

# LIONTRUST UK SMALLER COMPANIES FUND

Interim Report &  
Financial Statements (unaudited)

For the period:

**1 May 2024**

to

**31 October 2024**

**Managed in accordance with**  
The Liontrust Economic Advantage

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LIONTRUST FUND PARTNERS LLP

**LIONTRUST** 

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\* Collectively, these comprise the Authorised Fund Manager's Report (from herein referred to as the Manager's Report).

## Management and Administration

### **Authorised Fund Manager ("Manager")**

Liontrust Fund Partners LLP  
2 Savoy Court  
London WC2R 0EZ

Administration and Dealing enquiries 0344 892 0349

Administration and Dealing facsimile 0207 964 2562

Email [Liontrustadmin@bnymellon.com](mailto:Liontrustadmin@bnymellon.com)

Website [www.liontrust.co.uk](http://www.liontrust.co.uk)

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

### **Investment Adviser**

Liontrust Investment Partners LLP  
2 Savoy Court  
London WC2R 0EZ

Authorised and regulated by the FCA.

### **Trustee**

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.

# Liontrust UK Smaller Companies Fund

### Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist fund management company with £26.0 billion in assets under management as at 30 September 2024 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 eight 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 Consumer Duty outcomes and rules as well as 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 Europe 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.

### Conflict in Ukraine

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 Fund may be negatively impacted even if they have no direct exposure to the regions involved in the conflict.

## Manager's Investment Report

### Investment Objective

The Fund aims to deliver capital growth over the long term (5 years or more).

### Investment Policy

The Fund will invest at least 90% in companies which are incorporated, domiciled or conduct significant business in the United Kingdom (UK).

At least 75% of the companies held by the Fund will have a market capitalisation of less than £1bn.

The Fund will typically invest 90% (minimum 80%) in equities or equity related derivatives but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.

The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes. Please refer to the Derivatives sections of the Prospectus for further details.

### The Team

The award-winning Economic Advantage team have an average industry experience of 21 years. Anthony Cross joined Liontrust from Schroders in 1997 and was joined by Julian Fosh\* in 2008. Julian had previously managed funds at Scottish Amicable Investment Managers, Britannic Investment Managers, Scottish Friendly Assurance Society and Saracen Fund Managers. Victoria Stevens and Matt Tonge joined the team in 2015. Victoria was previously Deputy Head of Corporate Broking at FinnCap, while Matt had spent nine years on the Liontrust dealing desk, latterly winning an industry award for his work in mid and small cap stocks. Alex Wedge joined the team in March 2020 from N+1 Singer, where he had spent over seven years, latterly as a senior member of the equity sales team. Natalie Bell joined the team in August 2022, having previously been a member of the Liontrust Responsible Capitalism team where she led engagement with investee companies. Alex Game joined the team in May 2024 from Unicorn Asset Management, where he had spent nearly 10 years and where he co-managed a range of funds including two UK equity funds and an AIM portfolio service.

*\* Julian Fosh is on a leave of absence. The Economic Advantage funds continue to be managed by the other members of the team in Julian's absence.*

### The Process

The process seeks to identify companies that possess intangible assets which produce barriers to competition and provide a durable competitive advantage that allows the companies to defy industry competition and sustain a higher-than-average level of profitability for longer than expected.

In the fund managers' experience, the hardest characteristics for competitors to replicate are three classes of intangible asset: intellectual property, strong distribution channels and significant recurring business.

Other less powerful but nonetheless important intangible strengths include franchises and licenses; good customer databases and relationships; effective procedures and formats; strong brands and company culture.

These intangible assets produce barriers to competition, protect margins and are capable, in the opinion of the fund managers, of reaping a financial advantage in the form of cash flow returns in excess of the cost of capital. A company that consistently generates excess cash flow returns will benefit from compounding as it reinvests this excess return into the business.

Every smaller company held in the Economic Advantage funds has at least 3% of its equity held by senior management and main board directors. Companies are also assessed for employee ownership below the senior management and board and changes in equity ownership are monitored.

### Manager's Investment Report (continued)

#### Performance of the Fund

In the six months to 31 October 2024 an investment in the Fund returned -3.5% (retail class) and -3.4% (institutional class). This compares with a return of 10.5% from the FTSE Small Cap (excluding investment trusts) Index, the comparator benchmark index and a 3.3% return from the IA UK Smaller Companies sector, also a comparator benchmark.

