

ASSESSMENT OF VALUE REPORT

For the year to
31 August 2021



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Introduction

We strive for excellence in our products, service and people so we can have a positive impact on our investors and stakeholders. We pride ourselves on the quality of our investment teams and the knowledge and ability of our staff across the business. Liontrust seeks to provide first-class service, be transparent and communicate clearly and frequently.



John Ions
CHIEF EXECUTIVE

This approach and commitment to our investors is reflected in this second annual Assessment of Value of Liontrust's UK-domiciled funds. This year's Report incorporates the Multi-Asset funds that we have managed since last year's acquisition of the Architas UK Investment Business.

Liontrust appreciates the loyalty of our investors and we take the responsibility of being guardians of their savings very seriously. This has especially been the case over the last couple of years of the pandemic, which has been challenging for everyone.

For this Report, we have again evaluated whether our funds are delivering value to our investors against seven criteria and then provide an overall summary for each one. The criteria and overall assessment are judged through a RAG (Red, Amber and Green) scoring system.

Assessment of Value

I am pleased to report that every fund with the exception of two has an overall fund score of Green, which means we have assessed them as delivering value.

The Liontrust focus on robust and repeatable investment processes and the excellence and breadth of our fund management capability is reflected in the fact that all the Liontrust funds have a Green score for performance with the exception of the Liontrust China, India, Emerging Markets, MA Strategic Bond and MA UK Equity funds, which are Amber.

This assessment is reflected in the number of awards that Liontrust has won over the last year, including being named Global Group of the Year at the Investment Week Fund Manager of the Year Awards, Asset Manager of the Year at the Financial News Awards, and Fund Group of the Year at the Shares Awards that are voted for by retail investors.

While performance is a key aspect of delivering value to investors, the value that Liontrust provides extends well beyond this. Across the other six criteria, we have assessed all funds as Green, with the exception of Comparable Market Rates, where some funds were rated as Amber. Further information is provided throughout this Report.

Changes and Developments

We are always seeking to identify opportunities to enhance the value we are providing for investors. For example, where appropriate and possible, we have moved investors to share classes with lower Annual Management Charges (AMCs) and Ongoing Charges Figures (OCFs). For those clients we are not able to move, we have written to offer them the opportunity to elect to convert to share classes with lower AMCs and OCFs.

Liontrust has merged a number of funds over the past year as we focus on those areas of investment where Liontrust has particular expertise and there is clear investor demand.

We have developed the methodology used for conducting this year's assessment, which has led to an extension of the approach for certain criteria. Further information is provided in How we carried out the Assessment of Value section on pages 20–25. In this year's Report, there is a performance commentary for the past five years for each fund assessed and a greater explanation of the differences in charges between share classes (see page 25).

I want to thank our investors for their continued loyalty to Liontrust and our funds; we never forget we are looking after people's savings.

We hope you find the Report informative, useful and interesting. Liontrust welcomes any feedback you may have.

Meet the Management Committee

The Management Committee (ManCo) is responsible for ensuring the Authorised Fund Manager (AFM) complies with the FCA's requirements and provides ongoing oversight of all activities related to the annual Assessment of Value. The ManCo comprises seven senior Liontrust managers as well as three independent

Non-executive members who have a specific obligation to ensure Liontrust is consistently acting in investors' best interests, including providing a challenge throughout the annual Assessment of Value process.

Executive members



John Ions

Chair of the Management Committee

John has been Chief Executive of Liontrust since May 2010. Prior to joining Liontrust in February 2010, John was Chief Executive of Tactica Fund Management since it was established in 2005. Previously, John was Joint Managing Director of SG Asset Management and Chief Executive of Société Generale Unit Trusts Limited, having been a co-founder of the business in 1998. John was also formerly Head of Distribution at Aberdeen Asset Management.



Vinay Abrol

Vinay is Chief Operating Officer and Chief Financial Officer of Liontrust, having joined in 1995. Vinay is responsible for overseeing all finance, information technology, operations, risk and compliance of the Group. After obtaining a first class degree in computing science from Imperial College London, Vinay worked for W.I. Carr (UK) Limited specialising in the development of equity trading systems for their Far East subsidiaries, and then at HSBC Asset Management (Europe) Limited where he was responsible for global mutual funds systems. Following a short period at S.G. Warburg and Co., he joined Liontrust in 1995.



Clare Prince

Clare is Head of Product for Liontrust, having joined in 2018. She has over 14 years' experience in the investment management industry having previously held Product focused roles at Barclays, BlackRock and Henderson. She started her career at PwC where she qualified as a chartered accountant.



Martin Kearney

Martin is Chief Compliance Officer and Money Laundering Reporting Officer at Liontrust, having joined Liontrust in 2008 and has over 14 years' experience in the investment management industry having previously worked at Olympia Capital Ireland and PFPC International. Martin graduated in 2001 with a First Class Honours Degree in International Business and Languages from Dublin City University.



Simon Hildrey

Simon is Chief Marketing Officer at Liontrust. He joined Liontrust in July 2008 having been a financial journalist for 10 years and winning both the IMA Freelancer of the Year and AIC Freelancer of the Year Awards twice. Prior to becoming a freelance journalist in 2002, Simon was Special Correspondent at Citywire and Editor of International Financial Adviser. Simon has an MA degree in War Studies from King's College London and a BA degree in Modern History and Economics from Manchester University.



Ian Chimes

Ian is Head of Global Distribution at Liontrust. Ian joined Liontrust in February 2017, having previously been Sales and Marketing Director at Miton Group. From 2007 to 2013, Ian was Managing Director of PSigma Asset Management, a UK equity income boutique that he co-founded, and before that was Managing Director of Credit Suisse's UK Retail fund management business. Ian was also with Henderson for eight years and has an English degree from Leeds University.



Tony Morrison

Tony is Head of Finance at Liontrust. Tony, who joined Liontrust in 2005, qualified as an accountant (FCCA) with PwC in 2001, specialising in the asset management sector. Tony previously worked for Ivory & Sime Plc and the WM Company in Edinburgh as an investment accountant and performance measurement analyst. He graduated in 1993 from the University of Leeds with a BA in Economics.

Non-executive members



Mandy Donald

Mandy has board experience in both complex organisations and early stage environments, and brings a background of strategic planning and operational management to the ManCo. A chartered accountant by training, she spent 18 years with EY before steering her focus towards the growth of new companies, serving on the boards of a diverse range of start-up businesses. Mandy is a Trustee of The Institute of Cancer Research, where she is also Chair of the Audit Committee, she is also a Non-executive Director and Chair of the Audit Committee of Punter Southall Group. Mandy holds a Financial Times Non-Executive Diploma with a focus in corporate governance. Mandy is also a Non-Executive Director of Liontrust Asset Management PLC.



Quintin Price

Quintin has 30 years' experience of working at a senior level for a number of leading investment companies. From 2005 to 2015, Quintin worked at BlackRock where he was Head of Alpha Strategies and a member of the Global Executive Committee. He is currently a Non-executive Director of Aperture Investors LLC, a New York based fund manager, and F&C Investment Trust Plc. He also serves as a member of the Investment Committee of the Leverhulme Trust. Quintin holds a BSc. in Economic & Social History from the University of Bristol. Quintin is also a Non-Executive Director of Liontrust Asset Management PLC, having joined the Board in July 2021 and is a member of the Audit & Risk, Remuneration and Nomination Committees.



George Yeandle

George is a chartered accountant with over 30 years' experience having specialised throughout most of his career in advising clients on executive pay and remuneration issues. He has also held a number of internal leadership roles. He trained with Coopers & Lybrand (now PricewaterhouseCoopers LLP) before being admitted as a partner in 1989. More recently, George was Operational Leader of the London Region Human Resource Services Business and a Senior Partner of PricewaterhouseCoopers LLP, retiring in December 2013. George is also a Non-Executive Director of Liontrust Asset Management PLC, having joined the Board in January 2015.

Summary of Liontrust's Assessment of Value 2021

This Report evaluates whether the UK-domiciled Liontrust funds are delivering value to investors. Liontrust has considered each of our funds against the seven assessment criteria defined by our regulator, the Financial Conduct Authority (FCA) – covering performance, costs and charges and quality of service – which provide an overall assessment of value for each fund.

The criteria and overall assessments are judged through a RAG (Red, Amber, Green) scoring system. For the overall assessment:

-  **Green** means a fund is delivering value
-  **Amber** means that while a fund is delivering value, enhancements are under way or recently completed
-  **Red** means a fund is not delivering value consistently and some actions are required or are already under way

2021 assessment conclusions

This year's Assessment of Value resulted in an overall rating of Green for all funds except two, the Liontrust China and Liontrust MA Strategic Bond funds, which were given an Amber rating. There were no Red scores for any of the criteria or overall fund assessments.

The Liontrust China Fund was Amber overall last year, and again is Amber for both the Performance and Comparable Market Rates criteria. The Fund will continue to be closely monitored for its investment process, performance and delivery of value to investors.

The scores for five of the criteria – Quality of Service, AFM Costs – General, Economies of Scale, Comparable Services* and Classes of Units – were Green for every fund and therefore assessed as delivering value. The two criteria with some Amber scores were Performance and Comparable Market Rates. As well as Liontrust China, the Liontrust Emerging Markets, Liontrust India, Liontrust MA Strategic Bond and Liontrust MA UK Equity funds have Amber scores for Performance. The funds with an Amber score for Performance will continue to be closely monitored and where we have identified areas for improvements, we are taking actions to address these.

For Comparable Market Rates, 26 of the Liontrust funds had Amber scores. This part of the assessment analyses the charges for each share class for every fund against those of similar funds managed by other asset managers in the relevant peer group.

There are a number of share classes used across the Liontrust funds. The differences between the share classes and for whom each of them is suitable are described on page 25 of this Report.

In assessing Comparable Market Rates, the fund-level conclusions are now determined by the highest charging classes that are most readily available to retail investors. In the majority of cases, this is the Direct Retail class which is available to retail investors investing directly with us, or those investing through an independent financial adviser or investment platform. Where a Direct Retail class is not present, the Wholesale class is used to determine the fund-level conclusion.

The vast majority of investors, and a substantial portion of the assets under management invested in Liontrust funds, are in the Wholesale class which has a lower AMC and OCF.

For example, retail investors can access share classes with lower AMCs and OCFs via investment platforms but there are additional platform fees to pay.

Further information can be found in the fund-level assessments where Amber scores were received.

Investor survey

As part of our ongoing work to ensure we are providing value to our investors, we conducted a survey to find out their views on whether Liontrust is delivering value. We carry out this survey to identify any areas in which we could improve our service and to ensure we are regularly engaging our investors.

Of the direct investors in Liontrust funds, 66% were satisfied with the service they have received in terms of information, materials, communication and client servicing. Of those who had contacted client services, 71% were satisfied with the service they have received.



2021 FINDINGS AT A GLANCE



50 out of 55 funds have met performance expectations over the appropriate time period



This year's Assessment of Value resulted in an overall rating of Green for all funds except two, the Liontrust China and Liontrust MA Strategic Bond funds, which were given an Amber rating



There were no Red scores for any of the criteria or overall fund assessments



The scores for five of the criteria were Green* for every fund and therefore assessed as being above or in line with expectations



For Comparable Market Rates, 26 of the Liontrust funds had amber scores; however, based on the remaining assessment criteria, all were deemed to be delivering overall value to investors

*Some funds are N/A for Comparable Services where no comparable service was identified.

Summary of the Assessment of Value

An Assessment of Value Report for each fund can be found between pages 30 and 155.

Overall assessments of value for the funds



Delivering value



Delivering value
Enhancements under way or completed.



Not delivering value consistently
Some actions are required or are already under way

Evaluation of seven assessment criteria

 **Above or in line with expectations**

 **Monitoring and/or minor actions under way or completed**

 **Monitoring and/or significant actions are required or already under way**

 There are no Comparable Services provided for this Fund.

	Performance	Quality of Service	General costs of authorised fund manager	Comparable market rates	Economies of scale	Comparable services	Classes of shares or units	Overall value assessment	Link to pages
ECONOMIC ADVANTAGE TEAM									
Liontrust Special Situations Fund									
Liontrust UK Growth Fund									
Liontrust UK Smaller Companies Fund									
Liontrust UK Micro Cap Fund									
SUSTAINABLE INVESTMENT EQUITY TEAM									
Liontrust SF Cautious Managed Fund									
Liontrust SF Defensive Managed Fund									
Liontrust SF European Growth Fund									
Liontrust SF Global Growth Fund									
Liontrust SF Managed Fund									
Liontrust SF Managed Growth Fund									
Liontrust UK Ethical Fund									
Liontrust SF UK Growth Fund									

	Performance	Quality of Service	General costs of authorised fund manager	Comparable market rates	Economies of scale	Comparable services	Classes of shares or units	Overall value assessment	Link to pages
SUSTAINABLE INVESTMENT FIXED INCOME TEAM									
Liontrust SF Corporate Bond Fund									
Liontrust Monthly Income Bond Fund									
GLOBAL EQUITY TEAM									
Liontrust Balanced Fund									
Liontrust China Fund									
Liontrust Emerging Markets Fund									
Liontrust Global Alpha Fund									
Liontrust Global Dividend Fund									
Liontrust Global Innovation Fund									
Liontrust Global Smaller Companies Fund									
Liontrust Global Technology Fund									
Liontrust Income Fund									
Liontrust India Fund									
Liontrust Japan Equity Fund									
Liontrust Latin America Fund									
Liontrust Russia Fund									
Liontrust US Opportunities Fund									

The summary of the Assessment of Value continues overleaf



Overall assessments of value for the funds



Delivering value



Delivering value
Enhancements under way
or completed.



**Not delivering value
consistently**
Some actions are required or are
already under way

Evaluation of seven assessment criteria

       **Above or in line with expectations**

       **Monitoring and/or minor actions under way or completed**

       **Monitoring and/or significant actions are required or already under way**

 There are no Comparable Services provided for this Fund.

	Performance	Quality of Services	General costs of authorised fund manager	Comparable market rates	Economies of scale	Comparable services	Classes of shares or units	Overall value assessment	Link to pages
CASHFLOW SOLUTION TEAM									
Liontrust European Growth Fund									
GLOBAL FIXED INCOME TEAM									
Liontrust Strategic Bond Fund									
MULTI-ASSET TEAM									
Liontrust MA Active Reserve Fund									
Liontrust MA Active Dynamic Fund									
Liontrust MA Active Growth Fund									
Liontrust MA Active Intermediate Income Fund									
Liontrust MA Active Moderate Income Fund									
Liontrust MA Active Progressive Fund									
Liontrust MA Blended Growth Fund									
Liontrust MA Blended Intermediate Fund									
Liontrust MA Blended Moderate Fund									
Liontrust MA Blended Progressive Fund									
Liontrust MA Blended Reserve Fund									
Liontrust MA Passive Dynamic Fund									
Liontrust MA Passive Growth Fund									
Liontrust MA Passive Intermediate Fund									
Liontrust MA Passive Moderate Fund									
Liontrust MA Passive Progressive Fund									
Liontrust MA Passive Prudent Fund									
Liontrust MA Passive Reserve Fund									
Liontrust MA Monthly High Income Fund									
Liontrust MA Strategic Bond Fund									
Liontrust MA UK Equity Fund									
Liontrust Diversified Real Assets Fund									
FUNDS THAT HAVE CLOSED OR MERGED WITH OTHER LIONTRUST FUNDS SINCE THE END OF THE ASSESSMENT PERIOD (31 AUGUST 2021)									
Liontrust Japan Opportunities Fund									
Liontrust US Income Fund									
Liontrust Diversified Global Income Fund									

Changes and developments since the 2020 Assessment of Value

We have made a number of changes throughout the Assessment of Value reference period of 1 September 2020 to 31 August 2021.

Fixed Administration Fees

Liontrust moved the Multi-Asset fund range to a fixed Administration Fee model on 1 July 2021. Previously, the Operating Expenses were paid directly by the funds which means they varied over time as the size of each fund increased or decreased. This change means that Operating Expenses are paid directly by Liontrust and we are reimbursed by each fund at a fixed rate (Administration Fee).

The implementation of a fixed Administration Fee provides investors with greater certainty about the Ongoing Charges Figure (OCF) they pay. The underlying fund fee, which reflects the costs associated with investing in the underlying funds, will continue to vary depending on the investment selection of the fund managers. Therefore, the underlying fee will remain subject to fluctuation despite the move to the fixed Administration Fee model for the Liontrust Multi-Asset funds.

At the same time as moving to fixed Administration Fees, and consistent with the wider Liontrust fund range, we have also ensured investors may benefit from economies of scale through the operation of a volume discount. As funds grow in assets, the fixed Administration Fees will be reduced, subject to a minimum Administration Fee level, thereby allowing us to pass on cost savings achieved as a result of an increase in the fund's assets to investors. Additionally, Liontrust reviews the fixed Administration Fees annually to ensure that they remain appropriate and to pass on the benefits of Liontrust's overall assets growth where possible.

Change of Administrator

Following the acquisition of the Multi-Asset funds, we changed the administrator of our Multi-Asset fund range, resulting in all of our funds being under one administrator, creating a solid foundation for future growth and ensuring efficiency for both Liontrust and our investors.

Retail Pricing Transition

Following a comprehensive review of charges for retail share and unit classes in our funds undertaken in 2020, we moved investors in the majority of the Retail classes of our funds into classes with a lower AMC where we had sufficient comfort that this was in their best interests. Where we have not had sufficient comfort that a compulsory conversion would be in their best interests, certain investors are being offered the opportunity to convert their holdings on an elective basis to a lower charging class.

We continue to work closely with our fund distributors, including investment platforms, to inform them of the range of share classes available to their clients to avoid investment in more expensive legacy Liontrust Retail classes.

