

## Sustainability-related disclosure

### Liontrust GF Sustainable Future European Corporate Bond Fund

This document provides you with sustainability-related information about this Fund, as required under the Sustainable Finance Disclosure Regulation. It is not marketing material. The information is required by law to help you understand the sustainability characteristics and / or objectives and risks of this Fund. You are advised to read it in conjunction with other relevant fund documentation so you can make an informed decision about whether to invest.

#### **No significant harm to the sustainable investment objective**

*How are the indicators for adverse impacts in Table 1 of Annex I of the Commission Delegated Regulation (EU) 2022/1288, and any relevant indicators in Tables 2 and 3 of that Annex, taken into account?*

The Fund considers and mitigates adverse impacts of its investments on society and the environment through a combination of portfolio management decisions, engagement, and the exclusion of issuers associated with controversial conduct or activities.

With respect to Tables 1, 2 and 3 of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, the Fund takes into account the following principal adverse indicators (PAI):

In its exclusion policy, which applies limits to % revenues associated with certain activities:

- Table 1, PAIs 4-5 – Greenhouse gas emissions
- Table 1, PAI 7 – Activities negatively affecting biodiversity-sensitive areas
- Table 1, PAIs 10, 11, 14 – Social and employee matters
- Table 2, PAI 3 – Emissions of ozone-depleting substances
- Table 3, PAI 9 – Lack of a human rights policy

In its portfolio management decision-making and engagement activities, by assessing the data associated with certain indicators e.g. to inform engagement topics and stewardship activity:

- Table 1, PAI 1-6 – Greenhouse gas emissions
- Table 1, PAI 7-9 – Biodiversity, Water and Waste
- Table 1, PAI10-14 – Social and employee matters
- Table 2, PAI 4 – Investments in companies without carbon emission reduction initiatives
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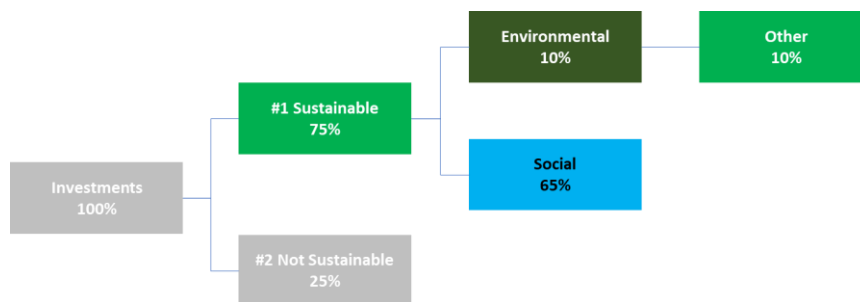
*Are the aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights?*

The Fund's sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set forth in the 8 "fundamental" conventions identified in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. Alignment is ensured through the application of the Fund's exclusion policy.

<b>Sustainable investment objective of the financial product</b>
<i>Description of the Fund's sustainable investment objective</i>
<p>The Fund follows a multi-thematic sustainable investment strategy and seeks to achieve the investment objective of capital growth through investment in companies that provide or produce sustainable products and services, as well as having a progressive approach to the management of non-financial issues. The Fund will be invested in companies that are positively exposed to three long-term sustainable themes, including (i) better resource efficiency; (ii) improved health; and (iii) greater safety and resilience.</p> <p>The Fund does not use a specific index designated as a reference benchmark for the purpose of attaining its sustainable investment objective.</p>
<b>Investment strategy</b>
<i>What investment strategy is used to meet the sustainability objective of the Fund?</i>
<p>The Fund aims to provide long-term capital appreciation with a diversified and actively managed portfolio of sustainable equities. In that respect, the Fund invests predominantly in transferable securities such as equities, other equity shares such as co-operative shares and participation certificates issued by, or warrants on transferable securities of, companies which are domiciled worldwide. The Fund uses a combination of financial and non-financial indicators to identify securities. The sustainability criteria are designed to identify companies with strong environmental and social thematic exposures. The Fund follows a multi-thematic sustainable approach. The portfolio will be composed of issuers exposed to long-term sustainable themes, including better resource efficiency, improved health, and greater safety and resilience. The sustainability criteria are designed to identify companies with positive environmental and social impact and aligned with relevant UN sustainable development goals (SDGs), while still providing long term capital appreciation.</p>
<i>What is the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance?</i>
<p>The Fund considers good governance as part of the investment decision-making process. Good governance practices are taken into account qualitatively and quantitatively in the process. The Investment Adviser's assessment of good governance is systematically included in the research for each company as part of the decision on whether the business meets the requirements to be eligible for the Fund through the Investment Adviser's proprietary sustainability matrix. The assessment of the quality of management includes the evaluation of the following elements: board structure, board independence, board diversity, key committees and auditors, stakeholder relationships including staff, customers and suppliers, pay alignment of board and staff, and tax compliance. The different geographical contexts and variation in governance good practice is considered in the context of the relevant company's region.</p>