Since the manager inception date of the Fund, 8 January 1998, an investment in the Fund has risen by 1,531% (retail class) and 1,581% (institutional class) compared to a 443% return from the FTSE Small Cap (excluding investment trusts) Index and a 755% return from the IA UK Smaller Companies sector comparator benchmarks.

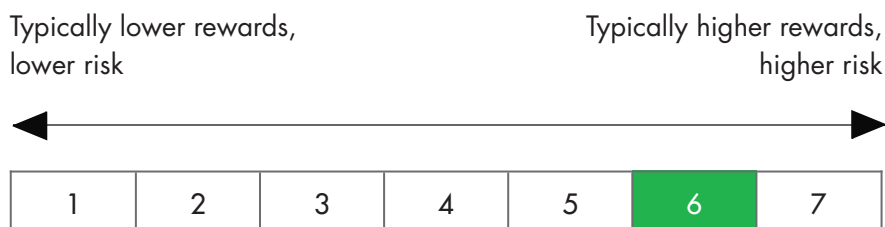
*Source: Financial Express, bid-to-bid basis, total return, net of fees, income reinvested, figures show performance up to 31.10.2024. The primary class post-Retail Distribution Review is the institutional class, whereas pre-Retail Distribution Review the bundled Retail class performance history is used, unadjusted for the lower fees of the post Retail Distribution Review classes. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

**Past performance is not a guide to future performance. The value of an investment and the income generated can fall as well as rise and is not guaranteed. You may get back less than you originally invested.**

## Manager's Investment Report (continued)

### Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the 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 Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



- The Synthetic Risk Reward Indicator ("SRRI") is based upon historical data and may not be relied upon to gauge the future risk profile of the 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 Fund's risk and reward category has been calculated using the methodology adopted by the Financial Conduct Authority. It is based upon the rate by which the Fund or a representative fund or Index's value has moved up and down in the past.
- The Fund invests in UK equities. At least 75% of companies will have a market cap of less than £1 bn.
- The Fund is categorised 6 primarily for its exposure to UK small cap equities.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Fund;
  - overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.
- The Fund may, under certain circumstances, invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead. The use of derivative contracts may help us to control Fund volatility in both up and down markets by hedging against the general market.
- Outside of normal conditions, the Fund may hold higher levels of cash which may be deposited with several credit counterparties (e.g. international banks). A credit risk arises should one or more of these counterparties be unable to return the deposited cash.
- The Fund is expected to invest in companies predominantly in a single country which maybe subject to greater political, social and economic risks which could result in greater volatility than investments in more broadly diversified funds.
- As the Fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the Fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause the Fund to defer or suspend redemptions of its shares. In addition the spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings.
- The Fund may invest in companies listed on the Alternative Investment Market (AIM) which is primarily for emerging or smaller

### Manager's Investment Report (continued)

#### **Risk and Reward profile (continued)**

companies. The rules are less demanding than those of the official list of the London Stock Exchange and therefore companies listed on the AIM may carry a greater risk than a company with a full listing.

- The Fund's investment objective is to target capital growth for investors. Growth stocks tend to pay out lower levels of dividend resulting in lower income yields and may produce more volatile returns than the market as a whole.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- Environmental, Social and Governance (ESG) Risk: there may be limitations to the availability, completeness or accuracy of ESG 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 Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 1) or online at [www.liontrust.co.uk](http://www.liontrust.co.uk).



## Manager's Investment Report (continued)

### The Market

In the six months to 31 October 2024, the FTSE Small Cap ex-Investment Trusts Index returned 10.5%.

The UK stock market rose over the six-month period, notwithstanding a short period of volatility in August which emanated from the US. Weaker-than-expected employment data raised some fears that expectations of a soft US economic landing might prove too optimistic, but these were swiftly offset by a clear indication from the US Federal Reserve that it would start cutting interest rates in September.

While uncertainty ahead of the US election contributed to some global equity market weakness in October, the UK had looked set to enjoy a more supportive and stable political backdrop following the general election in July. However, UK investors – and the AIM market in particular – were affected by increasing uncertainty around the fiscal landscape.

Ahead of the Autumn Budget in October, speculation was rife over potential changes to the investment landscape, including the capital gains tax rate and the inheritance tax (IHT) status of AIM-listed shares. This destabilising backdrop contributed to the FTSE AIM All-Share Index falling 2.1% over the period.

### Fund Review

In the six months to 31 October 2024, the Liontrust UK Smaller Companies Fund returned -3.4% (institutional accumulation class), compared with the FTSE Small Cap ex-Investment Trusts Index comparator benchmark return of 10.5%. The average return of funds in the IA UK Smaller Companies sector, also a comparator benchmark, was 3.3%. \*

With the AIM market experiencing broad-based weakness, those companies reporting any trading headwinds were particularly heavily penalised.