If you are investing via another institution that provides additional services, you may be able to access different share classes. You may wish to contact your professional adviser to establish if you are in the most appropriate class.

Fund developments since the 2020 Assessment of Value

Below are the fund developments that have taken place throughout the Assessment of Value reference period of 1 September 2020 to 31 August 2021.

Fund Liquidations or Fund Mergers

Liontrust has taken the decision to close or merge a number of funds; this has been subject to the approval of shareholders in many cases. As a result, Liontrust is able to focus on enhancing the value provided to investors.



Mergers

Liontrust UK Mid Cap Fund merged into Liontrust UK Growth Fund on 2 December 2020

Liontrust UK Opportunities Fund merged into Liontrust UK Growth Fund on 2 December 2020

Liontrust Macro Equity Income Fund merged into Liontrust Income Fund on 19 March 2021

Liontrust Macro UK Growth Fund merged into Liontrust UK Growth Fund on 19 March 2021

Liontrust European Enhanced Income merged into Liontrust European Growth Fund on 9 April 2021

Liontrust European Income merged into Liontrust European Growth Fund on 9 April 2021

Liontrust Global Income Fund merged into Liontrust Global Dividend Fund on 25 June 2021

Liontrust European Opportunities Fund merged into Liontrust European Growth Fund on 25 June 2021



Closures

The full range of the Multi-Asset Birthstar funds, the Multi-Manager Protector funds and the Liontrust MA Positive Future Fund and Liontrust MA Global Equity Income Fund closed on 13 January 2021.

Changes following the reference date

In addition, we have closed one fund, changed the name of one fund and merged two funds since 31 August 2021, which is the end of the period under review for this Assessment of Value.



Mergers

The Liontrust US Income Fund merged into the Liontrust Global Dividend Fund on 8 October 2021

The Liontrust Japan Opportunities Fund merged into the Liontrust Japan Equity Fund on 8 November 2021



Closures

The Liontrust Multi-Asset Diversified Global Income Fund closed on 18 October 2021



Fund Name changes

The Liontrust Global Equity Fund was renamed the Liontrust Global Innovation Fund on 15 October 2021

How Liontrust adds value for investors

Liontrust's purpose is to have a positive impact on our clients, stakeholders and society. We aim to achieve this by providing the environment which enables our fund managers and staff to flourish, helping our clients achieve their financial goals, supporting companies in generating sustainable growth, and empowering and inspiring the wider community.

At the heart of delivering this positive impact is our approach to investment management. We have a single fund management division of six investment teams which manage a range of funds, portfolios and segregated accounts using distinct investment processes and a centralised trading team. Liontrust focuses only on managing funds and portfolios in which we have particular expertise.

Investment processes

The rigorous investment processes ensure the way we manage money is predictable and we believe these processes are key to delivering strong long-term performance and effective risk control.

Our investment processes are robust, scalable and repeatable and are documented, which has advantages for Liontrust, fund managers and, most importantly, our investors. Staying true to a documented process helps to create an in-built risk control, especially in more challenging environments, by preventing managers from buying stocks and funds for the wrong reasons.

Documenting an investment process and having it reviewed internally on a regular basis at Liontrust is a good discipline to go through. This prompts fund managers to review all aspects of how they manage money. This also means you, as an investor in our funds, know exactly how each team will manage your money. This may help you in blending our funds with others within your investment portfolio.

Culture

How a fund manager performs is not just down to the talent of the individual or team managing the fund but also to the culture and environment in which they work. Creating the right culture for fund managers to perform has been a central tenet of Liontrust since the company was launched in 1995.

We have created an environment in which fund managers can focus on running money and not get distracted by other day-to-day aspects of running a fund management business, particularly administration.

At the heart of the Liontrust culture is the fact that our fund managers are truly active and have the courage of their convictions when investing and managing funds and portfolios according to distinct investment processes. There is no house view at Liontrust, with our fund managers having the freedom to manage their portfolios according to their own investment processes and market views.

Another aspect of the Liontrust culture is that fund managers invest in funds they run, which shows a belief in and a commitment to their investment processes and fellow investors.

We will continue to recruit fund managers who have excellent track records, expertise in their respective asset classes and who use rigorous and repeatable investment processes. We will make acquisitions that enhance and grow our business and increase the range of investment options we offer investors.

Risk management

Liontrust ensures that appropriate and prudent levels of risk are taken to meet the investment objective and policy of our funds. Liontrust has a Portfolio Risk Committee (PRC) to oversee the management of portfolio risk throughout the business and uses a formal, documented Risk Management Process (RMP) to monitor and measure the risk of a fund's investments and their contribution to the overall risk profile of a fund.

In general, risk within a fund is controlled and monitored in two ways:

- by the investment process
- by predetermined risk controls and limits

Economic and social impact

Asset managers have a key role to play in providing capital to enable businesses to grow and in helping investors to achieve their financial objectives. We have an important role to play in supporting businesses and innovative companies, working to allocate capital towards positive outcomes including delivering products and services that benefit the economy and society. Liontrust aims to achieve this through the use of active management and our proprietary investment processes to identify companies that can generate sustainable growth and by investing in businesses for the long term.

Liontrust is committed to environmental, social and governance (ESG) initiatives, provides the tools to empower all our investment managers to consider ESG in their decision-making processes, and continues to develop the risk framework to capture and evaluate environmental and social controversies.

Liontrust is proud of the people who work at the company and we are investing in their training, qualifications and development as part of our strategy to retain talented fund managers, partners and employees. We are seeking greater diversity across the company as we believe this enhances the performance of businesses and leads to better decision making.

Service

We aim to provide our investors with exceptional service and support, striving to be as transparent as possible. We communicate clearly and frequently with our investors, regularly updating them on the performance of each of our funds and portfolios, the effectiveness of the investment processes applied to each of our funds and portfolios and the progress of the business as a whole.

Excellent service is achieved through the quality of the people who work at Liontrust. We empower members and employees to take on responsibility and to be accountable for their decisions, actions and behaviour. 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.

Investing in the business

Liontrust continues to invest in the business to ensure the excellence of the investment teams and to enhance investors' experience and service.

We have recently established a new internal system to enhance data quality and dissemination, as well as to streamline client and regulatory reporting.

Liontrust is investing in developing our online services and digital communications to enhance client services. This includes the Liontrust website which will encompass improvements based on feedback from investors. We have also expanded the range of content and communications for investors, including videos and infographics.

We aspire for excellence in administration, risk management and corporate governance to ensure we can deliver a first-class service as the business expands further. We have moved our funds to one administrator to secure a solid foundation from which to support our future expansion and to ensure we and our investors benefit from efficiencies.

Over the year to 31 August 2021 covered by this assessment, headcount across the company has increased by 22%*, resulting in more resources being allocated to Marketing, Operations, Performance, Distribution, Technology and Risk. Through more personnel, we can ensure we continue to deliver excellent service.

* 5.4% excluding joiners from the acquisition of the Architas UK Investment Business



Sustainability

Liontrust takes great pride in our role as active and responsible investors. Liontrust recognises that good governance and stewardship, sustainability and social impact are important considerations in choosing and monitoring investments and longer term performance.

We have committed to integrating sustainability appropriately throughout the business. This includes publishing our Responsible Investment policy, which provides details of our engagement-led approach and how we manage our stewardship at both the company level and for individual investment teams.

The Liontrust Sustainability Report is available on our website and details initiatives and priorities in areas of the business other than the investment teams including the development of a diverse and talented staff and being a good corporate citizen. Initiatives over the last year include establishing the Diversity and Inclusion Committee chaired by the Chief Operating Officer (COO) and Chief Financial Officer (CFO) and working on the launch of the Liontrust Foundation.

We are committed to continue our work on achieving the following:

- enhancing our ESG data and analytics for all our strategies
- training our staff
- investing in our company engagement capacity and resourcing
- disclosing how we integrate sustainability in each strategy and across the company
- increasing our reporting for funds on their ESG and climate characteristics
- improving our aggregated company reporting

Our Governance and Stewardship team co-ordinates the company's overarching approach: producing ESG reporting; climate and emissions analysis; drawing up and implementing our voting policies; and engaging with companies. The team supports our fund managers, helping to integrate and enhance sustainability for all our investors and Liontrust as a business.

Integrating ESG

Each team takes its own approach to integrating ESG factors into their investment process. Liontrust is a signatory to the PRI, a UN-supported network of investors, which works to promote sustainable

investment through the incorporation of environmental, social and governance factors into investment decision-making.

We have been working to provide each team with the information and support to allow them to integrate ESG in the optimal way, ensuring their investment processes are enhanced and complemented by this work rather than imposing a centralised solution.

Our Sustainable Investment team, which manages over a third of Liontrust's assets, have fully integrated ESG factors and analysis throughout their process. This includes using long-term sustainability themes to identify potential opportunities and using a screening and sustainability analysis through a proprietary Sustainability Matrix combining product sustainability with ESG management quality.

The Global Fixed Income team also directly integrates ESG into its investment process with two of its five investment pillars relating to these factors. To evaluate ESG factors, the team uses a combination of complementary internal and third-party research.

The Economic Advantage (EA) team has added ESG as a new, ninth, risk factor to the process's existing risk grid. The risk grid operates within 'stage two' of the EA investment process to determine the weighting of a stock once it has been selected for purchase under 'stage' one.

The Multi-Asset investment team combines ESG data from third parties and a dedicated questionnaire followed by face-to-face due diligence meetings with both an RI (Responsible Investment) representative at company level and an investment manager of the respective funds that they are holding or analysing. The idea of this deeper dive is to explore how asset managers are incorporating ESG across their top-down processes, what the priorities are and the current challenges. At fund level, the Multi-Asset team looks at how this is actually performed in practice and by whom, among other considerations. These insights form part of the Multi-Asset funds' risk framework.

For our other investment teams, the management of sustainability risk forms part of the due diligence process. Each team reviews

potential investments using their risk framework, which includes assessing the risk that the value of such investments could be materially negatively impacted by an ESG event or issue.

The teams use ESG information from third-party data providers to assist in understanding the sustainability risks of each investment. They may also conduct fundamental analysis on each potential investment to assess further the adequacy of ESG programmes and practices of a company to manage the sustainability risk it faces.

Controversies are also monitored to investigate and assess issues which may include the impact of company operations, governance practices and/or products and services that allegedly violate national or international laws, regulations and/or other commonly accepted global norms. The information gathered from this analysis may be taken into account in deciding whether to invest or the size of the position of holdings in portfolios.



How to use this Report



Why we have produced this Report?

As part of a move to strengthen fund governance, our regulator, the FCA, requires asset managers to conduct an annual review of UK-domiciled funds to evaluate the value provided to investors. We welcome this as a positive development for asset managers and investors.



What is the assessment of value?

The assessment of whether each of our funds is providing value to investors has been evaluated through seven criteria. These criteria are the following and are explained in the table below: Performance, Quality of service, Authorised Fund Manager (AFM) costs, Comparable market rates, Economies of scale, Comparable services, and Classes of units.

#	FCA Value Criteria	FCA Value Criteria Description
1	Performance	The performance of the scheme*, after deduction of all payments out of scheme property as set out in the prospectus. Performance should be considered over an appropriate timescale having regard to the scheme's investment objectives, policy and strategy
2	Quality of service	The range and quality of services provided to unitholders
3	AFM costs – general	In relation to each charge, the cost of providing the service to which the charge relates, and when money is paid directly to associates or external parties, the cost is the amount paid to that person
4	Comparable market rates	In relation to each service, the market rate for any comparable service provided: (a) by the AFM; or (b) to the AFM or on its behalf, including by a person to which any aspect of the scheme's management has been delegated
5	Economies of scale	Whether the AFM is able to achieve savings and benefits from economies of scale, relating to the direct and indirect costs of managing the scheme property and taking into account the value of the scheme property and whether it has grown or contracted in size as a result of the sale and redemption of units
6	Comparable services	In relation to each separate charge, the AFM's charges and those of its associates for comparable services provided to clients, including for institutional mandates of a comparable size and having similar investment objectives and policies
7	Classes of units	Whether it is appropriate for unitholders to hold units in classes subject to higher charges than those applying to other classes of the same scheme with substantially similar rights

*scheme refers to the fund



What does the Report show?

This Report provides an assessment of all Liontrust's UK-domiciled funds using the seven criteria identified by the FCA and declares whether they have each delivered value to investors. We have evaluated the criteria for each fund and provided an overall assessment for every fund for the 12 months to 31 August 2021. The Report will be published every year.

Where relevant, evaluations of every share class have been conducted and the results of the assessment are provided at fund level for this Report.

In this Report, we use the terms share class and unit class interchangeably.

We also highlight how Liontrust offers value in areas other than these seven criteria, including through our approach to investment management, corporate culture and sustainability.

In this Report, we have provided assessments of each fund by investment team to make it easier for you to find the fund or funds in which you are invested.



Summary of the Assessment of Value (pages 8 to 11)
Overview of every fund and how it performs against the seven criteria identified by the FCA

Assessment of funds (pages 30 to 155)
Overall value assessments are evaluated using a traffic light colouring system

We identify how funds perform against the seven criteria in further detail.



What do the icons show?

We have used icons to instantly show you the result of the evaluation of the seven criteria for each fund and the overall assessment of value for all the funds. We have used a RAG (Red, Amber, Green) rating to evaluate both the seven criteria and all funds. The RAG and icons are shown on pages 8–11. The criteria are explained in detail on pages 20–25.



Where can I get more information?

Please visit the Liontrust website: liontrust.co.uk.

Alternatively, you can speak to your professional adviser.

How we carried out the assessment of value



1. QUALITY OF SERVICE

A number of services are required to manage and administer funds. We have assessed the range and quality of those activities which directly impact the experience of our investors. A wide range of services have been evaluated, including those that are provided directly by Liontrust and those by third parties on our behalf.

These include:

- **Investment services:**

Investment processes – We believe that our investment processes are key to long-term performance and effective risk control. Our documented processes are robust, scalable and repeatable, which has advantages for Liontrust, fund managers and, most importantly, our investors. We have assessed our investment processes for each fund, and risk management processes used to enable the fund managers to assess and manage the exposures within each of the funds to Market, Liquidity and Counterparty risks along with ensuring that each fund is appropriately managed to meet investor expectations.

Approach to asset stewardship – Asset stewardship involves engaging with companies in which we invest your money to drive outcomes. We have assessed our engagement approach through a range of existing governance frameworks that oversee Liontrust's Asset Stewardship processes. Investing in companies over the long term emphasises the need for good governance and stewardship, which is an essential part of creating shareholder value. Liontrust is a signatory to the PRI, a UN-supported network of investors that works

to promote sustainable investment through the incorporation of environmental, social and governance (ESG) factors into investment decision-making.

- **Fund services:** These are key operational activities that are core to the smooth running of our funds and include, for example, determining the daily price of the share classes of a fund and ensuring that investors receive their interest and dividend payments in a timely manner.
- **Engagement and Communications:** Here we have considered the quality of our investor servicing including, for example, how we address investor queries and resolve complaints, as well as the quality, breadth and accessibility of the information we provide. We have undertaken an investor survey among our private investors and professional advisers using an independent third party. The feedback from this contributes to our assessment of Quality of Service. It is important that we ask our investors what they think of Liontrust, the services we provide and our communications.
- **Governance:** It is important to ensure that funds are managed and operated in the best interests of investors. We have therefore considered whether an appropriate and effective control environment is in place.

Conclusion: Through our assessment, we have concluded that Investment Services, Fund Services, Engagement and Communications and Governance activities provided by Liontrust or by a third party performed as expected. Whilst the outcome for this criteria is Green, we continue to focus on areas for potential improvement and enhancement.



2. PERFORMANCE

We have assessed the investment performance of each fund against its stated investment objective and, where applicable, against the benchmarks set out in the fund's Prospectus.

Our comprehensive evaluation has considered whether each fund has performed how we and investors would expect it to given the market conditions it has been operating under and its investment objective.

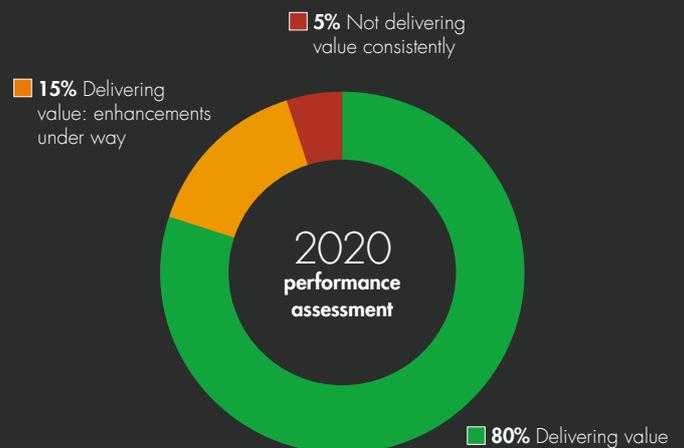
The Liontrust Multi-Asset Active, Blended and Passive fund ranges are target risk funds, i.e. each fund is targeting a certain range of expected risk over their investment horizon: some funds take more risk than others and all funds have maximum upper and lower risk bands. We looked at whether each fund was managed within its expected risk target range over the course of the year.

All of our other funds aim to achieve their performance objectives over a five-year period, and therefore our assessment considers the

funds' performance over this timescale. Performance assessments have also been conducted over additional time periods, both longer and shorter than five years for example, when a fund has not delivered its objective or a sufficient level of performance. For funds that seek to deliver income, we also review whether the income objective has been achieved.

For each of the funds' performance commentaries used in this Report, we have used the primary share class of each fund.

Conclusion: Through our assessment, we have considered the investment performance of each fund against its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We have concluded that out of 55 funds, 50 have met expectations over the appropriate time period. For the remaining five funds, we continue to keep these under close review and where we have identified areas for improvement, we are taking actions to address these.



