price risk"), currency, interest rate, liquidity and counterparty credit risk. The ACD's policies for managing these risks are summarised below.

The Sub-fund, alongside an independent risk function, has used a combination of risk measurements and limits to measure and monitor portfolio risk. This is in line with the Liontrust Group's Risk Management Process.

These policies have remained unchanged since the beginning of the year to which these financial statements relate and during the prior year.

Market price risk

Market price risk is the risk that the Sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews the portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-fund's investment objective. An individual Sub-fund ACD has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet an acceptable risk reward profile. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes.

The Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the Prospectus.

Risk management process

The Sub-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR). The Sub-fund uses the VaR approach. VaR is a method of estimating potential loss due to market risk, rather than a statement of leverage, using a given confidence level, or probability, over a specific time period and assuming normal market conditions. The VaR is calculated using a Monte Carlo Simulation model carried out in

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

14 Risk management policies (continued)

Risk management process (continued)
accordance with regulatory guidelines. The table below provides an analysis of the VaR measures and leverage levels* for the Liontrust Strategic Bond Fund. The maximum VaR the Sub-fund is allowed to use under the UCITS Regulations is 20%.

* The leverage has been calculated using the sum of the notionals of the derivatives used.

The Sub-fund's lowest, highest and average utilisation of the VaR limit during the year was:

	2023			2022	
Lowest VaR	Highest VaR	Average VaR	Lowest VaR	Highest VaR	Average VaR
3.99%	8.28%	5.60%	1.14%	7.16%	4.12%

The Sub-fund's lowest, highest and average level of leverage employed during the year was:

	2023			2022	
Lowest Leverage	Highest Leverage	Average Leverage	Lowest Leverage	Highest Leverage	Average Leverage
144.96%	290.67%	200.33%	138.85%	292.92%	181.02%

Currency risk
Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments may be significantly affected by currency risk movements as some of the assets and income are denominated in currencies other than Sterling, which is the Company's functional and reporting currency.

The ACD has identified three principal areas where foreign currency risk could impact the Sub-fund:

- Movements in exchange rates affecting the value of investments;
- Movements in exchange rates affecting short-term timing differences; and
- Movements in exchange rates affecting the income received.

Currency exposure is monitored closely and is considered to be part of the overall investment process. Currency hedges via forward exchange contracts will only be used in the event of a specific unwanted currency risk being identified.

The Sub-fund may be subject to short-term exposure to exchange rate movements, for instance, where there is a difference between the date an investment purchase or sale is entered into and the date when settlement of the proceeds occurs. The ACD believes that the impact of such movements is not significant enough to warrant the cost incurred of eliminating them via hedging.

The Sub-fund may receive income in currencies other than Sterling, and the Sterling values of this income can be affected by movements in exchange rates. The Sub-fund converts all receipts of income into Sterling on or near the date of receipt; it does not, however, hedge or otherwise seek to avoid exchange rate risk on income accrued but not received.

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

14 Risk management policies (continued)

Currency risk (continued)
The majority of the Sub-fund's financial assets and liabilities are denominated in the Sub-fund's functional currency. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of currency exchange rates. Therefore, no exchange rate sensitivity analysis has been prepared for these.

Interest rate risk
Interest rate risk is the risk that the revenue cash flow or the fair value of investments may be adversely affected by movements in market interest rates.

The Sub-fund's revenue is generated by the holding of bonds, which contractually oblige the borrower to repay the Sub-fund interest under specific terms. Changes to interest rates may affect the cash inflows and outflows calculated with reference to financial assets and liabilities. By a careful assessment of economic and other relevant factors, the Portfolio ACD will seek to invest in those companies most likely to benefit, or be shielded, from anticipated changes in interest rates.

Interest receivable on bank deposits and short-term deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The interest rates earned on sterling deposits are earned at a rate in line with overnight bank rates.

Liquidity risk
Liquidity risk is the risk that the Sub-fund will not be able to meet its obligations as they fall due. The Sub-fund's assets comprise mainly of readily realisable securities which can be sold to meet liquidity requirements.

The main liquidity risk of the Sub-fund is the redemption of any shares that investors wish to sell, which are redeemable on demand under the Prospectus. Where investments cannot be realised in time to meet any potential liability, the Sub-fund may borrow up to 10% of its value to ensure settlement.

In accordance with the ACD's policy, the ACD monitors the Sub-fund's liquidity on a daily basis.

Counterparty credit risk
Counterparty credit risk is the risk of suffering loss due to another party not meeting its financial obligation. Investments may be adversely affected if any of the institutions with which money is deposited or invested suffers insolvency or other financial difficulties or the credit rating of the bearers of the bonds held by the Sub-fund are downgraded.

The table below summarises the credit quality of the Sub-fund's debt portfolio as at 31 December 2023 and 31 December 2022.

Summary of Credit ratings	31.12.2023 (£'000)	31.12.2022 (£'000)
Investment grade	31,861	105,386
Below Investment grade	10,021	44,506
Not Rated	347	1,829
Total	**42,229**	**151,721**

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

14 Risk management policies (continued)

Counterparty credit risk (continued)
The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty. This list is reviewed at least annually.