Among the Fund's larger detractors over the six months, **Next 15** issued a September profit warning triggered by the loss of a significant contract – in the Mach49 agency – and a softening of client spending from its technology customers in particular. As a result, it expects profits for the financial year to 31 January 2025 to be significantly below its prior expectations. We have since engaged at length with the company to form a better understanding of the factors at play, as well as steps that will be taken to return the company to a solid trading footing.

Shares of **YouGov**, the research data and analytics group, fell heavily after it issued an unscheduled profit warning. Since the interim results in March, when it reaffirmed confidence in meeting the full-year sales guidance, it had experienced weaker performance than anticipated, with a slowdown in the Data Products division. Fast turnaround research services also declined, although the recently acquired Consumer Panel Services business is said to be performing well. Notwithstanding the broader attractions of YouGov's business (an extensive and high-quality global panel and proprietary datasets), it will take time to rebuild market confidence.

Specialist on-trade audio-visual equipment distributor **Midwich** has also had a tough time with challenging market conditions. While at the interim results in July it maintained full-year adjusted operating profit targets – relying on cost cutting and a return to growth in the second half of the year – it subsequently cut guidance in October. While the UK market has stabilised and North America remains strong, market conditions elsewhere remain weak, particularly in Germany.

The portfolio's best performing stocks over the period include a handful from the financial services sector. UK investment platform providers **AJ Bell** and **IntegraFin** and investment manager **Tatton Asset Management** all performed well as they reported asset inflows and growth in revenues and profits.

Fund administrator **JTC's** acquisitive growth plans appear to be yielding results, with the business targeting a doubling of revenues in 2024. In organic terms, net revenues growth in the first half of the year was ahead of its 10% target, with new business wins up 29% year-on-year.

Business advisory group **FRP Advisory** found that its corporate restructuring division was well placed to advise clients amid a challenging economic environment, before an improvement in business sentiment also led to better conditions for its corporate finance unit.

At the end of October, the UK Autumn Budget ultimately revealed that the Chancellor had decided not to fully remove IHT relief from AIM shares, the scenario priced in by the market. Instead, a 50% relief will be applied.

## Manager's Investment Report (continued)

### Fund Review (continued)

Although many AIM constituents staged a small relief rally on the remaining two days in October, valuations overall remain depressed. One of the consequences of the UK market's low valuation, particularly amid small companies, is a pickup in takeover activity; private equity and corporate acquirers have continued to seek out UK assets at a discount to their intrinsic value.

**Smart Metering Systems**, **Instem**, **Ergomed** and **Gresham House** exited the portfolio last year due to takeover activity, with **Mattioli Woods** joining that list in the first half of this year. **Learning Technologies** and **Eckoh** were also targeted by potential acquirers, pushing their shares higher.

The 100p a share approach for Learning Technologies from US private equity vehicle General Atlantic seemed very opportunistic, coming in the wake of short-term headwinds that have depressed its share price. While the shares have bounced on the bid interest, we think the offer is substantially below Learning Technologies' true intrinsic value, and we were very disappointed to see its board indicate it would likely support the takeover.

Eckoh, the secure payment products and customer contact solutions, accepted a 54p-a-share offer from private equity group Bridgepoint which is scheduled to complete in the first quarter of 2025.

### Portfolio Activity

Mattioli Woods exited the portfolio following completion of its takeover by private equity group Pollen Street Capital.

Franchise Brands was sold due to concerns over management team strength and its balance sheet leverage.

The position in cloud computing infrastructure and IT managed services provider **iomart** was also divested. The company's competitive advantage has been challenged in recent years by the dominance of hyperscale cloud providers and public cloud solutions. iomart owns its own data centres and specialises in private and hybrid cloud provision, organic growth and operating profit margins have trended down and put significant pressure on cash flow returns on capital.

New positions were initiated in **Raspberry Pi** and **accesso Technology** during the period. Raspberry Pi is a market leading designer and manufacturer of single-board computers (SBCs). The company has sold over 60m units of its SBC globally, making it the best-selling British computer. With a strong portfolio of intellectual property, brand and its deep pool of talent, we are excited about the company's long term compounding potential. accesso Technology is a software and technology firm focused on the leisure and hospitality sector. Its innovative products enable its customers, primarily theme parks and ski resorts, to capture a greater share of their visitors' wallets.