How we carried out the assessment of value continued



3. COSTS OF THE AUTHORISED FUND MANAGER

Our assessment considers components of the OCF (Ongoing Charges Figure), which include the Annual Management Charge (AMC) and Administration Fee, to ascertain whether the costs charged to the fund are reasonable and offer good value in relation to the costs incurred for investment management and associated services.

Charges explained:

Annual Management Charge (AMC)

The AMC covers the cost of client servicing, the cost of managing and running the fund, and the operational cost of running a fund management company.

Administration Fee

The set charge that the fund pays to Liontrust in relation to the various costs associated with fund administration, such as servicing, and oversight of the fund, including legal and audit fees.

Underlying fund fee

For funds which invest in other funds, these are the associated costs.

Transaction costs

These are dealing costs incurred when fund managers trade (buy and sell) investments on behalf of the fund.

Ongoing Charges Figure (OCF)

Other fund charges

Our assessment of AFM costs includes regularly reviewing these components to determine their appropriateness:

- **AMC** – through our Pricing Review which considers share class pricing and the service levels attributable to each share class type.
- **Administration Fee** – through our Administration Fee Review which considers the appropriateness of the rate at which the Administration Fee is set. The Administration Fee is reviewed on an annual basis and adjusted if required to ensure it remains appropriate.

The approach taken to the regular reviews of our costs means that we can assess the costs incurred and consider whether these remain appropriate and reflective of the services provided. The close monitoring of costs also enables Liontrust to actively and informatively engage and negotiate with suppliers, increasing value for money for our investors where possible.

Our assessment considers whether we are able to ensure we can function during more challenging environments and continue to reinvest in our business to enhance our range of products and services for investors. We also consider the appropriateness of direct and indirect transaction costs, such as the commissions we pay to our chosen brokers.

Conclusion: Through our assessment, we have reviewed each component of the OCF, as well as transaction costs, and evaluated whether the costs of providing the services to which the charges relate remains appropriate. We have concluded that the cost of services provided to the funds remains appropriate, and we will continue to review the costs and charges of the funds at least annually. In the latest review of Administration Fees, Liontrust reduced the Administration fee on 41 funds.



4. COMPARABLE MARKET RATES

We have assessed the amount we charge our investors in each share class by comparing the charges of our funds to a comparable peer universe defined by reference to the appropriate Investment Association (IA) sectors or a bespoke peer group (defined by an independent third party) where the IA sector is not deemed to be an appropriate peer group.

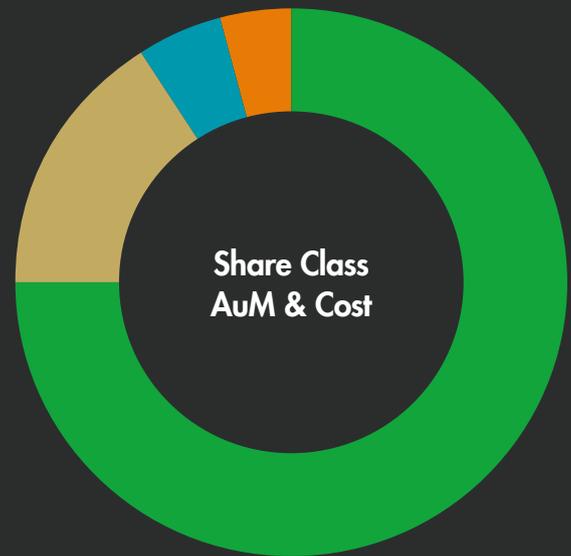
We have reviewed the levels of our AMC, Administration Fee and OCF relative to the comparable share class in the peer group, and focused on the OCF to drive the outcome of the assessment.

Different share classes within a fund can have different outcomes relative to comparable share classes of other funds. Our fund-level conclusions are now determined by the highest charging classes that are most readily available to retail investors. In the majority of cases, this is the Direct Retail class that is available to retail clients investing directly with us, or clients investing through an independent financial adviser or investment platform. Where a Direct Retail class is not present, the Wholesale class is used to determine the fund-level conclusion. This differs from our previous Assessment of Value where we used the Legacy Retail class when present.

While we use the Direct Retail classes when present to determine our conclusion for Comparable Market Rates, a substantial portion of the assets under management invested in Liontrust's funds are in the Wholesale classes which have lower attached fees. Our Wholesale classes are also available to retail investors investing through an independent financial adviser, wealth manager, fund platform or directly subject to meeting the minimum investment requirement.

If investing through an independent financial adviser, wealth manager or a fund platform, additional fees may apply, such as platform fees and dealing fees. We have not included these additional costs in our assessment.

Conclusion: Through our assessment, we have confirmed that the fees in 29 of our funds appear lower than, or in line with, comparable funds. For the remaining 26 funds, the costs appeared higher than the comparable funds in the peer group. Further analysis was undertaken, and we have concluded that the higher fees charged reflect the active, high conviction approach adopted by the Liontrust funds, and the fees charged for the level of service are considered to be reasonable.



Wholesale

74% of total AuM

Average OCF: 0.82%

Average AuM per shareholder:

2.4m

Direct retail

5% of total AuM

Average OCF: 1.02%

Average AuM per shareholder:

0.04m

Institutional

15% of total AuM

Average OCF: 0.59%

Average AuM per shareholder:

22.2m

Legacy Retail

4% of total AuM

Average OCF = 1.70%

Average AuM per shareholder:

0.74m

This is not an exhaustive list of Liontrust class types. The remaining class types represent less than 1% of the assets under management (AuM) across all funds. Each class type is subject to investment restrictions, and the share class names differ throughout each fund range. Share class terminology is defined by an independent third party and Liontrust for the purposes of grouping share classes according to their characteristics. For further detail of each class type, please go to page 25. Due to rounding, percentages of total AuM do not precisely reflect the absolute figures.

How we carried out the assessment of value continued



5. ECONOMIES OF SCALE

As funds grow in size, certain cost savings may be achieved. These savings are known as economies of scale and are generated as some costs are either fixed or increase at a lower rate compared to the growth in the overall AuM. Our assessment has considered whether Liontrust is able to generate efficiencies to achieve economies of scale and whether any such savings are passed onto our investors.

As of 1 July 2021, all our funds operated a fixed Administration Fee model. This provides our investors with both greater certainty about the charges they can expect to pay as well as the assurance that they will benefit from any cost savings achieved as a result of the fund growing in size. The Administration Fee for each fund is discounted as the fund grows in size, thereby allowing us to pass on cost savings achieved as a result of an increase in the fund's assets directly to investors.

In addition to fund-specific economies of scale, we consider whether we are able to achieve greater efficiencies in our

operations across all our funds through our service providers, how funds benefit from being part of a larger business and whether we are able to ensure cost savings are achieved on an ongoing basis.

We have also considered non-monetary benefits to investors that are enabled by the economies of scale that are achieved as Liontrust grows and expands as a business. We take into account the level of reinvestment in the business and consider whether the level of service to investors and professional advisers has improved as a result.

Conclusion: Through our assessment, we have confirmed that Liontrust is able to achieve economies of scale. These are passed to investors directly through a reduction in costs and indirectly through non-monetary benefits, such as enhanced levels of service which result from reinvestment in the business. Overall, we have reduced fees on share classes of 41 funds, and no fee increases have been experienced by any fund.



6. COMPARABLE SERVICES

We have assessed whether the charges paid by investors in our UK-domiciled funds are reasonable compared to what our other investors pay when investing into other Liontrust products or services with similar investment objectives and policies. These products and services include our Ireland-domiciled pooled funds and segregated mandates (which are bespoke accounts set up for large institutional investors such as pension funds).

We identified which of our UK-domiciled funds have comparable products and services and assessed any differences in charges. Where differences were identified, we considered the reasons

for these with the aim of ascertaining whether investors in the UK fund are charged appropriately relative to other investors in the comparable offerings.

Conclusion: Through our assessment, we have challenged the differential in charges paid by investors in our UK-domiciled funds relative to what other investors pay for comparable products or services managed by Liontrust. We have considered the factors attributing to any difference in charges and conclude that investors in our UK-domiciled funds are charged appropriately.



7. CLASSES OF UNITS

We offer a range of share classes to our investors, reflecting the different ways in which they choose to invest and the services they receive from us. Our assessment has considered whether share classes within each fund are appropriately priced, and whether investors are invested in the most appropriate class that is available to them. We have also considered how we ensure ongoing appropriateness of pricing and whether investors remain in the most appropriate share class. To conduct the assessment, we have leveraged existing governance and monitoring processes including the regular review of our direct investor base.

Where a potentially better outcome may be available to an investor, we consider whether suitable action, such as offering the investor a free switch into an alternative lower cost share class, has been taken within a reasonable period of time.

Conclusion: Through our assessment, we have considered whether investors hold the most appropriate share class available to them, and whether the share classes within the fund are appropriately priced. Based on the information available to us, our review concluded that investors are invested in the most appropriate share class available to them. We have carried out conversions on a compulsory basis of investors holding the Legacy Retail classes of in-scope funds into lower priced alternative classes where we had sufficient comfort that this was in their best interests. In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in Legacy Retail share classes, offering the opportunity to convert into an alternative share class with a lower fee, on an elective basis. We believe that any identified differences in the AMC rates between the different share classes are justifiable and appropriate.

Why do share classes have different costs and charges?

Each Liontrust fund can have a variety of share classes which may vary from fund to fund. The share classes are designed to cater for different types of investors and vary by level of costs and charges

and the services provided to investors. This page explains these differences, the charges applied to the share classes and which type of investors each share class is designed for.



Type of investor	Direct Retail	Wholesale	Legacy Retail	Institutional			
Class services / description	This class is most appropriate for retail clients investing directly with us or via a financial adviser where they are not eligible to invest in the Wholesale or Institutional classes. Investors in these classes receive additional servicing and require additional resource from certain departments within Liontrust.	This class is appropriate for retail clients investing through investment platforms, wealth managers, financial advisers and discretionary fund managers who provide their investors with access to funds through their own services. The class is also appropriate for professional investors who invest directly with us. These investors require less servicing from certain departments.	This class mainly consists of investors investing through a financial adviser or through an investment platform with rebates attached. This is a historic retail class that was designed for investors who bought the fund directly, largely with rebates attached or renewal commission payable. Following the Retail Pricing Transition Project, this share class will largely no longer have or accept direct retail investment. Renewal commission is also no longer paid to any intermediaries who may have previously been eligible.	This class is most appropriate for investors investing high minimum levels of assets. The servicing requirements are lower and some services may be provided by the investor where they are promoting this fund to their own clients.			
Class type in fund range	Global Equity	B	C	A	D	M	E
	Economic Advantage and Cashflow Solution	B / A***	I	R	S	M	N/A
	Sustainable Investment Fixed Income and Global Fixed Income	B	N/A	N/A	N/A	N/A	N/A
	Sustainable Investment Equity	N/A	2 / 6	N/A	3	M	7
	Multi Asset	A / D**	D/S	R	N/A	N/A	N/A

Client servicing costs

These costs relate to the resources dedicated to providing information to, and interacting with, investors. This covers activities such as reporting, updates and insights on the funds, and handling investor queries.

Fund management costs

These costs relate to the investment management activities of the fund, in particular the knowledge and skill required from the investment team as well as other costs of running the fund, such as those incurred by trading activity.

Administration fees

These costs relate to all of the activities required to administer the funds.

Operational costs

These costs relate to running a fund management company, for example risk, legal, IT and compliance costs for the wider business (this does not include costs related to the Administration Fee).

Underlying fund fee

For funds which invest in other funds, these are the associated costs.

Transaction costs

These are the costs associated with buying and selling within the funds.

*This image is a representation and is not reflective of any particular rebate agreement. Rebate agreement terms may vary. An annual management charge (AMC) rebate is a way of refunding or discounting the ongoing charges (OCF) of any fund/share class to financial advisers and investment platforms. In most cases, the AMC is an agreed percentage of the clients'/ investment platforms' total assets under management in a fund and is rebated on a monthly or quarterly basis, either as a direct cash payment or by reinvesting to buy additional shares/units in the fund/share class it is generated from.

** Applies to the Diversified Global Income Fund. ***Applies to the Special Situations Fund.

As share class terminology is used differently across the market and our share class names vary across the fund range, we have grouped our share classes into Direct Retail, Wholesale, Legacy Retail and Institutional to aid consistency across our Assessment of Value Report. These groupings are defined by an independent third party and our own internal terminology.

Governance

Assessment of Value Governance

Liontrust Fund Partners (LFP) Management Committee (ManCo)

The ManCo is responsible for ensuring the organisation complies with the FCA's requirements and provides oversight of all activities related to the annual Assessment of Value and any associated ongoing activities. The ManCo comprises a number of senior Liontrust managers as well as three independent Non-Executive Members who have a specific obligation to ensure Liontrust is consistently acting in its investors' best interests, including providing challenge throughout the annual Assessment of Value process.

Assessment of Value Working Group (Working Group)

This is a working group of the Distribution and Product Committee (DPC) that takes day-to-day responsibility for the Assessment of Value project. The Working Group initiates the annual Assessment of Value process, gathers and collates required inputs, and completes and reviews all aspects of the Assessment of Value prior to submission to the ManCo.

Portfolio Risk Committee (PRC)

The PRC is responsible for reviewing the performance of the Liontrust funds and to ensure they are meeting their investment objectives while staying within their risk profiles. The PRC regularly reviews the funds to ensure that they are performing in line with expectations. Output from the performance reviews feed into the Assessment of Value process.

Operations Oversight and Governance Committee

The Operations Oversight and Governance Committee operates as part of the oversight framework governing the daily workflows undertaken by our fund administrator on behalf of Fund Accounting, Custody, Transfer Agency and Middle Office. The Committee regularly reviews monthly service delivery from our fund administrator which is a key factor in our Assessment of Value.

Assessment of Value Process

Methodology and framework

The ManCo approves the methodology and framework used for assessing the value of Liontrust funds.

Data gathering and inputs

Teams across Liontrust are responsible for providing input into the Assessment of Value process, including Product, Operations, Compliance, Performance and Marketing. We also leverage independent third parties to provide fund charges and peer group information.

Assessments and validation of output

The Working Group evaluates all the data received from the various teams and third parties and ratings for each of the assessment criteria outlined on pages 8 to 11 are recommended. Once a rating for each of the criteria has been agreed, these get combined to create one overall rating for each fund. The assessments and ratings are

then consolidated into a report and presented to the ManCo for review, challenge and approval. The ManCo performs a detailed review of all information presented to assess whether value is being delivered for each fund, considering all assessment criteria.

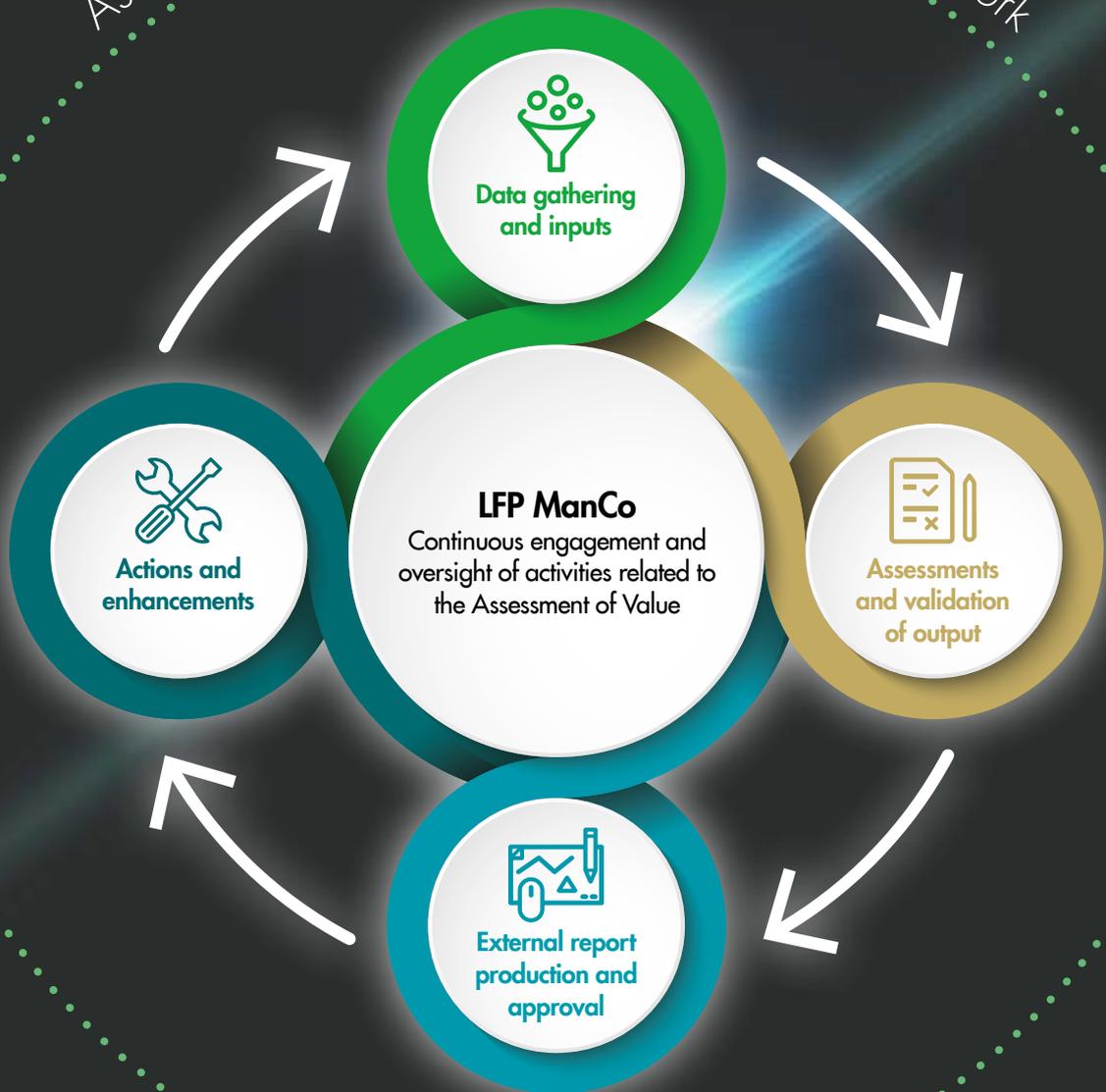
External Report production and approval

Once all final ratings for the funds, and any associated actions required to enhance value, are agreed, the external Assessment of Value Report is produced. The external Report is presented to the ManCo for review and sign-off before publication on Liontrust's website.