**Proportion of investments**

At least 75% of the Fund's NAV will be aligned with the sustainable investment objective.



**Monitoring of sustainable investment objective**

*How is the sustainability objective of the Fund and the sustainability indicators used to measure the attainment of the sustainability objective monitored throughout the lifecycle of the Fund and any related internal or external control mechanisms?*

1. The Fund's exposure to the sustainable investment themes.
2. The Fund's alignment with relevant UN Sustainable Development Goals (SDGs).
3. The Fund's carbon emissions, based on the weighted average carbon intensity ('WACI').
4. The % of investments removed by the Fund's exclusion policy.
5. The number of votes and engagements carried out.
6. The principal adverse sustainability indicators, as outlined in Annex I of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022

**Methodologies**

*What are the methodologies to measure how the social or environmental characteristics promoted by the financial product are met.*

The second line of defence (Risk team), using internally derived data and data from MSCI ESG Manager, perform monthly reviews of the Fund's holdings to ensure they are not in breach of any of the binding elements of the investment process. This includes compliance with the Fund's exclusion policy, adherence to the minimum proprietary sustainability matrix ratings for individual holdings and at fund level and any controversies. In addition the Funds holdings are subject to periodic scrutiny by an expert panel (the Sustainable Advisory Committee) who will provide challenge where a holding is not considered in line with the spirit of the Fund.

**Data Sources and processing**

- (a) *How are the data sources used to attain each of the environmental or social characteristics promoted by the financial product?*
- (b) *What measures are taken to ensure data quality?*
- (c) *How data are processed?*
- (d) *What proportion of data are estimated?*

The Fund uses the following data sources:

1. Company reports and direct interaction with investee companies
2. MSCI ESG Manager is used for company data, controversies, Principal Adverse Indicators and climate-related data
3. Ethical Screening provide data on exclusions
4. ISS data is used for proxy voting

Liontrust performs due diligence on all data providers, looking at data models, methodologies, coverage and service provision.

<b>Limitations to methodologies and data</b>
<i>What are any potential limitations to the methodologies or data sources and how do such limitations not affect how the environmental or social characteristics promoted by the financial products are met?</i>
With corporate disclosure of sustainability-related information still limited, the availability, consistency and quality of reported corporate data is the main limitation to the application of the methodology. Where data gaps exist then desk-based research and company engagement may be used to support application of the methodology.
<b>Due diligence</b>
<i>What diligence is carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence?</i>
Company due diligence is incorporated into the investment process applied to the Fund and through the proprietary sustainability matrix applied to all holdings in the Fund. The investment processes are reviewed periodically by the second line of defence (Risk team).
<b>Engagement policies</b>
<i>What engagement policies implemented where engagement is part of the environmental or social investment strategy, including any management procedures applicable to sustainability-related controversies in investee companies?</i>
Engagement is integral to the investment process and ensures the Fund invests in high-quality companies. Engagement is used to gain greater insight and helps identify such leading companies but is also used as a lever to encourage better practices, challenging and encouraging them to proactively manage their business for the benefit of long-term shareholder value. Engagement topics are based on key non-financial issues such as diversity and the transition to sustainable investment and carbon reduction.
<b>Attainment of the sustainable investment objective</b>
The Fund does not use a specific index designated as a reference benchmark for the purpose of attaining its sustainable investment objective. The MSCI Europe ex UK Index is a general market index and is not consistent with the sustainable objective of the fund. The index methodology can be found on the relevant webpages by the index provider: <a href="https://www.msci.com">https://www.msci.com</a>