### Outlook

We were relieved that the Chancellor did not fully remove IHT relief from AIM shares in the Autumn Budget. By retaining a 50% relief, the government recognises the vital role played by the AIM market in the UK's economic growth.

Equally important is that the policy uncertainty that has been hanging over AIM has now been put to bed. With the IHT removal risk now crystallised with a better-than-feared scenario, AIM shareholders and UK investors more broadly can look forward more confidently, focusing on company fundamentals. UK equities continue to trade at a substantial discount to their intrinsic value, especially at this end of the market. This investment opportunity is based on company fundamentals, rather than any preferential tax treatment, and we remain confident that the high-quality companies our funds seek out will ultimately re-rate to close this valuation anomaly.

We feel that there is currently a compelling opportunity for investors in UK shares. The UK is at a clear valuation discount to historic averages and measures of intrinsic value but there is the potential for government policy intervention (focused on pension fund domestic equity allocations in particular) to help turn the tide of investor sentiment and capital flows, which would be of particular benefit to smaller company valuations.

### Manager's Investment Report (continued)

#### Outlook (continued)

While the re-rating potential of UK equities, small caps in particular, is significant, the timing and magnitude of the catalysts remains uncertain. In the meantime, we are optimistic about the portfolio's ability to continue to deliver attractive compounding longer term investment returns supported by an attractive combination of earnings growth and increasingly shareholder yield (both dividend and share buybacks).

*\*Source: Financial Express, bid-to-bid basis, total return, net of fees, income reinvested, 31.10.2024. Please note that total return has been calculated at midday whereas the financial statements are at close of business.*

**Anthony Cross, Julian Fosh, Victoria Stevens, Matt Tonge, Alex Wedge & Natalie Bell**

Fund Managers

November 2024

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## Manager's Investment Report (continued)

### Material portfolio changes by value

#### Purchases

Raspberry Pi  
Fevertree Drinks  
Kainos  
accesso Technology  
Eagle Eye Solutions  
Tribal  
Foresight  
Team 17  
Bioventix  
Learning Technologies

#### Sales

Mattioli Woods  
Tatton Asset Management  
AJ Bell  
JTC  
iomart  
Foresight  
Eckoh  
Bango  
LSL Property Services  
IntegraFin

## Authorised Status

The Fund is an authorised unit trust scheme ("the Scheme") under Section 243 of the Financial Services and Markets Act 2000 (authorisation orders) and the Financial Conduct Authority's Collective Investment Schemes Sourcebook and is categorised as a UCITS scheme.

## Certification of Financial Statements by Partners of the Manager

We certify that this Manager's Report has been prepared in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook.



**Martin Kearney**

Partner, Chief Risk Officer



**Antony Morrison**

Partner, Head of Finance

Liontrust Fund Partners LLP  
16 December 2024

## Performance Tables (unaudited)

as at 31 October 2024

### Net asset value

Period end	Units in Issue	Net Asset Value (£'000)	Net Asset Value per unit (p)
<b>31 October 2024</b>			
Institutional Accumulation	27,679,041	505,455	1,826.13
Institutional Income	18,374,604	323,277	1,759.37
M Accumulation	500	5	993.07
Retail Income	4,532,984	79,208	1,747.37
<b>30 April 2024</b>			
Institutional Accumulation	30,520,021	579,474	1,898.67
Institutional Income	20,707,090	378,769	1,829.18
M Accumulation <sup>^</sup>	500	5	1,030.75
Retail Income	5,009,602	91,117	1,818.84
<b>30 April 2023</b>			
Institutional Accumulation	33,971,688	607,189	1,787.34
Institutional Income	24,849,655	433,062	1,742.73
Retail Income	6,035,992	104,613	1,733.15
<b>30 April 2022</b>			
Institutional Accumulation	34,620,943	708,038	2,045.12
Institutional Income	28,777,024	579,023	2,012.10
Retail Income	7,059,282	141,241	2,000.78

<sup>^</sup> launched on 5 April 2024.