Actions and enhancements

Any actions identified throughout the Assessment of Value process to enhance value are allocated to the relevant business areas to take forward. The progress of these actions is monitored by the Working Group and reported to the ManCo.

Assessment of Value methodology and framework



How to assess target risk funds

The Liontrust Multi-Asset (MA) investment team manages three ranges of target risk funds (Active, Blended and Passive), with increasing risk targets from low to high.



Liontrust Multi-Asset Active Funds

The Liontrust MA Active Funds are a range of six target risk fund of funds aimed at those investors who are looking for an actively managed product that uses the skills and judgment of the underlying managers.



Liontrust Multi-Asset Blended Funds

The Liontrust MA Blended Funds are a range of five target risk fund of funds aimed at those investors who are seeking an investment solution that offers a mix of active and passive investments to provide an optimal blend of tactical positioning and fund selection providing the potential for outperformance.



Liontrust Multi-Asset Passive Funds

The Liontrust MA Passive Funds are a range of seven target risk fund of funds for investors willing to accept that their investments will track the performance of the underlying funds' benchmarks but will not outperform them. This range is designed to harness the advantages of investing in tracker funds with the investment scope enjoyed by multi-asset managers.

How an investor in our target risk funds decides which fund to hold?

Financial advisers work with investors to determine which of our funds they should invest in to achieve their goals. As part of this process, investors find it beneficial to answer a number of key questions before an investment is made. These include determining what your investment objectives are, what your time horizon is and what your risk profile is.

The first two questions tend to be easier to answer than the last one largely because risk is hard to quantify as it is a subjective measure. Ultimately, the level of risk you are prepared to take often comes down to whether you can sleep at night without worrying about whether your investments are losing money. One way this can be expressed is in terms of how much capital you are prepared to lose during any 12-month period and how much capital you are willing to lose over the length of time you will be invested, in other words your capacity for loss. The longer the time horizon for investment, the greater the level of risk you can potentially take.

It is equally important for you to consider the amount of risk you need to take to achieve your investment objectives within your chosen timeframe. Take too little risk and you may not reach your goals.

Choosing a risk profile, therefore, involves targeting sufficient risk to achieve your investment goals but also ensuring this level does not exceed your risk tolerance. Advisers will guide their clients through this process and identify the most appropriate funds to hold.

The higher the risk level of the fund, the greater the potential for volatility, positive returns on the upside and losses in down markets.

Volatility is sometimes used interchangeably with risk but refers to how much and how quickly an asset class moves up and down within a certain time frame. The more and the faster it moves, the more volatile that investment is considered to be.

Assessing the performance of our target risk range

Investment performance is usually and understandably regarded as relative against a chosen benchmark or a peer group of funds. For target risk funds, however, we believe such a comparison in isolation does not accurately portray what these funds are striving to achieve for investors. For target risk investors, knowing the funds are run against specific risk targets (meaning the likelihood of a drawdown or loss of capital greater than an individual's capacity or tolerance to risk) is the most important factor in determining the successful performance of an investment, closely followed by whether an appropriate level of total returns for that level of risk has been achieved.

Therefore, there are two key measures of the target risk funds over the medium and long term:

- Has the fund been managed against the outcome expected by investors in terms of the level of risk, as measured by expected volatility.
- What has been the return of the fund within the level of risk targeted.



ASSESSMENT OF FUNDS

ECONOMIC ADVANTAGE TEAM



Economic Advantage team

Anthony Cross, Julian Fosh, Victoria Stevens, Matt Tonge and Alex Wedge manage the Liontrust Economic Advantage Funds.

Anthony, who was previously at Schroders, has managed the Liontrust Special Situations and UK Smaller Companies Funds since launch and he started working with Julian at Liontrust in 2008.

Julian has previously managed money 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 to research and analyse investment opportunities primarily across the small cap universe. In Victoria's previous role as deputy head of corporate broking at FinnCap, she built up an extensive knowledge of the smaller company investment universe. Matt added trading and analytical expertise to the team, having spent the previous 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, one of the largest dedicated small cap brokers in London. Alex spent over seven years at N+1 Singer, latterly as a senior member of the equity sales team. His role included developing and communicating investment ideas to buy side clients, as well as advising corporate clients on shaping their investment case and raising equity capital.

Investment 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.

Funds

- Liontrust Special Situations Fund
- Liontrust UK Growth Fund
- Liontrust UK Smaller Companies Fund
- Liontrust UK Micro Cap Fund

Liontrust Special Situations Fund

The Fund has been managed since launch in November 2005 by Anthony Cross, who was joined by Julian Fosh in 2008. The Fund aims to deliver capital growth over the long term (5 years or more) through using the Economic Advantage investment process. The process seeks to identify companies with a durable competitive

advantage that allows them to defy industry competition and sustain a higher than average level of profitability for longer than expected. The Fund invests at least 90% of the portfolio in companies incorporated, domiciled or which conduct significant business in the UK.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



[Go back to the Summary of the Assessment of Value table](#)



Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The fund managers believe it is best to concentrate on the selection of companies capable of outperforming over the cycle rather than to devote energy to the difficult task of predicting macroeconomic developments.

This approach has served the Fund very well over the last five years. By seeking out companies with durable barriers to competition in the form of intangible assets, the Fund has recorded a 68.4% total return over five years, outstripping the 33.3% return from the FTSE All-Share Index comparator benchmark and ahead of the 41.8% average return in the IA UK All Companies sector, also a comparator benchmark.*

The investment process's focus on dependable businesses with barriers to competition, high financial returns and strong balance sheets means that, while it can lag the markets in periods of sharp cyclical recovery, the fund managers expect it to outperform sharply falling markets as well as generating outperformance in more normalised, 'steady state' market conditions where companies are generally being rewarded by investors for delivery of expected growth.

Although the UK market registered a solid positive return over the last five years, the period also includes episodes of significant turmoil – such as the emergence of the Covid-19 pandemic. During such crises, the fund managers feel it is vital to invest in businesses with the ability to trade through a downturn and the potential to emerge on the other side in a position to take advantage of any subsequent upturn.

Due to the 'bottom-up' nature of the Economic Advantage investment process, the fund's five-year performance is best viewed in terms of stock selection. Companies such as Spirax-Sarco Engineering, Gamma Communications and Renishaw rank among the Fund's largest contributors over the period.

Over the last five years the Fund has typically held around 40% in large-caps with about 30% in mid-caps and between 20% to 30% in small-caps. Its small cap investments have contributed particularly strongly to returns over this period. It has a number of holdings in the industrials sector – home to a number of manufacturing and engineering companies rich in intellectual property – and these, as a group, have also played a big part in the Fund's strong performance.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, bid-to-bid, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.03% prior to the volume discount. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of the Direct retail class of this Fund is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy.

Additionally, we assessed charges of the Wholesale class of this Fund, and the OCF is below, or in line with, comparable classes in its peer group. A substantial portion of assets under management are in the Wholesale class which has lower attached fees than the Direct retail class. Please go to pages 23 and 25 for an explanation of the different share classes.

As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has benefited this year from a volume discount of 0.06%, passing on the available economies of scale to investors. Overall, with the growth in Liontrust's assets under management over the past few years, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

We have assessed the charges of this Fund against other Liontrust funds and segregated mandates (where Liontrust manages money on behalf of institutional investors outside of a Fund) with a similar investment objective, strategy and policy. Any fee differences between Liontrust funds and comparable services have been evaluated to determine whether they are reasonable. Our assessment has concluded that investors in this Fund are charged appropriately relative to investors in other, similar Liontrust funds and segregated mandates.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust UK Growth Fund

The Fund has been managed by Anthony Cross and Julian Fosh since March 2009 and aims to deliver capital growth over the long term (5 years or more) through using the Economic Advantage investment process. The process seeks to identify companies with a durable competitive advantage that allows them to defy industry

competition and sustain a higher than average level of profitability for longer than expected. The Fund invests at least 90% of the portfolio in companies incorporated, domiciled or which conduct significant business in the UK.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



[Go back to the Summary of the Assessment of Value table](#)



Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The fund managers believe it is best to concentrate on the selection of companies capable of outperforming over the cycle rather than to devote energy to the difficult task of predicting macroeconomic developments.

This approach has served the Fund very well over the last five years. By seeking out companies with durable barriers to competition in the form of intangible assets, the Fund has recorded a 41.8% total return over five years, in line with the 41.8% average return in the IA UK All Companies sector, a comparator benchmark, and ahead of the 33.3% return from the FTSE All-Share Index comparator benchmark.*

The focus of the investment process on dependable businesses with barriers to competition, high financial returns and strong balance sheets means that, while it can lag the markets in periods of sharp cyclical recovery, the fund managers expect it to outperform sharply falling markets as well as generating outperformance in more normalised, 'steady state' market conditions where companies are generally being rewarded by investors for delivery of expected growth.

Although the UK market registered a solid positive return over the last five years, the period also includes episodes of significant turmoil – such as the emergence of the Covid-19 pandemic. During such crises, the Fund managers feel it is vital to invest in businesses with the ability to trade through a downturn and the potential to emerge on the other side in a position to take advantage of any subsequent upturn.

Due to the 'bottom-up' nature of the Economic Advantage investment process, the Fund's five-year performance is best viewed in terms of stock selection. Companies such as Spirax-Sarco Engineering, AstraZeneca and Diageo rank among the Fund's largest contributors over the period.

The Fund has significant holdings in the industrials sector – home to a number of manufacturing and engineering companies rich in intellectual property – and these, as a group, have played a big part in the Fund's strong performance relative to the FTSE All-Share Index.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, bid-to-bid, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.03% prior to the volume discount. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of the Direct retail class of this Fund is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy.

Additionally, we assessed charges of the Wholesale class of this Fund, and the OCF is below, or in line with, comparable classes in its peer group. A substantial portion of assets under management are in the Wholesale class which has lower attached fees than the Direct retail class. Please go to pages 23 and 25 for an explanation of the different share classes.

As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has benefited this year from a volume discount of 0.01%, passing on the available economies of scale to investors. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

We have assessed the charges of this Fund against other Liontrust funds and segregated mandates (where Liontrust manages money on behalf of institutional investors outside of a fund) with a similar investment objective, strategy and policy. Any fee differences between Liontrust funds and comparable services have been evaluated to determine whether they are reasonable. Our assessment has concluded that investors in this Fund are charged appropriately relative to investors in other, similar Liontrust funds and segregated mandates.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust UK Smaller Companies Fund

The Fund has been managed by Anthony Cross since 1998, and he was joined by Julian Fosh in 2008, Victoria Stevens and Matt Tonge in 2015, and Alex Wedge in 2020. The Fund aims to deliver capital growth over the long term (5 years or more) through using the Economic Advantage investment process. All smaller companies in the Fund must have a minimum 3% equity ownership by senior

management, which the fund managers believe motivates key employees, helps to secure a company's competitive edge and leads to better corporate performance. The Fund invests at least 90% of the portfolio in companies incorporated, domiciled or which conduct significant business in the UK.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



[Go back to the Summary of the Assessment of Value table](#)



Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

Over the last five years the Fund has returned 138.4%, well ahead of the FTSE Small-Cap comparator index and the average in the IA UK Smaller Companies sector, also a comparator index.*

The Fund's investment process is built around the belief that intangible assets can provide substantial barriers to competition that, in turn, confer upon a company pricing power and the ability to consistently exceed the market's earnings expectations.

In the smaller company universe, the reinvestment of these profits and compounding of growth are key.

Much of the Fund's strong performance over the last five years – and longer – can be attributed to its participation in the success of businesses that not only generate good returns but go on to compound growth year after year.

The fund managers often find that the best compounders of earnings growth tend to be those with an 'owner manager' culture that ensures alignment of incentives between shareholders and management. The Fund actively seeks out such companies via a minimum management equity ownership of at least 3%; the average across the Fund's companies is close to 20%.

Investing in these businesses for a long period of time can yield good returns.

Due to the 'bottom-up' nature of the Economic Advantage investment process, the Fund's performance is best viewed in terms of stock selection. On this basis, the top contributors to performance over five years include YouGov, dotdigital Group, Learning Technologies Group, Keywords Studios, Gamma Communications and Craneware.

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*Source: Financial Express, as at 31.08.21, total return, bid-to-bid, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.03% prior to the volume discount. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of this Fund is higher than those of comparable funds, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy. As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund benefits from a volume discount of 0.02%, passing on the available economies of scale to investors. Overall, with the growth in Liontrust's assets under management over the past few years, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

We have assessed the charges of this Fund against other Liontrust funds and segregated mandates (where Liontrust manages money on behalf of institutional investors outside of a fund) with a similar investment objective, strategy and policy. Any fee differences between Liontrust funds and comparable services have been evaluated to determine whether they are reasonable. Our assessment has concluded that investors in this Fund are charged appropriately relative to investors in other, similar Liontrust funds and segregated mandates.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust UK Micro Cap Fund

The Fund has been managed since launch in March 2016 by Anthony Cross, Julian Fosh, Victoria Stevens and Matt Tonge, and they were joined by Alex Wedge in 2020. The Fund aims to deliver capital growth over the long term (5 years or more) through using the Economic Advantage investment process. Companies held by the Fund must have a minimum 3% equity ownership

held by senior management, which the fund managers believe motivates key employees, helps to secure a company's competitive edge and leads to better corporate performance. The Fund invests at least 90% of the portfolio in companies incorporated, domiciled or which conduct significant business in the UK.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's five-year investment return is 167.8%, well ahead of its three comparator benchmarks.* This reflects an excellent stock-picking track record, with many of these holdings exiting the Fund after growing through the market cap limit.

The aim of the Fund is to capture the early stages of a company's growth on the stockmarket. At its heart, it is about providing capital to some of the UK's best and brightest entrepreneurs, participating in their success to drive returns for the Fund's investors. These early days can see explosive growth, but are not without their risks, which the fund managers seek to mitigate by using the Economic Advantage investment process.

The Fund looks to gradually exit holdings when they exceed the current £275 million market cap threshold. This capital can then be recycled into new, smaller ideas. As a result, most of the Fund's successful stock picks will naturally outgrow the micro cap space (with many of them 'graduating' to other funds in the Economic Advantage range which have higher market cap boundaries).

Share price growth in micro caps can come both as companies successfully deliver on their growth plans and, in many cases, as increased market capitalisation opens up the shares to a bigger pool of investors. More investors waking up to the merits of a company can often drive a re-rating of the shares. Finding these undiscovered gems is one of the joys of this part of the market and the best successes are normally driven by both factors.

Due to the 'bottom-up' nature of the Economic Advantage investment process, the fund's performance is best viewed in terms of stock selection. Over the last five years, key positive contributors to Fund performance to have exceeded the market cap range include AB Dynamics, EKF Diagnostics and Judges Scientific. Top performers that exited the Fund due to takeovers include Bioquell, Lighthouse Group and Sanderson Group. Of the Fund's current holdings, the largest contributors to five-year performance include K3 Capital Group, Bioventix, Cerillion and Totally.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, bid-to-bid, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.03%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of this Fund is higher than those of comparable funds, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy. As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. This Fund has one unit class and, based on the information available to us, our review concluded this is appropriate for investors in this Fund. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

ASSESSMENT OF FUNDS

SUSTAINABLE INVESTMENT
EQUITY TEAM





Sustainable Equity team

Peter Michaelis, Simon Clements, Martyn Jones and Chris Foster are the lead managers across the Liontrust Sustainable Future Equities and Managed Funds. The team transferred to Liontrust from Alliance Trust Investments (ATI) in April 2017 and were previously running the Sustainable Future Fund range at Aviva Investors. Peter was previously Head of SRI at Aviva Investors and has been running the funds since their launch in 2001. Simon was previously Head of Global Equities at Aviva Investors. Martyn and Chris both came through the graduate scheme at ATI.

Investment process

The process starts with a thematic approach in identifying the key structural growth trends that will shape the global economy of the future. The team looks at the world through the prism of three mega trends — Better resource efficiency (cleaner), Improved health (healthier) and Greater safety and resilience (safer) — and 21 themes within these trends.

- **Cleaner:** Using our resources more efficiently (water, increasing recycling of waste, lower carbon energy sources and energy efficiency).
- **Healthier:** Improving our quality of life through better education, healthier lifestyles and diet or better healthcare.
- **Safer:** Making the systems we rely on safer or more resilient. This includes car safety, keeping our online data safe with cybersecurity and spreading risk through appropriate insurance mechanisms.

The team invests in well-run companies whose products and operations capitalise on these transformative changes and, therefore, may benefit financially.

The fund managers have four stages in identifying superior stocks:

- **Thematic analysis:** identifies companies with strong and dependable growth prospects due to alignment with the 20 themes.
- **Sustainability analysis:** focuses on those companies with excellent management and core products or services that contribute to society or the environment.
- **Analysis of business fundamentals:** selects only those companies positioned to deliver high returns on equity.
- **Valuation analysis:** determining that the shares of the company will be worth significantly more in the future.