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan.

Counterparty exposures
The counterparty exposure of financial derivative transactions at 31 December 2023 is shown below:

Counterparty details Financial Derivative Transactions	Credit Default Swaps (£'000)	Forward Foreign Exchange Contracts (£'000)	Total Exposure (£'000)
Bank of New York Mellon International	–	(15)	**(15)**
State Street Global Advisors Limited	–	1,022	**1,022**
UBS AG	(257)	–	**(257)**
Total	**(257)**	**1,007**	**750**

The counterparty exposure of financial derivative transactions at 31 December 2022 is shown below:

Counterparty details Financial Derivative Transactions	Credit Default Swaps (£'000)	Forward Foreign Exchange Contracts (£'000)	Total Exposure (£'000)
Bank of New York Mellon International	–	265	**265**
State Street Global Advisors Limited	–	1,133	**1,133**
UBS AG	(41)	–	**(41)**
Total	**(41)**	**1,398**	**1,357**

At the year end collateral of £Nil (2022: £Nil) was received; collateral pledged was £Nil (2022: £Nil) and none (2022: none) of the Sub-fund's financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2023 and at 31 December 2022 was A (Standard & Poor's rating).

BNYMSA, in the discharge of its delegated Depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

14 Risk management policies (continued)

Counterparty exposures (continued)
books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the Sub-fund's rights with respect to its assets to be delayed or may result in the Sub-fund not receiving the full value of its assets.

Maturity profile of financial liabilities
All financial liabilities of the Sub-fund at the current and prior year-end are due to settle in one year or less, or on demand with the exception of one Credit Default Swap holding, accounting for less than 10% (2022: less than 10%) of the gross exposure of the Sub-Fund, that is due to settle in 1-5 years (2022: one Credit Default Swap that is due to settle in 1-5 years).

Fair value of financial assets and liabilities
There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation of financial investments

31.12.2023	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	807	(281)
Level 2: Observable market data	43,583	(604)
	44,390	**(885)**

31.12.2022	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	1,404	(658)
Level 2: Observable market data	155,471	(2,393)
	156,875	**(3,051)**

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

15 Share movement

For the year ending 31 December 2023

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class B Accumulation	30,876,116	972,970	(11,300,327)	(2,151)	20,546,608
Class B Income	17,889,033	566,346	(12,622,847)	132,301	5,964,833
Class M Income	120,308,283	1,506,388	(104,572,321)	(129,882)	17,112,468

16 Portfolio transaction costs

for the year ending 31 December 2023

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	24,067	–	–	–	–
Total purchases	**24,067**	**–**		**–**	
Total purchases including transaction costs	**24,067**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	132,567	–	–	–	–
Total sales	**132,567**	**–**		**–**	
Total sales net of transaction costs	**132,567**				
Derivative transaction costs		**13**		**–**	
Total transaction costs		**13**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**–**	

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

16 Portfolio transaction costs (continued)
for the year ending 31 December 2022

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	90,371	–	–	–	–
Total purchases	**90,371**	**–**		**–**	
Total purchases including transaction costs	**90,371**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	223,733	–	–	–	–
Total sales	**223,733**	**–**		**–**	
Total sales net of transaction costs	**223,733**				
Derivative transaction costs		**40**		**–**	
Total transaction costs		**40**		**–**	
Total transaction costs as a % of average net assets		**0.02%**		**–**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

During the year the Sub-fund utilised derivative instruments including credit default swaps and futures covering different underlying asset classes. The settlement values for opening and closing derivative positions are not comparable to principal values for transactions in direct holding investments and therefore purchase and sale amounts for derivative transactions are not quantified in the analysis above. Transaction costs for derivatives positions will be either suffered as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.62% (2022: 0.78%).

Liontrust Strategic Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 December 2023

17 Post balance sheet events

The Sub-fund invests in a portfolio of assets, whose values have changed since the year-end, primarily due to market volatility. Since the year-end, the NAV per share of the Class B Accumulation share has decreased by 1.12% to 17 April 2024. The other share classes in the Sub-fund have moved by a similar magnitude.

Liontrust Strategic Bond Fund (continued)

Distribution Tables

for the year ended 31 December 2023

Final distribution

Group 1 - Shares purchased prior to 1 October 2023

Group 2 - Shares purchased 1 October 2023 to 31 December 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 28.2.2024 Pence per share	Distribution paid 28.2.2023 Pence per share
Class B Accumulation - Group 1	1.0935	–	1.0935	0.8085
Class B Accumulation - Group 2	0.4574	0.6361	1.0935	0.8085
Class B Income - Group 1	0.9619	–	0.9619	0.7359
Class B Income - Group 2	0.4117	0.5502	0.9619	0.7359
Class M Income - Group 1	1.0080	–	1.0080	0.7816
Class M Income - Group 2	0.3884	0.6196	1.0080	0.7816