## Portfolio Statement (unaudited)

as at 31 October 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (94.32%)</b>	<b>845,522</b>	<b>93.12</b>
	<b>UNITED KINGDOM (92.37%)</b>	<b>828,817</b>	<b>91.28</b>
	<b>Advertising (2.77%)</b>	<b>15,908</b>	<b>1.75</b>
2,184,314	Next Fifteen Communications	8,792	0.97
14,825,861	Pebble	7,116	0.78
	<b>Auto Parts &amp; Equipment (0.61%)</b>	<b>7,452</b>	<b>0.82</b>
4,600,279	Quartix	7,452	0.82
	<b>Banks (1.27%)</b>	<b>65</b>	<b>0.01</b>
9,515	Arbuthnot Banking (non-voting)	65	0.01
	<b>Beverages (1.73%)</b>	<b>15,087</b>	<b>1.66</b>
2,030,611	Fevertree Drinks	15,087	1.66
	<b>Biotechnology (1.85%)</b>	<b>17,108</b>	<b>1.88</b>
475,222	Bioventix	17,108	1.88
	<b>Commercial Services (14.15%)</b>	<b>125,796</b>	<b>13.88</b>
913,472	AB Dynamics	15,986	1.76
8,511,328	Fintel	23,661	2.61
11,550,444	Gateley	14,669	1.62
2,812,174	Keystone Law	16,311	1.80
9,908,496	Mind Gym	1,883	0.21
5,492,678	Robert Walters	20,598	2.27
8,636,009	RWS	12,678	1.40
16,486,886	Tribal	7,782	0.86
2,635,424	YouGov	12,228	1.35
	<b>Computers (7.58%)</b>	<b>77,840</b>	<b>8.58</b>
2,552,975	Cohort	22,670	2.50
18,160,156	Eckoh	9,516	1.05
1,630,838	Kainos	12,182	1.34
5,076,243	Midwich	14,416	1.59
14,448,236	Netcall	14,159	1.56
1,400,000	Raspberry Pi	4,897	0.54

# LIONTRUST UK SMALLER COMPANIES FUND

## Portfolio Statement (unaudited) (continued)

as at 31 October 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
<b>EQUITIES (continued)</b>			
<b>UNITED KINGDOM (continued)</b>			
<b>Diversified Financial Services (22.99%)</b>		<b>207,988</b>	<b>22.90</b>
5,214,712	AJ Bell	23,153	2.55
1,223,704	Alpha	25,942	2.86
1,309,987	Arbuthnot Banking	11,790	1.30
1,175,686	Brooks Macdonald	19,751	2.17
3,805,744	Foresight	17,697	1.95
12,296,989	FRP Advisory	17,585	1.94
3,975,988	Impax Asset Management	13,956	1.54
7,003,731	IntegraFin	25,739	2.83
8,081,350	LendInvest	2,020	0.22
3,067,117	Mortgage Advice Bureau	24,353	2.68
3,880,830	Tatton Asset Management	26,002	2.86
<b>Electrical Components &amp; Equipment (2.41%)</b>		<b>21,583</b>	<b>2.38</b>
6,723,667	FW Thorpe	21,583	2.38
<b>Electronics (2.03%)</b>		<b>13,946</b>	<b>1.54</b>
145,267	Judges Scientific	13,946	1.54
<b>Food Producers (4.39%)</b>		<b>35,902</b>	<b>3.95</b>
1,950,026	Hilton Food	17,531	1.93
5,786,230	Kitwave	18,371	2.02
<b>Forest Products &amp; Paper (0.29%)</b>		<b>2,298</b>	<b>0.25</b>
937,798	James Cropper	2,298	0.25
<b>Healthcare Products (1.55%)</b>		<b>15,469</b>	<b>1.70</b>
43,825,451	EKF Diagnostics	11,833	1.30
6,734,154	Inspects	3,636	0.40
<b>Healthcare Services (1.96%)</b>		<b>18,290</b>	<b>2.01</b>
4,460,867	Tristel	18,290	2.01
<b>Home Furnishings (1.16%)</b>		<b>8,516</b>	<b>0.94</b>
3,623,835	Focusrite	8,516	0.94



## Portfolio Statement (unaudited) (continued)

as at 31 October 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>UNITED KINGDOM (continued)</b>		
	<b>Internet (2.01%)</b>	<b>15,655</b>	<b>1.72</b>
2,668,052	Eagle Eye Solutions	12,540	1.38
1,887,924	Gear4Music	3,115	0.34
	<b>Leisure Time (1.79%)</b>	<b>18,525</b>	<b>2.04</b>
12,793,519	On the Beach	18,525	2.04
	<b>Miscellaneous Manufacturing (1.30%)</b>	<b>13,652</b>	<b>1.50</b>
5,935,755	Animalcare	13,652	1.50
	<b>Real Estate Investment &amp; Services (2.10%)</b>	<b>17,040</b>	<b>1.88</b>
5,661,239	LSL Property Services	17,040	1.88
	<b>Retail (1.76%)</b>	<b>18,388</b>	<b>2.02</b>
27,444,749	Brickability	18,388	2.02
	<b>Software (13.83%)</b>	<b>133,842</b>	<b>14.74</b>
11,763,092	Alfa Financial Software	24,702	2.72
3,071,950	Bango	3,318	0.37
8,998,966	Big Technologies	11,609	1.28
979,384	Craneware	19,098	2.10
21,916,591	dotdigital	19,440	2.14
22,710,765	Learning Technologies	20,440	2.25
11,137,438	Microlise	14,145	1.56
6,090,411	Nexteq	4,385	0.48
7,108,387	Team17	16,705	1.84
	<b>Telecommunications (2.84%)</b>	<b>28,467</b>	<b>3.13</b>
312,000	accesso Technology	1,591	0.17
13,437,894	GlobalData	26,876	2.96