Funds

- Liontrust SF Cautious Managed Fund
- Liontrust SF Defensive Managed Fund
- Liontrust SF European Growth Fund
- Liontrust SF Global Growth Fund
- Liontrust SF Managed Fund
- Liontrust SF Managed Growth Fund
- Liontrust UK Ethical Fund
- Liontrust SF UK Growth Fund

Liontrust SF Cautious Managed Fund

The Fund, which is managed by Peter Michaelis and Simon Clements, aims to deliver capital growth over the long term (5 years or more) using the Sustainable Future process and investing in a combination of global equities, bonds and cash. The investment process uses a thematic approach to identify the key

structural growth trends that will shape the global economy of the future and the fund managers then seek to invest in well run companies whose products and operations capitalise on these transformative changes.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

SF Cautious Managed has returned 64.8% over five years to 31 August 2021, outperforming the 42.0% IA Mixed Investment 40-85% Shares sector average over the period (which is the comparator benchmark).*

Over time, we believe economies become more sustainable and companies that are part of this structural trend will experience better growth prospects and are more likely to deliver strong performance. Our investment process identifies companies benefiting from three areas of this shift – those making our economy cleaner, healthier and safer – and 21 investment themes within these.

We continue to believe most investors underestimate the speed, scale and persistency of such trends within our economy and, ultimately, selecting companies benefiting from these themes – as well as showing strong ESG credentials, business fundamentals and an attractive valuation – are drivers of our outperformance.

Our asset allocation decisions have also had a positive impact, tactically adjusting exposure to equities, infrastructure equities, credit, government bonds and cash depending on conditions. For much of the last few years, we have been overweight equities but recently reduced our position back to neutral. We were last neutral back in February 2020 in advance of initial pandemic fallout but moved back overweight a couple of months later as we felt the long-term opportunity for equities was increasingly compelling post-selloff.

Within fixed income, we have largely remained overweight credit and underweight gilts.

Key themes over recent years have included Connecting People, which has seen a marked acceleration as millions of us work from home and stay connected with friends and family digitally. Rising demand for more digital communication, as we become more connected, increase our data consumption and become aware of the environmental impacts of travel, has been evident for years but lockdowns have supercharged this shift.

Healthcare has also remained an important theme; our focus as sustainable investors is on a cleaner and safer world in the future but we also stress people have to be healthy enough to enjoy this. In broad terms, the key is to take a far more proactive stance in monitoring and preventing disease before it occurs. In managing our SF funds, we start by looking for companies that address major societal issues over time and our Enabling innovation in healthcare and providing affordable healthcare themes have both been integral to performance. Top holdings in this area have included ThermoFisher Scientific and IQVIA.

We also considered whether the Fund met its objective of investing into sustainable businesses, we have reviewed the holdings and can confirm that the Fund met its objective over the last year.

This document is intended to be for information purposes only. It is not marketing material.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02% prior to the volume discount. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of this Fund is higher than those of comparable funds, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy. As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has benefited this year from a volume discount of 0.02%, passing on the available economies of scale to investors. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust SF Defensive Managed Fund

The Fund, which is managed by Peter Michaelis and Simon Clements, aims to deliver capital growth over the long term (5 years or more) using the Sustainable Future process and investing in a combination of global equities, bonds and cash. The investment process uses a thematic approach to identify the key

structural growth trends that will shape the global economy of the future and the fund managers then seek to invest in well run companies whose products and operations capitalise on these transformative changes.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



[Go back to the Summary of the Assessment of Value table](#)



Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

SF Defensive Managed has returned 53.0% over five years to 31 August 2021, outperforming the 27.5% IA Mixed Investment 20-60% Shares sector average over the period (which is the comparator benchmark).*

Over time, we believe economies become more sustainable and companies that are part of this structural trend will experience better growth prospects and are more likely to deliver strong performance. Our investment process identifies companies benefiting from three areas of this shift – those making our economy cleaner, healthier and safer – and 21 investment themes within these. We continue to believe most investors underestimate the speed, scale and persistency of such trends within our economy and, ultimately, selecting companies benefiting from these themes – as well as showing strong ESG credentials, business fundamentals and an attractive valuation – are drivers of our outperformance.

Our asset allocation decisions have also had a positive impact, tactically adjusting exposure to equities, infrastructure equities, credit, government bonds and cash depending on conditions. For much of the last few years, we have been overweight equities but recently reduced our position back to neutral. We were last neutral back in February 2020 in advance of initial pandemic fallout but moved back overweight a couple of months later as we felt the long-term opportunity for equities was increasingly compelling post-selloff.

Within fixed income, we have largely remained overweight credit and underweight gilts.

Key themes over recent years have included Connecting People, which has seen a marked acceleration as millions of us work from home and stay connected with friends and family digitally. Rising demand for more digital communication, as we become more connected, increase our data consumption and become aware of the environmental impacts of travel, has been evident for years but lockdowns have supercharged this shift.

Another growing trend is digital payments (under our Increasing financial resilience theme), with a huge rise in online shopping and a growing reluctance to accept cash in the current environment. PayPal has been among our top performers and our thesis is largely based around engagement, the number of customers that sign up and how frequently they use the system when making a purchase.

We also considered whether the Fund met its objective of investing into sustainable businesses, we have reviewed the holdings and can confirm that the Fund met its objective over the last year.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02% prior to the volume discount. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of this fund is higher than those of comparable funds, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy. As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund benefits from a volume discount of 0.02%, passing on the available economies of scale to investors. Overall, with the growth in Liontrust's assets under management over the past few years, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust SF European Growth Fund

The Fund, which is managed by Martyn Jones and Peter Michaelis, aims to deliver capital growth over the long term (5 years or more) using the Sustainable Future investment process. This process uses a thematic approach to identify the key structural growth trends that will shape the global economy of the future and the fund managers then seek to invest in well run companies

whose products and operations capitalise on these transformative changes. The Fund invests in companies incorporated, domiciled or which conduct significant business in the in the EEA (European Economic Area) and Switzerland, and can invest up to 5% in UK-listed stocks.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

SF European Growth has returned 93.6% over five years to 31 August 2021, outperforming the 66.5% IA Europe ex-UK sector average and 65.3% from the MSCI Europe ex-UK Index (both of which are comparator benchmarks).*

Over time, we believe economies become more sustainable and companies that are part of this structural trend will experience better growth prospects and are more likely to deliver strong performance. Our investment process identifies companies benefiting from three areas of this shift – those making our economy cleaner, healthier and safer – and 21 investment themes within these.

We continue to believe most investors underestimate the speed, scale and persistency of such trends within our economy and, ultimately, selecting companies benefiting from these themes – as well as showing strong ESG credentials, business fundamentals and an attractive valuation – are drivers of our outperformance.

Key themes over recent years have included Connecting People, which has seen a marked acceleration as millions of us work from home and stay connected with friends and family digitally. Rising demand for more digital communication, as we become more connected, increase our data consumption and become aware of the environmental impacts of travel, has been evident for years but lockdowns have supercharged this shift.

Another important area for the Fund is semiconductors, with top performers including stocks such as ASML and Infineon. We see Dutch business ASML, held in our portfolios for over a decade, as a good example of pricing power and the kind of high-quality company we want to own. This business designs and manufactures semiconductor chip machines and operates at the cutting edge of physics; it has been developing a technology lead for 40 years and there are now few alternatives to its technology.

We have learnt over the last 20 years that such high-quality businesses – with structural demand, pricing power and strong balance sheets, that will continue to grow and reinvest earnings for the next five and 10 years – tend to be mispriced by the market. A long-term horizon, beyond the majority of market participants, enables a powerful compounding effect that shorter-term investors miss.

We also considered whether the Fund met its objective of investing into sustainable businesses, we have reviewed the holdings and can confirm that the Fund met its objective over the last year.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02% prior to the volume discount. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market. Furthermore, as a result of our annual review of funds charges, the Administration Fees for certain classes of the Fund were recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has benefited this year from a volume discount of 0.01%, passing on the available economies of scale to investors. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust SF Global Growth Fund

The Fund, which is managed by Simon Clements, Peter Michaelis and Chris Foster, aims to deliver capital growth over the long term (5 years or more) using the Sustainable Future investment process to invest in companies globally. This process uses a thematic

approach to identify the key structural growth trends that will shape the global economy of the future and the fund managers then seek to invest in well run companies whose products and operations capitalise on these transformative changes.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

SF Global Growth has returned 147.9% over five years to 31 August 2021, outperforming the 84.9% IA Global sector average and 90.0% from the MSCI World Index (both of which are comparator benchmarks).*

Over time, we believe economies become more sustainable and companies that are part of this structural trend will experience better growth prospects and are more likely to deliver strong performance. Our investment process identifies companies benefiting from three areas of this shift – those making our economy cleaner, healthier and safer – and 21 investment themes within these.

We continue to believe most investors underestimate the speed, scale and persistency of such trends within our economy and, ultimately, selecting companies benefiting from these themes – as well as showing strong ESG credentials, business fundamentals and an attractive valuation – are drivers of our outperformance.

Key themes over recent years have included Connecting People, which has seen a marked acceleration as millions of us work from home and stay connected with friends and family digitally. Rising demand for more digital communication, as we become more connected, increase our data consumption and become aware of the environmental impacts of travel, has been evident for years but lockdowns have supercharged this shift.

Another accelerating trend is digital payments (under our Increasing financial resilience theme), with a huge rise in online shopping and a growing reluctance to accept cash in the current environment. PayPal has been among our top performers and our thesis is largely based around engagement, the number of customers that sign up and how frequently they use the system when making a purchase.

A further important area for the Fund is semiconductors, with top performers including stocks such as ASML, Infineon and Cadence Design Systems. We see Dutch business ASML, held in our portfolios for over a decade, as a good example of pricing power and the kind of high-quality company we want to own. This business designs and manufactures semiconductor chip machines and operates at the cutting edge of physics; it has been developing a technology lead for 40 years and there are now few alternatives to its technology.

We also considered whether the Fund met its objective of investing into sustainable businesses, we have reviewed the holdings and can confirm that the Fund met its objective over the last year.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02% prior to the volume discount. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market. Furthermore, as a result of our annual review of fund charges, the Administration Fee for one class of the Fund was recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund benefits from a volume discount of 0.02%, passing on the available economies of scale to investors. Overall, with the growth in Liontrust's assets under management over the past few years, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

We have assessed the charges of this Fund against other Liontrust funds and segregated mandates (where Liontrust manages money on behalf of institutional investors outside of a fund) with a similar investment objective, strategy and policy. Any fee differences between Liontrust funds and comparable services have been evaluated to determine whether they are reasonable. Our assessment has concluded that investors in this Fund are charged appropriately relative to investors in other, similar Liontrust funds and segregated mandates.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust SF Managed Fund

The Fund, which is managed by Peter Michaelis and Simon Clements, aims to deliver income and capital growth over the long term (5 years or more) using the Sustainable Future process and investing in a combination of global equities, bonds and cash. The investment process uses a thematic approach to identify the

key structural growth trends that will shape the global economy of the future and the fund managers then seek to invest in well run companies whose products and operations capitalise on these transformative changes.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The SF Managed Fund has returned 101.7% over five years to 31 August 2021, outperforming the 42.0% IA Mixed Investment 40-85% Shares sector average over the period (which is the comparator benchmark).*

Over time, we believe economies become more sustainable and companies that are part of this structural trend will experience better growth prospects and are more likely to deliver strong performance. Our investment process identifies companies benefiting from three areas of this shift – those making our economy cleaner, healthier and safer – and 21 investment themes within these.

We continue to believe most investors underestimate the speed, scale and persistency of such trends within our economy and, ultimately, selecting companies benefiting from these themes – as well as showing strong ESG credentials, business fundamentals and an attractive valuation – are drivers of our outperformance.

Our asset allocation decisions have also had a positive impact, tactically adjusting exposure to equities, credit, government bonds and cash depending on conditions. For much of the last few years, we have been overweight equities and credit and underweight government bonds and cash, but recently reduced equities back to neutral. We were last neutral back in February 2020 in advance of initial pandemic fallout but moved back overweight a couple of months later as we felt the long-term opportunity for equities was compelling post-selloff. This latest shift reflects how far we feel markets have come over the last 18 months, with cash exposure increasing as a result.

Key themes over recent years have included Connecting People, which has seen a marked acceleration as millions of us work from home and stay connected with friends and family digitally. Rising demand for more digital communication, as we become more connected, increase our data consumption and become aware of the environmental impacts of travel, has been evident for years but lockdowns have supercharged this shift.

Another growing trend is digital payments (under our Increasing financial resilience theme), with a huge rise in online shopping and a growing reluctance to accept cash in the current environment. PayPal has been among our top performers and our thesis is largely based around engagement, the number of customers that sign up and how frequently they use the system when making a purchase.

Healthcare has also remained an important theme; our focus as sustainable investors is on a cleaner and safer world in the future but we also stress people have to be healthy enough to enjoy this. In broad terms, the key is to take a far more proactive stance in monitoring and preventing disease before it occurs. In managing our SF funds, we start by looking for companies that address major societal issues over time and our Enabling innovation in healthcare and providing affordable healthcare themes have both been integral to performance. Top holdings in this area have included ThermoFisher Scientific and IQVIA.

We also considered whether the Fund met its objective of investing into sustainable businesses, we have reviewed the holdings and can confirm that the Fund met its objective over the last year.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02% prior to the volume discount. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of this Fund is higher than those of comparable funds, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy. As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund benefits from a volume discount of 0.04%, passing on the available economies of scale to investors. Overall, with the growth in Liontrust's assets under management over the past few years, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust SF Managed Growth Fund

The Fund, which is managed by Simon Clements, Peter Michaelis and Chris Foster, aims to deliver capital growth over the long term (5 years or more) using the Sustainable Future process and investing in a combination of global equities, bonds and cash. The investment process uses a thematic approach to identify the

key structural growth trends that will shape the global economy of the future and the fund managers then seek to invest in well run companies whose products and operations capitalise on these transformative changes.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

SF Managed Growth has returned 139.5% over five years to 31 August 2021, outperforming the 46.3% IA Flexible sector average over the period (which is the comparator benchmark).*

Over time, we believe economies become more sustainable and companies that are part of this structural trend will experience better growth prospects and are more likely to deliver strong performance. Our investment process identifies companies benefiting from three areas of this shift – those making our economy cleaner, healthier and safer – and 21 investment themes within these.

We continue to believe most investors underestimate the speed, scale and persistency of such trends within our economy and, ultimately, selecting companies benefiting from these themes – as well as showing strong ESG credentials, business fundamentals and an attractive valuation – are drivers of our outperformance.

Asset allocation decisions also had a positive impact, tactically adjusting our cash position depending on conditions. For much of the last few years, we have been overweight equities and underweight cash but recently reduced equities back to neutral. We were last neutral back in February 2020 in advance of initial pandemic fallout but moved back overweight a couple of months later as we felt the long-term opportunity for equities was increasingly compelling post-selloff.

Key themes over recent years have included Connecting People, which has seen a marked acceleration as millions of us work from home and stay connected with friends and family digitally. Rising demand for more digital communication, as we become more connected, increase our data consumption and become aware of the environmental impacts of travel, has been evident for years but lockdowns have supercharged this shift.

Another growing trend is digital payments (under our Increasing financial resilience theme), with a huge rise in online shopping and a growing reluctance to accept cash in the current environment. PayPal has been among our top performers and our thesis is largely based around engagement, the number of customers that sign up and how frequently they use the system when making a purchase.

Healthcare has also remained an important theme; our focus as sustainable investors is on a cleaner and safer world in the future but we also stress people have to be healthy enough to enjoy this. In broad terms, the key is to take a far more proactive stance in monitoring and preventing disease before it occurs. In managing our SF funds, we start by looking for companies that address major societal issues over time and our Enabling innovation in healthcare and providing affordable healthcare themes have both been integral to performance. Top holdings in this area have included ThermoFisher Scientific and IQVIA.

We also considered whether the Fund met its objective of investing into sustainable businesses, we have reviewed the holdings and can confirm that the Fund met its objective over the last year.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02% prior to the volume discount. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund, and our assessment has concluded that the fee reflects the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy. As a result of our annual reviews of fund charges, the Administration Fee for one class of the Fund was recently reduced. Due to the specialist nature of the Fund, there is a limited number of competitor funds to compare against.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has benefited this year from a volume discount of 0.01%, passing on the available economies of scale to investors. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust UK Ethical Fund

The Fund, which is managed by Peter Michaelis and Martyn Jones, aims to deliver capital growth over the long term (5 years or more) using the Sustainable Future investment process. This process uses a thematic approach to identify the key structural growth trends that will shape the global economy of the future

and the fund managers then seek to invest in well run companies whose products and operations capitalise on these transformative changes. The Fund invests in companies incorporated, domiciled or which conduct significant business in the UK.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

UK Ethical has returned 90.7% over five years to 31 August 2021, outperforming the 41.8% IA UK All Companies sector average and 24.1% from the MSCI UK Index (both of which are comparator benchmarks).*

Over time, we believe economies become more sustainable and companies that are part of this structural trend will experience better growth and are more likely to deliver strong performance. Our investment process identifies companies benefiting from three areas of this shift – those making our economy cleaner, healthier and safer – and 21 investment themes within these.

We continue to believe most investors underestimate the speed, scale and persistency of such trends within our economy and, ultimately, selecting companies benefiting from these themes – as well as showing strong ESG credentials, business fundamentals and an attractive valuation – are drivers of our outperformance.

Key themes over recent years have included Connecting People, which has seen a marked acceleration as millions work from home and stay connected with friends and family digitally. Rising demand for more digital communication, as we become more connected, increase data consumption and become aware of the environmental impacts of travel, has been evident for years but lockdowns have supercharged this shift.

Our response to Covid has also been integral to performance over recent years. As the impact of the pandemic became clear in the first quarter of 2020, we took the opportunity to revisit every holding in the portfolio and ask two questions: first, had the prospects changed five and ten years in the future and second, how were companies positioned in terms of cash position and ability to flex down cost base and access debt facilities?