Third interim distribution

Group 1 - Shares purchased prior to 1 July 2023

Group 2 - Shares purchased 1 July 2023 to 30 September 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 30.11.2023 Pence per share	Distribution paid 30.11.2022 Pence per share
Class B Accumulation - Group 1	1.1139	–	1.1139	0.7235
Class B Accumulation - Group 2	0.4984	0.6155	1.1139	0.7235
Class B Income - Group 1	0.9912	–	0.9912	0.6654
Class B Income - Group 2	0.3819	0.6093	0.9912	0.6654
Class M Income - Group 1	1.0370	–	1.0370	0.7128
Class M Income - Group 2	0.7097	0.3273	1.0370	0.7128

Liontrust Strategic Bond Fund (continued)

Distribution Tables (continued)
for the year ended 31 December 2023

Second interim distribution

Group 1 - Shares purchased prior to 1 April 2023

Group 2 - Shares purchased 1 April 2023 to 30 June 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.8.2023 Pence per share	Distribution paid 31.8.2022 Pence per share
Class B Accumulation - Group 1	0.9228	–	0.9228	0.5844
Class B Accumulation - Group 2	0.3273	0.5955	0.9228	0.5844
Class B Income - Group 1	0.8289	–	0.8289	0.5411
Class B Income - Group 2	0.3072	0.5217	0.8289	0.5411
Class M Income - Group 1	0.8749	–	0.8749	0.5898
Class M Income - Group 2	0.5993	0.2756	0.8749	0.5898

First interim distribution

Group 1 - Shares purchased prior to 1 January 2023

Group 2 - Shares purchased 1 January 2023 to 31 March 2023

	Net Revenue Pence per share	Equalisation* Pence per share	Distribution paid 31.5.2023 Pence per share	Distribution paid 31.5.2022 Pence per share
Class B Accumulation - Group 1	0.8590	–	0.8590	0.4928
Class B Accumulation - Group 2	0.4912	0.3678	0.8590	0.4928
Class B Income - Group 1	0.7779	–	0.7779	0.4577
Class B Income - Group 2	0.3189	0.4590	0.7779	0.4577
Class M Income - Group 1	0.8243	–	0.8243	0.5091
Class M Income - Group 2	0.3645	0.4598	0.8243	0.5091

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Securities Financing Transactions (unaudited)

as at 31 December 2023

Securities Lending

Securities lending transactions entered into by the Sub-funds are subject to a written legal agreement between the Sub-funds and the Stock Lending Agent, The Bank of New York Mellon (London Branch), a related party to the Sub-funds, 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 Depositary") on behalf of the Sub-funds. Collateral received is segregated from the assets belonging to the Sub-funds' Depositary or the Stock Lending Agent.

The total income earned from securities lending transactions is split between the relevant Sub-fund and the Stock Lending Agent. The Sub-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.

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

Securities on loan

Fund	% of lendable assets	% of NAV	Income earned (£'000)
Liontrust Strategic Bond Fund	9.77	9.24	19

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

Counterparty	Counterparty's country of establishment	Securities Lending Amount on loan (£'000)	Collateral received (£'000)
Liontrust Strategic Bond Fund			
BNP Paribas	France	2,227	2,335
Citigroup Global Markets Limited	UK	1,565	1,634
J.P. Morgan Securities Plc	UK	306	322
Total		**4,098**	**4,291**

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

Collateral

The Sub-funds engage in activities which may require collateral to be provided to a counterparty ("collateral posted") or may hold collateral received ("collateral received") from a counterparty.

Securities Financing Transactions (unaudited)(continued)

as at 31 December 2023

Collateral (continued)

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 Sub-funds, in respect of securities lending transactions, as at 31 December 2023.

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
Liontrust Strategic Bond Fund Securities lending transactions				
AUD	-	-	21	-
DKK	-	-	48	-
EUR	-	-	2,159	-
GBP	-	-	414	-
NOK	-	-	162	-
NZD	-	-	14	-
SEK	-	-	27	-
USD	-	-	1,446	-
Total	**-**	**-**	**4,291**	**-**

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

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received/posted by the Sub-funds by way of title transfer collateral arrangement in respect of securities lending transactions, as at 31 December 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)
Liontrust Strategic Bond Fund Collateral received - securities lending							
Fixed income							
Investment grade	–	99	2	343	3,847	–	**4,291**
Total	**–**	**99**	**2**	**343**	**3,847**	**–**	**4,291**

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 December 2023, all non-cash collateral received by the Sub-funds in respect of securities lending transactions is held by the Sub-funds' Depositary (or through its delegates).

Securities Financing Transactions (unaudited)(continued)

as at 31 December 2023

Collateral (continued)

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 Sub-fund by way of the title transfer collateral arrangement across securities lending transactions as at 31 December 2023.

Issuer	Value (£'000)	% of the Fund's NAV
Liontrust Strategic Bond Fund		
BNP Paribas Arbitrage SNC	2,335	5.27
Citigroup Global Markets Limited	1,634	3.68
J.P.Morgan Securities Plc	322	0.73
Total	**4,291**	**9.68**

Additional Information (unaudited)

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 shares 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 investment in Funds as long term. The annual management fee of the Liontrust Sustainable Future Monthly Income Bond Fund is deducted from capital. Whilst this results in the dividend paid to investors being higher than would be the case were the annual management fee charged to income, the potential for capital growth may be reduced.

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