## Portfolio Statement (unaudited) (continued)

as at 31 October 2024

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>EQUITIES (continued)</b>		
	<b>JERSEY (1.95%)</b>	<b>16,705</b>	<b>1.84</b>
	<b>Diversified Financial Services (1.95%)</b>	<b>16,705</b>	<b>1.84</b>
1,624,973	JTC	16,705	1.84
	<b>Portfolio of investments</b>	<b>845,522</b>	<b>93.12</b>
	<b>Net other assets</b>	<b>62,423</b>	<b>6.88</b>
	<b>Total net assets</b>	<b>907,945</b>	<b>100.00</b>

All securities are approved securities traded on eligible securities markets, as defined by the Collective Investment Scheme Sourcebook, unless otherwise stated.

All equity investments are in ordinary shares unless otherwise stated.

Comparative figures shown in brackets relate to 30 April 2024.

## Financial Statements (unaudited)

### Statement of Total Return (unaudited)

for the period ended 31 October 2024

	(£'000)	1.5.2024 to 31.10.2024 (£'000)	(£'000)	1.5.2023 to 31.10.2023 (£'000)
Income				
Net capital losses		(48,089)		(131,371)
Revenue	16,552		15,513	
Expenses	(6,968)		(7,389)	
Interest payable and similar charges	(1)		–	
Net revenue before taxation	9,583		8,124	
Taxation	–		–	
Net revenue after taxation		9,583		8,124
<b>Total return before distributions</b>		<b>(38,506)</b>		<b>(123,247)</b>
Distributions		–		(251)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(38,506)</b>		<b>(123,498)</b>

### Statement of Change in Net Assets Attributable to Unitholders (unaudited)

for the period ended 31 October 2024

	(£'000)	1.5.2024 to 31.10.2024 (£'000)	(£'000)	1.5.2023 to 31.10.2023 (£'000)
<b>Opening net assets attributable to unitholders</b>		<b>1,049,365</b>		<b>1,144,864</b>
Amounts received on issue of units	43,608		68,736	
Amounts paid on cancellation of units	(146,522)		(123,827)	
		(102,914)		(55,091)
Change in net assets attributable to unitholders from investment activities		(38,506)		(123,498)
<b>Closing net assets attributable to unitholders</b>		<b>907,945</b>		<b>966,275</b>

The opening net assets attributable to unitholders for the current period do not equal the closing net assets attributable to unitholders for the comparative period as they are not consecutive periods.

## Financial Statements (unaudited) (continued)

**Balance Sheet (unaudited)**

as at 31 October 2024

	<b>31.10.2024</b> <b>(£'000)</b>	<b>30.4.2024</b> <b>(£'000)</b>
<b>Assets</b>		
<b>Fixed assets</b>		
Investments	845,522	989,794
<b>Current assets:</b>		
Debtors	12,563	2,545
Cash and bank balances	60,652	67,310
<b>Total assets</b>	<b>918,737</b>	<b>1,059,649</b>
<b>Liabilities</b>		
<b>Creditors:</b>		
Distribution payable	–	(5,518)
Other creditors	(10,792)	(4,766)
<b>Total liabilities</b>	<b>(10,792)</b>	<b>(10,284)</b>
<b>Net assets attributable to unitholders</b>	<b>907,945</b>	<b>1,049,365</b>

**Accounting Policies**

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, the COLL and the Fund's Trust Deed and Prospectus. 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 accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2024 and are described in those financial statements.

## Securities Financing Transactions (unaudited)

as at 31 October 2024

### Securities Lending

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

The total income earned from securities lending transactions is split between the relevant Fund and the Stock Lending Agent. The 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 Fund from securities lending activity during the period to 31 October 2024.