From this analysis, we concluded we were comfortable continuing to back almost all of our companies, which is testament to the importance we attach to the resilience of each business.

We also considered whether the Fund met its objective of investing into sustainable businesses, we have reviewed the holdings and can confirm that the Fund met its objective over the last year.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.03% prior to the volume discount. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable Funds available in the market. Furthermore, as a result of our annual review of fund charges, the Administration Fee for one class of the Fund was recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund benefits from a volume discount of 0.01%, passing on the available economies of scale to investors. Overall, with the growth in Liontrust's assets under management over the past few years, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust SF UK Growth Fund

The Fund, which is managed by Peter Michaelis and Martyn Jones, aims to deliver capital growth over the long term (5 years or more) using the Sustainable Future investment process. This process uses a thematic approach to identify the key structural growth trends that will shape the global economy of the future

and the fund managers then seek to invest in well run companies whose products and operations capitalise on these transformative changes. The Fund invests in companies incorporated, domiciled or which conduct significant business in the UK.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

SF UK Growth has returned 83.3% over five years to 31 August 2021, outperforming the 41.8% IA UK All Companies sector average and 24.1% from the MSCI UK Index (both of which are comparator benchmarks).*

Over time, we believe economies become more sustainable, and companies that are part of this structural trend will experience better growth and are more likely to deliver strong performance. Our investment process identifies companies benefiting from three areas of this shift – those making our economy cleaner, healthier and safer – and 21 investment themes within these.

We continue to believe most investors underestimate the speed, scale and persistency of such trends within our economy and, ultimately, selecting companies benefiting from these themes – as well as showing strong ESG credentials, business fundamentals and an attractive valuation – are drivers of our outperformance.

Key themes over recent years have included Connecting People, which has seen a marked acceleration as millions work from home and stay connected with friends and family digitally. Rising demand for more digital communication, as we become more connected, increase data consumption and become aware of the environmental impacts of travel, has been evident for years but lockdowns have supercharged this shift.

Healthcare has also remained an important theme; our focus as sustainable investors is on a cleaner and safer world in future but people have to be healthy enough to enjoy this. In broad terms, the key is to take a more proactive stance in monitoring and preventing disease before it occurs and our enabling innovation in healthcare and providing affordable healthcare themes have been strong performers. Over the coming years, as the world recovers from and moves beyond Covid, we expect healthcare companies to continue to do well by doing good.

From fundamental research into cell mechanics provided by Abcam, to novel treatments for epilepsy from GW Pharmaceuticals, to vaccine development by Oxford BioMedica, these companies and several other have been among those contributing to our returns over the last five years.

We also considered whether the Fund met its objective of investing into sustainable businesses, we have reviewed the holdings and can confirm that the Fund met its objective over the last year.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.03% prior to the volume discount. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market. Furthermore, as a result of our annual review of funds charges, the Administration Fees for certain classes of the Fund were recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund benefits from a volume discount of 0.02%, passing on the available economies of scale to investors. Overall, with the growth in Liontrust's assets under management over the past few years, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.



ASSESSMENT OF FUNDS

SUSTAINABLE INVESTMENT
FIXED INCOME TEAM



Sustainable Fixed Income team

Stuart Steven, Kenny Watson, Aitken Ross and Jack Willis manage the Liontrust Sustainable Future Fixed Income Funds. They transferred to Liontrust from Alliance Trust Investments (ATI) in April 2017. Stuart was previously Investment Director at Scottish Widows Investment Partnership. Kenny was formerly at Ignis Asset Management where he was responsible for the sub investment grade bond portfolios. Aitken and Jack started their careers in the graduate scheme at Alliance Trust.

Investment process

Macroeconomic analysis is used to determine the team's top-down view of the world and this helps shape all aspects of portfolio construction and appetite for risk. After this, the managers aim to focus on high-quality issuers and believe this can reduce bond specific risk. Their assessment of quality is a distinctive part of the process, in which they combine traditional credit analysis

with a detailed sustainability assessment based on the proprietary model. The managers assess individual bonds for whether they believe they offer attractive long-term returns and for absolute and relative valuations. The managers seek the best value bonds issued by the high-quality issuers identified, looking at bonds issued across the capital structure, along the maturity curve, or issued into the primary credit markets (UK, US and Europe). Sustainability analysis is fully integrated into the investment process, helping to identify high-quality companies that the managers believe will both enhance returns and reduce issuer specific tail-risk.

Funds

- Liontrust SF Corporate Bond Fund
- Liontrust Monthly Income Bond Fund

Liontrust SF Corporate Bond Fund

The Fund, which is managed by Stuart Steven, Kenny Watson, Aitken Ross and Jack Willis, aims to deliver income with capital growth over the long term (5 years or more) through using the Sustainable Future investment process. At least 80% of the Fund

is invested in investment grade corporate bonds that are sterling denominated or hedged back to sterling. The Fund can also invest in government bonds and other fixed income securities.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The SF Corporate Bond Fund has returned 20.4% over five years to 31 August 2021, outperforming 17.3% from the Markit iBoxx Sterling Corporate All Maturities Index and the IA Sterling Corporate Bond sector average of 17.1% (both of which are comparator benchmarks).*

We continue to believe focusing on more sustainable parts of the bond markets and avoiding companies and sectors challenged by environmental and societal considerations can drive performance. We are looking to invest in businesses providing solutions to the world's problems and coupling this with strong credit fundamentals and, most importantly, attractive valuations. Combining all three elements – sustainability, value and fundamentals – has helped steer us through volatile markets and deliver strong returns.

Industries and sectors that damage society and the environment are susceptible to either enforced regulatory change and/or evolving consumer habits, both of which can be detrimental to long-term performance. The Fund has never had exposure to oil, coal, mining, autos (internal combustion engine), nuclear or tobacco, to name a few – and these sectors have not only underperformed on the whole but done so with considerable volatility.

Key drivers of returns over recent years have been exposure to, and stockpicking within, our favoured insurance, telecoms and banking sectors, and we consider cyclical non-financials to be generally over-owned and expensive.

On top of our core high-quality credit portfolio, we believe a flexible approach to managing interest rate risk can enhance returns and the Fund is typically short duration relative to the benchmark index. While this can be a positive or negative factor in the short term (broadly adding to returns when government bond yields are rising and detracting when they are falling), our longer-term view remains that sovereign debt remains vulnerable to unprecedented supply and deflation risks. We continue to believe these bonds offer limited ability to dampen portfolio volatility and meaningful downside risk during bouts of market weakness or volatility, supporting our longstanding short duration position.

We also considered whether the Fund met its objective of investing into sustainable businesses, we have reviewed the holdings and can confirm that the Fund met its objective over the last year.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02% prior to the volume discount. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market. Furthermore, as a result of our annual review of funds charges, the Administration Fees for certain classes of the Fund were recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund benefits from a volume discount of 0.01%, passing on the available economies of scale to investors. Overall, with the growth in Liontrust's assets under management over the past few years, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust Monthly Income Bond Fund

The aim of the Fund, which is managed by Stuart Steven, Kenny Watson, Aitken Ross and Jack Willis, is to produce monthly income payments together with capital growth by investing at least 80% of the portfolio in investment grade corporate bonds that are sterling denominated or hedged back to sterling. The Fund targets a net

total return of at least the IBOXX GBP Corporates (5-15Y) Index over the long term (rolling 5-year periods). While the Fund has been structurally short duration since launch, it has the flexibility to revert to a standard duration fund as and when yields normalise.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Monthly Income Bond fund has returned 22.8% over five years to 31 August 2021, outperforming the 17.1% return from the IA Sterling Corporate Bond sector (the comparator benchmark) and 19.5% from the iBoxx Sterling Corporates 5-15 Years Index (the target benchmark). The Fund has also consistently yielded more than the Index, and paid out a monthly distribution meeting its income objective.*

We continue to believe focusing on more sustainable parts of the bond markets and avoiding companies and sectors challenged by environmental and societal considerations can drive performance. We are looking to invest in businesses providing solutions to the world's problems and coupling this with strong credit fundamentals and, most importantly, attractive valuations. Combining all three elements – sustainability, value and fundamentals – has helped steer us through volatile markets and deliver strong returns.

Industries and sectors that damage society and the environment are susceptible to either enforced regulatory change and/or evolving consumer habits, both of which can be detrimental to long-term performance. The Fund has never had exposure to oil, coal, mining, autos (internal combustion engine), nuclear or tobacco, to name a few – and these sectors have not only underperformed on the whole but done so with considerable volatility.

Key drivers of returns over recent years have been exposure to, and stockpicking within, our favoured insurance, telecoms and banking sectors, and we consider cyclical non-financials to be generally over-owned and expensive.

On top of our core high-quality core credit portfolio, we believe a flexible approach to managing interest rate risk can enhance returns and the Fund is typically short duration relative to the iBoxx Sterling 5-15 Years Index. This can be a positive or negative factor in the short term (broadly adding to returns when government bond yields are rising and detracting when they are falling), our longer-term view remains that sovereign debt remains vulnerable to unprecedented supply and reflation risks. We continue to believe these bonds offer limited ability to dampen portfolio volatility and actually provide meaningful downside risk during bouts of market weakness or volatility, supporting our longstanding short duration position.

We also considered whether the Fund met its objective of investing into sustainable businesses, we have reviewed the holdings and can confirm that the Fund met its objective over the last year.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02% prior to the volume discount. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market. Furthermore, as a result of our annual review of funds charges, the Administration Fees of the Fund were recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has benefited this year from a volume discount of 0.01%, passing on the available economies of scale to investors. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

ASSESSMENT OF FUNDS

GLOBAL EQUITY TEAM





Global Equity team

The 11-strong Global Equity team headed by Robin Geffen manages 14 global income, regional and emerging markets funds. The team moved to Liontrust in October 2019 as part of the acquisition of Neptune Investment Management.

Investment process

The fund managers believe the key to generating outperformance is through high conviction, long-term, research-led company selection. There are five key elements to the investment process:

- Identifying long-term winners. The managers seek to invest in excellent companies that are positively exposed to powerful trends or have distinct and differentiated characteristics that will result in consistently above market returns over the long term.
- The portfolios are actively managed and only consist of stocks in which there is high conviction that they will be long-term winners. This typically leads to funds having a high tracking error and active share against their respective benchmarks.
- Constructing concentrated portfolios. This enables long-term winners to drive investment returns rather than the market and therefore each idea will have a material impact on fund performance.
- The portfolios are constructed so that they can generate returns which are not overly dependent on the success and failure of any one individual investment style, such as growth and value, or macro factors.
- The Funds aim to be liquid in all market conditions.

Funds

- Liontrust Balanced Fund
- Liontrust China Fund
- Liontrust Emerging Markets Fund
- Liontrust Global Alpha Fund
- Liontrust Global Dividend Fund
- Liontrust Global Innovation Fund
- Liontrust Global Smaller Companies Fund
- Liontrust Global Technology Fund
- Liontrust Income Fund
- Liontrust India Fund
- Liontrust Japan Equity Fund
- Liontrust Latin America Fund
- Liontrust Russia Fund
- Liontrust US Opportunities Fund

Liontrust Balanced Fund

The Fund has been managed by Robin Geffen since launch in December 1998 and aims to generate capital growth over the long term (5 years or more) with the potential for income through investing in global equities and bonds.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Liontrust Balanced Fund returned 82.4% over five years to 31 August 2021, outperforming the IA Mixed Investment 40-85% Shares sector average (comparator benchmark) of 42.0%.*

The main driver of performance has been the Fund's focus on investing in high quality growth stocks that the manager believes can future proof an investor's portfolio.

The Fund operates with a structural equity bias as the manager believes that, over the longer term, investors are best served by embracing shorter term volatility for the sake of greater capital growth prospects. This equity allocation, with a preference to large and mega cap technology stocks, has been particularly additive over the past five years.

Due to the 'bottom-up' nature of the Fund's investment process, the Fund's performance is best viewed in terms of stock selection. In this regard, the top contributors to performance over the period were Microsoft, Amazon, Alphabet, Apple, Visa and Nvidia.

The fund manager continues to be positive on the outlook for quality growth stocks over the coming years.

The Fund's emphasis on the drivers of Science, Intellectual Property, New Deep Technology, Positive Social Change and Entrepreneurial Vision will, the manager believes, guide the Fund towards those companies that will change the world as we adapt going forward.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02% prior to the volume discount. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of this Fund is higher than those of comparable funds, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy. As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has benefited this year from a volume discount of 0.01%, passing on the available economies of scale to investors. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust China Fund

The Fund is managed by Ruth Chambers and aims to generate capital growth over the long term (5 years or more). The Fund invests at least 80% in shares of Chinese companies. These are

companies which, at the time of purchase, are incorporated, domiciled, listed or conduct significant business in China, Hong Kong or Taiwan.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We are keeping the Fund under close review as a result of the Amber for performance; we have identified areas for improvement, and we are taking actions to address these. While the Fund has received an Amber for comparable market rates, we have concluded that the fees charged reflect the active, high conviction approach adopted by the Fund, and the fees charged for the level of service are considered to be reasonable. Overall, we consider the Fund is delivering value.



Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

Although the Fund has underperformed the benchmark over five years, we have taken into account the fact the current fund manager has only been responsible for the Fund since May 2018. The Fund has beaten the index over one and three years, but is behind the sector over these periods.

The Liontrust China Fund returned 9.0% since Manager change to 31 August 2021, outperforming the MSCI China Index's return of 8.5% but underperforming the IA China/Greater China (both comparator benchmarks) return of 26.2%.*

The Liontrust China Fund's high-conviction approach to stock and sector selection did not generate returns above those of its benchmark over the five-year period under review. The Fund continues to lean on its investment process, looking for emerging leaders, which are those companies that are well positioned in a fast-changing China. In terms of drivers of underperformance, recently the Covid pandemic and government regulation on a wide range of companies have buffeted the Chinese equity market. The regulatory interventions have been extremely painful for the performance of the relevant shares, with education and information technology names within the Fund hit the hardest. The Fund is positioned to be largely sector and style neutral, with asset allocation based on bottom-up stock picking and analytical work.

Moreover, the Chinese benchmark returns over the period were dominated by two large technology stocks – Alibaba and Tencent – representing around a combined 30% of the MSCI China Index. The Fund's regulatory limits dictate a maximum 10% position in an individual stock, thus an underweight to these two positions have ultimately been a drag on performance.

The Fund has been unable to invest in China A shares directly which has also held back returns versus the sector. The operational setup for the Fund to access these assets is now almost complete and this should allow the Fund to be more competitive with the sector returns in the future.



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This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.03%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of the Direct Retail class of this Fund is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy.

Additionally, we assessed charges of the Wholesale class of this fund, and the OCF is below, or in line with, comparable classes in its peer group. A substantial portion of assets under management are in the Wholesale class which has lower attached fees than the Direct retail class. Please go to pages 23 and 25 for an explanation of the different share classes.

As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust Emerging Markets Fund

The Fund is managed by Ewan Thompson and aims to generate capital growth over the long term (5 years or more). The Fund invests at least 80% in shares of emerging markets companies.

These are companies in countries which, at the time of purchase, appear anywhere in the MSCI Emerging Markets Index.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We are keeping the Fund under close review as a result of the Amber for performance; we have identified areas for improvement, and we are taking actions to address these. Overall, we consider the fund is delivering value.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Liontrust Emerging Markets Fund returned 50.0% over the five years to 31 August 2021, underperforming the MSCI Emerging Markets Index and IA Global Emerging Markets (both comparator benchmarks) respective returns of 56.1% and 53.1%.*

The last five years has seen considerable volatility in emerging markets, with the asset class broadly underperforming developed market indices over the time frame. Issues affecting returns have ranged from policy shifts in China towards more measured economic growth, a slowdown in global trade and, of course, the global pandemic.

The biggest drag on the performance of the Fund has undoubtedly been the sequential shocks to economic growth across the region – not least in 2020 from the emergence of Covid-19. This has at times hurt the performance of the Fund through reduced growth rates impacting both asset allocation and stock selection, where we had expected a quicker recovery than we have seen.

The most notable single impact on performance has come from Brazil, where our belief that low valuations would yield to a relative recovery in the market have proven too optimistic. Whilst the Fund performed well during the period of stronger growth in 2016 and 2017, the reversal of this dynamic in 2018 saw the Fund underperform, before recovering along with emerging markets' broader fortunes in 2019.

However, given the pro-cyclical positioning of the Fund at the end of 2019 – predicated on improving economic growth momentum across the board, and the attendant positive backdrop for emerging market equities – the arrival of the novel coronavirus in the first quarter was also costly for performance.

Although investors in the fund have benefited from capital growth over the five year period, it is less than the index or the sector. Emerging markets is a volatile asset class and there is a large diversion of returns within the comparative sector. The Fund has been negatively impacted by a number of macro events despite some good individual stock selection, the Investment Adviser will review the approach to macro and factor risk controls within the fund to help reduce their potential negative impact.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has concluded that the Administration Fee is appropriate. We will continue to review the cost and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. This Fund has one share class and, based on the information available to us, our review concluded this is appropriate for investors in this Fund. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust Global Alpha Fund

The Fund is managed by Robin Geffen and aims to generate capital growth over the long term (5 years or more). The Fund invests in global equities and has the ability to hold fixed income and alternatives.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



[Go back to the Summary of the Assessment of Value table](#)



Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Liontrust Global Alpha Fund returned 167.3% over five years to August 2021, outperforming the MSCI World Index and IA Flexible sector (both comparator benchmarks) respective returns of 85.6% and 46.3%.*

Much of the Fund's performance can be attributed to a preference to 'high quality growth' stocks within the mid-cap area of the market, which have made incredibly strong gains over the past five years. An emphasis on the drivers of Science, Intellectual Property, New Deep Technology, Positive Social Change and Entrepreneurial Vision has guided the Fund towards companies that the manager believes will change the world as we adapt going forward.