	Collective Investment Undertaking (£'000)	Manager of Collective Investment Undertaking (£'000)	Third Parties (e.g. lending agent) (£'000)	Total (£'000)
<b>Securities lending</b>				
Gross return	6	–	3	9
% of total	70%	0%	30%	100%
Cost	–	–	–	–

### Securities lending

The following table details the value of securities on loan as a proportion of the Fund's total lendable assets and Net Asset Value (NAV) as at 31 October 2024. The income earned from securities lending are also shown for the period ended 31 October 2024. Total lendable assets represents the aggregate value of assets forming part of the Fund's securities lending programme. This excludes any assets held by the Fund that are not considered lendable due to any market, regulatory, investment or other restriction.

	Securities on loan		Income earned (£'000)
% of lendable assets	% of NAV		
1.34	1.26		6

## Securities Financing Transactions (unaudited)(continued)

as at 31 October 2024

### Securities lending (continued)

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 31 October 2024.

Counterparty	Counterparty's country of establishment	Securities Lending Amount on loan (£'000)	Collateral received (£'000)
BNP Paribas	France	2,819	3,101
Citigroup Global Markets Limited	UK	104	114
HSBC Bank	UK	114	126
J.P. Morgan Securities Plc	UK	73	80
Jefferies International	USA	227	250
Merrill Lynch International	UK	393	414
Morgan Stanley International	UK	2,872	3,118
The Bank of Nova Scotia	Canada	1,869	2,059
UBS	Switzerland	3,013	3,295
<b>Total</b>		<b>11,484</b>	<b>12,557</b>

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

### Collateral

The Fund engages in activities which may require collateral to be provided to a counterparty ("collateral posted") or may hold collateral received ("collateral received") from a counterparty.

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 Fund, in respect of securities lending transactions, as at 31 October 2024.

Currency	Cash collateral received (£'000)	Cash collateral posted (£'000)	Non-cash collateral received (£'000)	Non-cash collateral posted (£'000)
<b>Securities lending transactions</b>				
AUD	-	-	28	-
CHF	-	-	1,026	-
EUR	-	-	2,107	-
GBP	-	-	2,184	-
HKD	-	-	37	-
JPY	-	-	783	-
NOK	-	-	13	-
USD	-	-	6,379	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>12,557</b>	<b>-</b>

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

## Securities Financing Transactions (unaudited)(continued)

as at 31 October 2024

**Collateral (continued)**

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received/posted by the Fund by way of title transfer collateral arrangement in respect of securities lending transactions, as at 31 October 2024.

Collateral type and quality	Maturity Tenor					Open transactions (£'000)	Total (£'000)
	1 - 7 days (£'000)	8 - 30 days (£'000)	31 - 90 days (£'000)	91 - 365 days (£'000)	More than 365 days (£'000)		
<b>Collateral received - securities lending</b>							
<b>Fixed income</b>							
Investment grade	–	–	–	5	3,977	–	<b>3,982</b>
<b>Equities</b>							
Recognised equity index	–	–	–	–	–	8,575	<b>8,575</b>
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5</b>	<b>3,977</b>	<b>8,575</b>	<b>12,557</b>

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 October 2024, all non-cash collateral received by the Fund in respect of securities lending transactions is held by the Fund's Trustee (or through its delegates).

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 Fund by way of the title transfer collateral arrangement across securities lending transactions as at 31 October 2024.

Issuer	Value (£'000)	% of the Fund's NAV
UBS	3,295	0.36
Morgan Stanley International	3,118	0.34
BNP Paribas Financial Markets	3,101	0.34
The Bank of Nova Scotia	2,059	0.23
Merrill Lynch International	414	0.05
Jefferies International Ltd	250	0.03
HSBC Bank	126	0.01
Citigroup Global Markets Limited	114	0.01
J.P.Morgan Securities Plc	80	0.01
<b>Total</b>	<b>12,557</b>	<b>1.38</b>

## Additional Information (unaudited)

**Trust Deed:** The Fund was established by a Trust Deed made between the Manager and the Trustee dated 27 July 1995.

**Prospectus:** Copies of the Fund's Prospectus are available free of charge from the Manager upon request, and from our website, [www.liontrust.co.uk](http://www.liontrust.co.uk).

**Unit type:** The Fund issues income and accumulation units. Investors can elect at any time to have any income either paid out or automatically reinvested to purchase units at no initial charge.

**Pricing and dealing:** A buying price (the price at which you have bought the units in the Fund and being the higher) and a selling price (the price at which you can sell the units back to the Manager and being the lower) are always quoted for the Fund. The buying price includes the Manager's initial charge.