Given the sheer number of exciting, high-growth and underappreciated stocks within the US and the innovative nature of these companies, the manager is currently finding the most opportunities there, with this regional allocation being a key driver of outperformance over the period.

The Fund maintains its overweight position to technology-related stocks or those companies utilising technology to gain a competitive advantage versus industry peers. Indeed, from a sector perspective, technology was the most significant contributor to the outperformance of the Fund over the period.

Fast growing industries like software and eCommerce have continued to outperform on both an operational level and in equity markets. Software remains a favoured subsector in the Fund, given these companies' products are uniquely positioned to serve mission critical functions for businesses to operate, especially highlighted during the worst of the Covid-19 pandemic.

Due to the 'bottom-up' nature of the Fund's investment process, the Fund's performance is best viewed in terms of individual stock selection. In this regard, the top contributors to performance over the period were Twilio, RingCentral, Amazon, Nvidia and Horizon Therapeutics.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund, and our assessment has concluded that the fee reflects the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy. As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis.

The OCF of the Wholesale class of this Fund is higher than many of its peers. The fees charged for this level of service provided are considered to be reasonable given the Fund's investment objective and strategy. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust Global Dividend Fund

The Fund is managed by Storm Uru and James Dowey. Storm started managing the Fund in August 2017 and was joined by James in February 2021. They have jointly developed the Global Innovation approach to the Global Equity investment process that is applied to the management of the Global Dividend Fund. The

Fund has a formal objective of delivering a net target yield of at least the net yield of the MSCI World Index every year and the potential for long term (5 years or more) capital growth. The managers also seek to produce annual dividend growth and to maximise the total return of the Fund over the long term.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Manager of the Fund was changed less than five years ago, but based on its performance since the change, we have concluded that the Fund has met expectations, providing strong capital growth and outperforming the sector and benchmark since the change.

Following the Fund Manager and investment process change on 31 August 2017, the Fund has returned 72.8% to 31 August 2021, outperforming both the MSCI World Index and IA Global Equity Income sector respective returns of 60.9% and 34.0%. The Fund has also consistently yielded more than the comparator index, meeting its income objective.*

The Fund's investment process was overhauled to focus on investing in innovative businesses for both capital growth and income, believing that innovative businesses represent the best investments to meet either of these objectives. The managers believe that the traditional approach to income investing, focused on investing in companies with relatively high current yields, is challenged in today's highly disruptive economy where many high yield companies face significant risks from disruptive change. Investing in innovative businesses presents a superior approach to income investing in these conditions. But not every great innovation is a great investment. In assessing an innovative business as an investment, it is essential to judge it not by its cleverness or novelty but simply by the value it creates for its customers and its ability to capture an adequate share of this value for its shareholders. Innovative businesses have the potential to deliver high investment returns because they can grow at a low cost of growth.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of the Direct Retail class of this Fund is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy.

Additionally, we assessed charges of the Wholesale class of this Fund, and the OCF is below, or in line with, comparable classes in its peer group. A substantial portion of assets under management are in the Wholesale class which has lower attached fees than the Direct Retail class. Please go to pages 23 and 25 for an explanation of the different share classes.

As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust Global Innovation Fund

The Fund is managed by James Dowey and Storm Uru. James started managing the Fund in July 2019 and was joined by Storm in February 2021. They have jointly developed the Global Innovation approach to the Global Equity investment process that is applied to the management of the Global Innovation Fund.

The Fund aims to generate capital growth over the long term (5 years or more). The Fund invests in global equities on the basis of James and Storm's disruption investing philosophy. In constructing the portfolio, the managers seek companies that are disruptors, enablers and embracers.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Liontrust Global Innovation Fund returned 122.4% over the five years to 31 August 2021, outperforming the MSCI AC World Index and IA Global sector (both comparator benchmarks) respective returns of 85.6% and 84.9%. *

Following a Fund Manager and investment process change on 1 July 2019, the Fund returned 56.4% to 31 August 2021, outperforming the MSCI AC World Index and IA Global sector respective returns of 34.0% and 36.2%. *

The Fund's investment process was enhanced in 2019 to focus on investing in innovative businesses based on the managers' belief that innovation is the biggest driver of shareholder returns. This approach to investing is especially effective in an era such as the present one where innovation and disruptive change are the central features of the economy. In these conditions, those businesses that can innovate stand the best chance of succeeding over time.

In assessing an innovative business as an investment, it is essential to judge it not by its novelty or technological sophistication but by the value it creates for its customers and its ability to capture an adequate share of this value for its shareholders.

Due to the 'bottom-up' nature of the Fund's investment process, the Fund's performance is best viewed in terms of individual stock selection.



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This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.01%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of the Direct retail class of this Fund is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy.

Additionally, we assessed charges of the Wholesale class of this fund, and the OCF is below, or in line with comparable classes in its peer group. A substantial portion of assets under management are in the Wholesale class which has lower attached fees than the Direct retail class. Please go to pages 23 and 25 for an explanation of the different share classes.

As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust Global Smaller Companies Fund

The Fund is managed by Robin Geffen and aims to generate capital growth over the long term (5 years or more). The Fund invests at least 80% of the portfolio in shares of small sized companies across

the world. These are companies which, at the time of purchase, have a market capitalisation of under £10 billion.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Liontrust Global Smaller Companies Fund returned 168.9% over five years to 31 August 2021, outperforming the MSCI World SMID Index and IA Global (both comparator benchmarks) respective returns of 78.0% and 84.9%. *

The Fund looks for companies that are capable of long-term growth using the five key drivers of Science, Intellectual Property, New Technology, Social Change and Entrepreneurial Vision. As a result, the Fund focuses on capital light businesses, and avoids sectors and sub-sectors that are capital intensive where larger and existing companies have a huge advantage.

Given the sheer number of exciting, high-growth and fundamentally underappreciated stocks within the US and the innovative nature of these companies, the manager is currently finding the most opportunities there, with this regional allocation being a key driver of outperformance over the period.

In the US, the manager's preference for information technology stocks and specifically those in the software and services sub-sector has been particularly beneficial. Due to the 'bottom-up' nature of the investment process, the Fund's performance is best viewed in terms of stock selection, with holdings Twilio, RingCentral and Rapid7 among the top contributors over the period.

The Fund looks to gradually exit holdings when they exceed the \$10 billion market cap threshold. As a result, most of the Fund's successful stock picks will naturally outgrow the small-cap space (with many of these stocks 'graduating' to other funds in the Global Equity range which have higher market cap boundaries).

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market. Furthermore, as a result of our annual review of funds charges, the Administration Fees of the Fund were recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. This Fund has one share class and, based on the information available to us, our review concluded this is appropriate for investors in this Fund. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust Global Technology Fund

The Fund is managed by Robin Geffen and aims to generate capital growth over the long term (5 years or more). The Fund invests at least 80% of the portfolio in shares of technology and telecommunications companies across the world. These are

companies which, at the time of purchase, are within the GICS (Global Industry Classification Standard) Information Technology and Communication Services sectors.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

We have concluded that the Fund has met clients' expectations, providing strong capital growth and significantly outperforming the sector, however, we note that the fund has underperformed the benchmark.

The Liontrust Global Technology Fund returned 235.0% over five years to 31 August 2021, versus the MSCI World/Information Technology Index and IA Technology & Telecommunications sector (both comparator benchmarks) respective returns of 239.8% and 196.8%. *

The Fund invests in high quality growth stocks designed to future proof an investor's portfolio focusing on the five technology themes of digital payments, ecommerce, next gen software tools, cloud/digital infrastructure and immersive entertainment. The portfolio is driven by three distinctive silos of Titans, Enablers & Adopters that ensure exposure to these five key themes and lead to a portfolio that is diversified across technology-related industries.

The managers look at technological disruption, industry structure and corporate pricing power to identify the long-term strategic winners within the stock universe. Due to this 'bottom-up' nature of the investment process, the Fund's performance is best viewed in terms of stock selection, with holdings Microsoft, Apple, Twilio, Alphabet and Amazon among the top contributors over the period.

While the Fund has outperformed its average peer in the IA Technology & Telecommunications sector, it has returned slightly less than its index comparator over five years. This underperformance can mainly be attributed to a regulatory enforced underweight to two stocks that dominate the index. Microsoft and Apple occupy around 30% of the Index and are the two stocks that have contributed most to the performance of the index over the period. Under UCITS regulations, the Fund is limited to a maximum holding of 10% in any one position and thus has historically allocated a combined 10-15% total weighting in these two stocks. Liontrust will review this year whether the current index is the most appropriate for this fund given this mismatch.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.01%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of this Fund is higher than those of comparable funds, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy. As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. This Fund has one share class and, based on the information available to us, our review concluded this is appropriate for investors in this Fund. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust Income Fund

The Fund, which has been managed by Robin Geffen since launch in December 2002, aims to deliver a net target yield of at least the net yield of the FTSE All Share index every year, with the potential for long term (5 years or more) capital growth. The Fund, which has the ability to invest up to 20% in income opportunities outside

the UK, seeks companies that offer the most attractive dividend growth potential by focusing on those with strong free cash flow, balance sheets and earnings. The portfolio is divided into three distinct silos to negate any major style bias: steady eddies, hidden fruits and tactical plays.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Liontrust Income Fund returned 38.0% over the five years to 31 August 2021, outperforming the FTSE All-Share Index and IA UK Equity Income sector (both comparator benchmarks) respective returns of 33.3% and 27.1%. * The Fund has also consistently yielded more than the Index, meeting its income objective.

The Fund's outperformance over the period was driven by a variety of factors. Arguably, the most important has been the types of companies the Fund invests in, 'dependable income stocks', which are companies that exhibit three distinct characteristics: a structural growth proposition, competitive advantage and a dividend growth runway. It is this process that has enabled the Fund to generate a consistent stream of income for clients without sacrificing capital.

The Fund's initial screening process – which centres on companies with high dividend coverage and low leverage – has also helped to shield our investors against the worst of dividend cuts seen across the market during the Covid-19 pandemic. Meanwhile, its liquidity screen has ensured the Fund remains large cap and liquid in nature, allowing the manager the flexibility to rotate positions with relative ease.

Another driver of performance is the Fund's differentiated approach to portfolio construction. To negate style bias and ensure stock selection is the primary driver of the Fund's active risk, the portfolio is split into three evenly weighted silos of Steady Eddies, Hidden Fruits and Economic Recovery stocks. It is this diversification that has ensured the portfolio performs across the market cycle; seeking to protect capital more effectively than peers in down markets yet participating in cyclical recovery.

Finally, the Fund's US holdings have been a key contributor to performance over the past three to five years. Rather than being generated from a top-down asset allocation perspective, the Fund's US exposure is dictated by the strong dependable income credentials of a number of large cap tech stocks not replicable in the UK market.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.03%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this fund against comparable funds in its peer group. The OCF of the Direct Retail class of this Fund is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy.

Additionally, we assessed charges of the Wholesale class of this Fund, and the OCF is below, or in line with comparable classes in its peer group. A substantial portion of assets under management are in the Wholesale class which has lower attached fees than the Direct retail class. Please go to pages 23 and 25 for an explanation of the different share classes.

As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust India Fund

The Fund is managed by Ewan Thompson and aims to generate capital growth over the long term (5 years or more). The Fund invests at least 80% in shares of Indian companies. These are companies which, at the time of purchase, are incorporated, domiciled, listed or conduct significant business in India.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received Amber for performance, we understand why and have explained the reasons for this, we continue to keep the fund under close review. The Fund has performed in line with expectations for the remaining criteria and is delivering overall value to investors.



[Go back to the Summary of the Assessment of Value table](#)



Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

Although the Fund has underperformed the benchmark over three and five years, we have taken into account the fact the current fund manager has been responsible for the Fund for less than five years.

The Liontrust India Fund returned 45.7% over five years to 31 August 2021, versus the MSCI India Index (comparator benchmark) return of 74.4%. Following a Fund Manager change on 11 December 2018, the Fund returned 45.6% to 31 August 2021 versus the MSCI India Index return of 51.0%.*

The Liontrust India Fund underperformed over the period primarily due to two poor years of performance in calendar years 2018 and 2019, during which the management of the Fund changed twice. Over these two years, the Fund's performance suffered due to its exposure to medium-sized companies, which underperformed the wider market during a de-risking phase sparked by concerns over asset quality in the financial sector, which in turn led to lower credit availability to domestically facing industrial and manufacturing companies. The Fund's holdings in the industrial sector contributed negatively over this period as economic growth faltered, and, in addition, the Fund's underweight position in defensive sectors such as consumer staples – which outperformed heavily during this risk-off phase – was costly.

The Fund's outlook has been generally directed towards the long-term opportunity within the under-researched mid-cap space and also domestically focused companies that the manager believes will be the ultimate beneficiaries of the exciting growth potential of the Indian economy.

In response to both the Fund's poor relative performance in 2018 and 2019 and the changed underlying conditions within the Indian economy, the decision was taken to exit stocks that were perceived as more vulnerable to the credit problems affecting the economy at the time – however, given the attractive long-term outlook for both the market and economy, a number of our long-term holdings were kept due to the attractive risk-reward profile apparent after such a significant derating.

This focus has been rewarded significantly over the last two years as the Fund has outperformed due to its exposure to both the post-Covid recovery in the Indian economy and also the positive resolution of the asset-quality issues affecting sentiment towards the wider market and in particular stocks tied into the now-apparent economic revival. The investment cycle that was envisaged has now materialised, having been delayed firstly by the credit problems mentioned above and then more recently due to the global pandemic. We continue to monitor the Fund but have noted the improving performance and believe the Fund is appropriately managed going forward.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.03%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market. Furthermore, as a result of our annual review of funds charges, the Administration Fees of the Fund were recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. This Fund has one share class and, based on the information available to us, our review concluded this is appropriate for investors in this Fund. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust Japan Equity Fund

The Fund is managed by Chris Taylor and aims to generate capital growth over the long term (5 years or more). The Fund invests at least 80% in shares of Japanese companies. These are companies

which, at the time of purchase, are incorporated, domiciled, listed or conduct significant business in Japan.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



[Go back to the Summary of the Assessment of Value table](#)



Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Liontrust Japan Equity Fund returned 50.1% over five years to 31 August 2021, outperforming the TOPIX Index return of 45.4% but behind the IA Japan sector average of 53.9% (both comparator benchmarks).*

This performance largely reflected the underlying portfolio's overweight position in the more 'value' as opposed to 'growth' category sectors, especially industrials and materials, particularly against our competing funds.

This meant that although the Fund performed well across 2016 and 2017, the majority of its holdings were negatively impacted by fears of a US-China trade war that investors assumed would result from ex-President Trump's actions in early 2018. This saw 'growth-style stocks' generally perform better from 2019 onwards with a second large relative performance boost after the markets hit their Covid induced low in March 2020, particularly those stocks deemed to be involved with e-commerce.

The market then back-peddled on profit taking so that over the three months to August 2021, the value versus growth battle sharply reversed again as a combination of Covid outbreaks, worldwide transport disruptions, increasing fuel costs and component/material shortages – particularly of computer chips and construction supplies – resulted in investors becoming more pessimistic about the strength of any global recovery. Traditionally, Japanese stocks are largely perceived as being a geared play upon global trade/growth prospects, with domestic developments being of little relevance. The Fund has benefited strongly from these more recent market shifts.

We have concluded that the Fund has met clients' expectations, providing strong capital growth and outperforming the index over the last 1, 3 and 5 years, however, we note that the fund has underperformed the sector over 5 years mainly due to its more value bias, but has performed strongly over the last year as the style has come into favour.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market. Furthermore, as a result of our annual review of funds charges, the Administration Fees of the Fund were recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust Latin America Fund

The Fund is managed by Thomas Smith and aims to generate capital growth over the long term (5 years or more). The Fund invests at least 80% in shares of Latin American companies. These

are companies in countries which, at the time of purchase, appear anywhere in the MSCI EM Latin America index.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



[Go back to the Summary of the Assessment of Value table](#)



Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Liontrust Latin America Fund returned 31.6% over five years to 31 August 2021, outperforming the MSCI EM Latin America Index (comparator benchmark) return of 15.4%.*

The Liontrust Latin America Fund focuses on Emerging Leaders, which are companies well positioned to prosper in a world of rapid change. Importantly, given many disruptive products and business models have arisen in developed markets, their introduction and adoption rates across emerging markets are driving considerable growth at a consumer and commercial level.

Therefore, the team believes emerging leaders alone have the resources and capabilities to survive and prosper given the huge levels of disruption seen across the whole economy. Emerging leaders must have an attractive industry structure, and the management vision and financial resources to generate outsize economic returns. They can be both established businesses that dominate their given sectors or can be companies that have the ability to challenge incumbents. A common feature is their ability to create value for customers (either via a lower price and/or higher quality product and management that are focused on driving continuous improvement) and capture value for itself and its shareholders via a sustaining moat (such unique assets, efficient scale, technology leadership, R&D investment and customer switching costs).

Stock selection rather than macro or factor exposures has driven performance over the period, with key contributions over this timeframe coming from omnichannel retailer Magazine Luiza and investment and digital retail bank BTG Pactual in Brazil, ecommerce marketplace Mercadolibre and software solutions company Globant in Argentina, and industrial property developer Vesta in Mexico.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.03%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market. Furthermore, as a result of our annual review of funds charges, the Administration Fees of the Fund were recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. This Fund has one share class and, based on the information available to us, our review concluded this is appropriate for investors in this Fund. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust Russia Fund

The Fund is managed by Thomas Smith and aims to generate capital growth over the long term (5 years or more). The Fund invests at least 80% in shares of Russian companies. These are

companies which, at the time of purchase, are incorporated, domiciled, listed or conduct significant business in Russia.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Liontrust Russia Fund returned 122.9% over five years to 31 August 2021, outperforming the MSCI Russia 10-40 Index (comparator benchmark) return of 92.8%.*

The Liontrust Russia Fund focuses on Emerging Leaders, which are companies well positioned to prosper in a world of rapid change. Importantly, given that many disruptive products and business models have arisen in developed markets, their introduction and adoption rates across emerging markets are driving considerable growth at a consumer and commercial level.