Dealing in all unit trusts operated by Liontrust Fund Partners LLP may be carried out between 09.00 and 17.00 hours on any business day. Professional investors and advisers may buy and sell units over the telephone; private investors are required to instruct the Manager in writing for initial purchases, but can deal over the telephone thereafter. Prices are quoted on a 'forward' basis. This means that all deals are based on a price that is calculated at the next valuation point (which is 12.00 hours on each business day) following receipt of instructions. Instructions received before 12.00 hours will be priced at 12.00 hours that day, whilst those deals taken later in the day will receive the next dealing price which is fixed at 12.00 hours on the following business day.

The minimum initial lump sum investment in the Fund is £1,000, the minimum additional investment is £1,000 and the amount you may sell back to the Manager at any one time is £500. Please refer to the Prospectus for more details.

A contract note in respect of any purchase will be issued the day following the dealing date. Unit certificates will not be issued. Instructions to sell your units may be required to be given by telephone and then confirmed in writing to Liontrust Fund Partners LLP at PO Box 373, Darlington, DL1 9RQ. A contract note confirming the instruction to sell will be issued the day following the dealing day. Following receipt of a correctly completed Form of Renunciation, a cheque in settlement will be sent directly to you or your bank/building society, if proof of ownership of the account has been received by us, in four business days. Liontrust does not make or accept payments to or from third parties unauthorised by the Financial Conduct Authority or other financial regulator.

**Management charges and spreads:** The initial charge and annual management fees per unit class are detailed below.

Initial charge	%	Ongoing charges figure*	%	Included within the OCF is the Annual Management Charge**	%
Institutional Accumulation	Nil	Institutional Accumulation	1.32	Institutional Accumulation	1.25
Institutional Income	Nil	Institutional Income	1.32	Institutional Income	1.25
M Accumulation	Nil	M Accumulation	1.09	M Accumulation	1.00
Retail Income	up to 5	Retail Income	1.57	Retail Income	1.50

\* The OCF covers all aspects of operating a Fund during the course of its financial period. These include the annual charge for managing the Fund, administration and independent oversight functions, such as trustee, custody, legal and audit fees. The OCF excludes portfolio transaction costs except for an entry/exit charge paid by the Fund when buying or selling units in another Fund.

\*\* These are the annual costs of running and managing the Fund.

**Publication of prices:** The price of units in the Fund is quoted on our website, [www.liontrust.co.uk](http://www.liontrust.co.uk) and other industry websites such as [www.trustnet.com](http://www.trustnet.com). Daily and historic Fund prices are available from our Dealing and Administration team on 0344 892 0349.

**Capital Gains Tax:** As an authorised unit trust, any capital gains made within the Fund is exempt from UK Capital Gains Tax. An individual investor is subject to capital gains tax on gains made on their investment, however an individual's first £3,000 of net gains on disposals in the 2024-2025 tax year are exempt from tax (2023-2024: £6,000).



## Additional Information (unaudited) (continued)

**Income Tax:** UK tax resident individuals are now entitled to a new tax-free dividend allowance in place of the dividend tax credit. Consequently, all income from dividend distributions is now regarded as gross income.

UK resident individuals who are not liable to tax are not able to reclaim the tax credits from the HM Revenue and Customs. In the case of UK resident individuals who are liable to starting or basic rate tax only, the tax credit will match his or her liability on the distribution and there will be no further tax to pay and no right to claim repayments from the HM Revenue and Customs. In the case of a higher rate taxpayer, the tax credit will be set against, but not fully match, his or her tax liability on the distribution. Such people will have an additional tax liability to pay.

**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. The assessment of value of the Fund and other UK-domiciled funds managed by Liontrust will be conducted as at 30 June each year, 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](http://www.liontrust.co.uk/learning/assessment-of-value).

**Task Force on Climate-Related Disclosures (TCFD) Product Reports:** Under the rules of the Financial Conduct Authority (FCA), Liontrust is required to publish information annually on product level (fund) TCFD disclosures so that investors may have a better understanding of the climate-related risks and opportunities associated with this Fund and its underlying holdings. This report is published in line with the requirements of the FCA and TCFD. The individual TCFD Product Reports can be viewed within the individual Fund pages on the Liontrust website ([www.liontrust.co.uk/our-funds](http://www.liontrust.co.uk/our-funds)).

**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 units 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 unit trust investment as long term.



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Liontrust Fund Partners LLP is authorised and regulated by the Financial Conduct Authority.