Therefore, the team believes emerging leaders alone have the resources and capabilities to survive and prosper given the huge levels of disruption seen across the whole economy. Emerging leaders must have an attractive industry structure and the management vision and financial resources to generate outsize economic returns. They can be both established businesses that dominate their given sectors or can be companies that have the ability to challenge incumbents.

A common feature is their ability to create value for customers (either via a lower price and/or higher quality product and management that are focused on driving continuous improvement) and capture value for itself and its shareholders via a sustaining moat (such as unique assets, efficient scale, technology leadership, R&D investment and customer switching costs).

Stock selection rather than macro or factor exposures has driven performance over the five-year period, with key contributions over this timeframe coming from miner Norilsk Nickel, technology companies Yandex and EPAM, and emerging liquified natural gas giant Novatek.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.03%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market. Furthermore, as a result of our annual review of fund charges, the Administration Fees of the Fund were recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust US Opportunities Fund

The Fund is managed by George Boyd-Bowman and aims to generate capital growth over the long term (5 years or more). The Fund invests at least 80% in shares of US companies. These

are companies which, at the time of purchase, are incorporated, domiciled, listed or conduct significant business in the US.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Liontrust US Opportunities Fund returned 142.5% over the five years to 31 August 2021, outperforming the S&P 500 Index and IA North America (comparator benchmark) respective returns of 111.8% and 106.0%. *

The Fund's investment process leans upon the belief that technological disruption will have a marked impact on global stock markets in the years ahead. Understanding the pervasive role that technology is playing in every sector will be key to distinguishing the winners and losers of the future.

The Fund aims to create a portfolio focused on the beneficiaries of digitalisation but importantly doing so in a style conscious manner, building a 'core' portfolio. The manager does this by investing across three different categories of digitalisation beneficiaries: the disruptors, which tend to be growth orientated, and embracers and enablers of digitalisation, which offer a mix of 'growth', 'value' and potentially more cyclical opportunities. The Fund also invests across almost all sectors and does not look to take large sectors bets in keeping with the 'core' and 'balanced' approach.

Due to the 'bottom-up' nature of the Fund's investment process, the Fund's performance is best viewed in terms of stock selection. In this regard, the top contributors to performance over the period include Microsoft, Apple, Horizon Therapeutics and Apple.



[Go back to the Summary of the Assessment of Value table](#)

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of the Direct Retail class of this Fund is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy.

Additionally, we assessed charges of the Wholesale class of this Fund, and the OCF is below, or in line with, comparable classes in its peer group. A substantial portion of assets under management are in the Wholesale class which has lower attached fees than the Direct Retail class. Please go to pages 23 and 25 for an explanation of the different share classes.

As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

ASSESSMENT OF FUNDS

CASHFLOW SOLUTION TEAM



Cashflow Solution team

James Inglis-Jones and Samantha Gleave manage the Liontrust Cashflow Solution Funds, having first worked together in 1998. James has previously managed money at Fleming Investment Management, JP Morgan Fleming and Polar Capital while Samantha formerly worked at Sutherlands Limited, Fleming Investment Management, Credit Suisse First Boston and Bank of America Merrill Lynch. Samantha was in a No 1 ranked equity research sector team (Extel & Institutional Investor Surveys) at Credit Suisse and won awards for Top Stock Pick and Earnings Estimates at Bank of America Merrill Lynch.

Investment process

The process is based on the belief that the most important determinant of shareholder returns is company cash flows. The fund managers invest in companies that generate significantly more cash than they need to sustain their planned growth yet are lowly valued by investors on that measure and are run by managers committed to an intelligent use of capital. They sell short stocks that are expensive, are struggling to generate any cash and are run by management investing heavily for future growth.

Funds

- Liontrust European Growth Fund

Liontrust European Growth Fund

The Fund has been managed since launch in November 2006 by James Inglis-Jones, and he was joined by Samantha Gleave in 2012. The Fund aims to deliver capital growth over the long term (5 years or more) by using the Cashflow Solution process to identify

and invest in companies incorporated, domiciled, listed or which conduct significant business in the EEA (European Economic Area) and Switzerland. The Fund has an equally weighted portfolio.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund has returned 85.7% (institutional, income class), ahead of the 65.3% return from the MSCI Europe Index and 66.5% from the IA Europe ex-UK sector, both of which are comparator benchmarks.*

The Cashflow Solution is a flexible investment process. The fund managers expect the investment process to perform well in a variety of different market conditions. Over the last 5 years the performance of the fund has been strong including over the recent market disruptions due to the Covid-19 pandemic.

For several years prior to the pandemic, the investment process was leading the managers to prefer companies with strong cash flow growth prospects rather than those with value credentials. As a result, the Fund had a long-standing negative exposure to value as an investment style. Instead, it owned a number of stocks that would be characterised as quality growth stocks that looked expensive on conventional valuation measures but were attractive owing to their tremendous cash generation.

As equities fell heavily in early 2020 due to the impact of lockdown measures, cyclical value stocks in sectors such as autos, travel, financial were hit hardest due to their very uncertain trading outlook. However, the Cashflow Solution investment process was giving a clear message that, rather than fleeing the value space, the fund managers should actually be embracing the risk found in these much-maligned stocks.

Stockmarkets had slipped to very cheap levels and investor anxiety had surged to levels that had only been surpassed during the global financial crisis and technology bubble, episodes which set the stage for powerful value rallies.

The team's analysis showed that the best approach to deploy in this environment was to buy the very cheap stocks that have been shunned by investors, even though at the time this felt very uncomfortable. Specifically – and as classified by their proprietary stock designations – they invested in 'Contrarian Value' or 'Recovering Value' opportunities. These groups include companies that were responding to tough trading conditions with measures such as the imposition of capital controls, asset disposals and other restructuring measures.

This approach has worked very well since it was implemented. With the value dislocation between expensive growth stocks and cheap value stocks still at unprecedented levels, the managers believe that the value rally can deliver further good returns for the Fund.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, bid-to-bid, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of the Direct Retail class of this Fund is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy.

Additionally, we assessed charges of the Wholesale class of this Fund, and the OCF is below, or in line with, comparable classes in its peer group. A substantial portion of assets under management are in the Wholesale class which has lower attached fees than the Direct Retail class. Please go to pages 23 and 25 for an explanation of the different share classes.

As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.



ASSESSMENT OF FUNDS

GLOBAL FIXED INCOME TEAM



Global Fixed Income team

David Roberts, Phil Milburn and Donald Phillips manage the Liontrust Global Fixed Income Funds. Before joining Liontrust in early 2018, David and Phil worked together at Kames Capital for 14 years, where David was Head of the Fixed income team and Phil was Head of Investment Strategy. They launched one of the first strategic bond funds in 2003 and have been investing in high yield on a global basis since 2003. Donald was previously an investment manager in the Credit team at Baillie Gifford and worked with David and Phil at Kames Capital for three years from 2005 to 2008. He was co-manager of the Baillie Gifford High Yield Bond Fund from June 2010 to 2017 and the US High yield strategy.

Investment process

The fund managers believe fixed income markets are inefficient and there are myriad ways of adding value to investors' portfolios. The inefficiencies are caused by many market protagonists who are not price sensitive, ranging from the macroeconomic distortions caused by central banks to the idiosyncratic scenarios when companies need to raise debt finance and price accordingly. The Liontrust Global Fixed Income investment process is designed to take advantage of these inefficiencies through a thorough

understanding of the economic environment and detailed bottom up stock analysis. The process uses the same framework to garner a thorough understanding of the economic environment and for bottom up stock analysis: fundamentals, valuations and technicals (FVT). These three factors are examined regardless of whether the managers are considering a duration position or an investment in a speculative grade rated company. In judging whether a company is attractive long-term investment, the managers analyse the following factors, which they call PRISM:

- **Protections:** operational and contractual, such as structure and covenants
- **Risks:** credit, business and market
- **Interest cover:** leverage and other key ratios
- **Sustainability:** of cash flows and environmental, social and governance (ESG) factors
- **Motivations:** of management and shareholders

Funds

- Liontrust Strategic Bond Fund

Liontrust Strategic Bond Fund

The Fund has been managed by David Roberts and Phil Milburn, with Donald Phillips as assistant manager, since launch in May 2018. The aim of the Fund is to maximise its total return over the long term (5 years or more) through a combination of income and capital growth by investing in government bond and credit securities globally. The Fund may invest up to 40% of its net assets

in emerging markets. The fund managers seek to take advantage of market inefficiencies through understanding the economic environment, bottom up stock analysis and flexibility over duration, credit, sector and geographical allocations. The managers only commit cash to the market when they believe investors will receive a return that justifies the risk they are taking.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



[Go back to the Summary of the Assessment of Value table](#)



Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund launched less than five years ago, so has been assessed on an interim basis against the performance since launch. The fund has met its yield targets and produced capital growth since inception but has underperformed versus the sector. The UK sector for strategic bond funds has a wide range of funds including a number of funds with more aggressive risk appetites. The fund has always explicitly targeted the risk appetite of European and institutional managers which is lower than that of the sector and therefore the fund will always struggle to compete with those funds taking more risk however the investment adviser still believes the sector remains the most appropriate one for comparison for clients.

The fund managers have generated a solid positive return for the Fund since launch and found the levels of risk necessary to target substantially higher returns to be unacceptable. Since launch in May 2018, the Fund has returned 14.8% while the average return in the IA Sterling Strategic Bond sector, the Fund's comparator benchmark, was 16.5%.*

Given the fund's low beta, value-driven stance, the fund managers believe that investment performance has been very robust. While they have avoided exposing the Fund to beta risk – a bet on market direction – which they view as deeply unattractive, the managers have still been able to pull other portfolio positioning levers in order to generate positive returns. These include curve positioning strategies, market-neutral cross-market trades and box trades.

Since Fund launch, the managers have viewed government bond markets as incredibly expensive due to the artificial valuation support provided by central bank actions – low rates and quantitative easing. This has been especially true during the Covid-19 era. The fund managers have therefore restricted interest rate risk, or beta, to less than half that of the global bond market.

The Fund has typically carried below 3 years' duration, compared with the investment team's neutral position of 4.5 years and the Bloomberg Barclays Global Aggregate Index average of more than 7.25 years. The aim has been to maintain some correlation with bond markets but to remain very much in capital preservation mode due to the concerning valuation backdrop.

As and when bond market valuations look more attractive, fund risk and beta should be increased, all other things being equal.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market. Furthermore, as a result of our annual review of funds charges, the Administration Fees of the Fund were recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

We have assessed the charges of this Fund against other Liontrust funds and segregated mandates (where Liontrust manages money on behalf of institutional investors outside of a fund) with a similar investment objective, strategy and policy. Any fee differences between Liontrust funds and comparable services have been evaluated to determine whether they are reasonable. Our assessment has concluded that investors in this Fund are charged appropriately relative to investors in other, similar Liontrust funds and segregated mandates.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.



ASSESSMENT OF FUNDS

MULTI-ASSET TEAM

Multi-Asset team

The Liontrust Multi-Asset investment team is one of the most experienced and highly regarded in the UK market. The Multi-Asset team comprises John Husselbee (Head of the Multi-Asset Investment team), James Klempster (Deputy Head), Paul Kim, Mayank Markanday, Jen Causton and Shayan Ratnasingam, along with a four-strong Multi-Asset investment support team headed by Adrian Holmes. The team has more than 100 years of investment management experience between them, with extensive knowledge and insights. The team manages multi-asset target risk portfolios and funds, specialist and income generating funds.

Investment process

There are five key stages to the investment process for the target risk funds. The specialist and income generating funds use the fund selection, portfolio construction and monitoring, review and risk management stages of the investment process only.

Strategic asset allocation

Among the factors they analyse, the fund managers collate and study historical returns and volatilities of a range of asset classes, as well as their correlations with each other, and the pathway of future interest rates to determine the SAA that should meet the volatility target of the fund or portfolio over the long-term. The SAA is essentially the default asset allocation should the fund managers have no views about the relative attractiveness of different asset classes.

Tactical asset allocation

The primary aim of the tactical asset allocation (TAA) is to increase exposure to an asset class when it looks cheap and reduce exposure when it appears expensive; the fund managers' focus is on valuations rather than market timing. They believe it is important to supplement the long-term benefits of the SAA with the flexibility to take advantage of valuation opportunities in the shorter term.

Fund selection

We hold a range of funds and fund managers, including active, passive and alternative investment strategies. The fund managers believe the key elements that should underpin fund selection are: investment process, fund manager experience, fund manager knowledge and fund manager incentive (including remuneration).

Portfolio construction

The fund managers want to ensure the underlying funds are exposed to the segment of the market they feel has the most potential for outperformance while reducing

unintended risk. Therefore, they consider how each holding interacts with each other in terms of correlation, risk and return to ensure the benefits identified at the holding and sector levels are not diversified away when grouped together at the fund level.

Monitoring, review and risk management

The Liontrust Multi-Asset team is given regular updates, including in-depth data, on the underlying funds to ensure they are being managed according to their stated objectives and investment processes. This includes attribution analysis to show the underlying funds do not experience style drift and remain within their stated risk parameters. We gain access to the underlying fund managers to probe their thinking and evaluate their continued commitment.

Funds

- Liontrust MA Active Reserve Fund
- Liontrust MA Active Dynamic Fund
- Liontrust MA Active Growth Fund
- Liontrust MA Active Intermediate Income Fund
- Liontrust MA Active Moderate Income Fund
- Liontrust MA Active Progressive Fund
- Liontrust MA Blended Growth Fund
- Liontrust MA Blended Intermediate Fund
- Liontrust MA Blended Moderate Fund
- Liontrust MA Blended Progressive Fund
- Liontrust MA Blended Reserve Fund
- Liontrust MA Passive Dynamic Fund
- Liontrust MA Passive Growth Fund
- Liontrust MA Passive Intermediate Fund
- Liontrust MA Passive Moderate Fund
- Liontrust MA Passive Progressive Fund
- Liontrust MA Passive Prudent Fund
- Liontrust MA Passive Reserve Fund
- Liontrust MA Monthly High Income Fund
- Liontrust MA Strategic Bond Fund
- Liontrust MA UK Equity Fund
- Liontrust Diversified Real Assets Fund

Liontrust MA Active Reserve Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth and income with a low level of volatility (risk), having a risk profile of 2, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest. The underlying funds will, where practicably possible, be active funds, which aim to beat the performance of various financial indices.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



[Go back to the Summary of the Assessment of Value table](#)



Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while trying to maximise the total return to the investor which may be in the form of either income or capital growth.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 11.2% over the past five years.*

With its zero per cent weighting in equities, the fund is likely to deliver lower returns in comparison to relatively riskier funds in rising markets. The diversified mix of alternative assets, UK property and bonds helped to provide positive returns for the Fund while limiting the level of volatility experienced during the period.

Alternative assets, including gold, infrastructure and renewable energy, all helped the performance of the Fund although this was slightly offset by the issues faced by the catastrophe reinsurance market with severe weather conditions and events in recent years reducing the potential for positive returns. The only other area to have a negative impact on the fund was asset backed securities, which are pools of loans packaged up and sold as investments.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.03%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market. Furthermore, as a result of our annual review of funds charges, the Administration Fees of the Fund were recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Active Dynamic Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth and income with a high level of volatility (risk), having a risk profile of 7, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest. The underlying funds will, where practicably possible, be active funds, which aim to beat the performance of various financial indices.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while trying to maximise the total return to the investor which may be in the form of either income or capital growth.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 59.1% over the past five years. Although not an official benchmark, the Fund sits in the IA Flexible Investment sector, which returned 46.3% over the same period.*

The Fund has seen positive returns across all equity markets. The strong performance of US equities provided the biggest contribution while other markets, including the UK, Japan, Emerging Markets and Europe, were also positive contributors. Overall, the Fund benefited from a higher allocation to equities compared to those funds in the range at the lower end of the risk scale and a significant exposure to US equities.

The Fund also has a very small exposure to UK property, which provided positive returns, and alternatives, which was the only negative asset class during the period. This was due to the issues faced by two holdings: aircraft leasing and catastrophe reinsurance. We still believe in the diversification benefits of these assets, but the former was significantly impacted by a virtual halt to air travel during the pandemic while the latter has struggled in the face of extreme weather conditions.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.05%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of the Direct Retail class of this Fund is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy.

Additionally, we assessed charges of the Wholesale class of this Fund, and the OCF is below, or in line with, comparable classes in its peer group. Please go to pages 23 and 25 for an explanation of the different share classes.

As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Active Growth Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth with a moderately high level of volatility (risk), having a risk profile of 6, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest. The underlying funds will, where practicably possible, be active funds, which aim to beat the performance of various financial indices.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while trying to maximise the total return to the investor which may be in the form of either income or capital growth.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 55.9% over the past five years. Although not an official benchmark, the Fund sits in the IA Flexible Investment sector, which returned 46.3% over the same period.*

The Fund has seen positive returns across all equity markets. The strong performance of US equities provided the biggest contribution while other markets, including UK, Japan, Emerging Markets and Europe, were also positive contributors. Overall, the Fund benefited from a higher allocation to equities, including a significant exposure to US equities, compared to those funds in the Multi-Asset Active range at the lower end of the risk scale.

The Fund also has a very small exposure to UK property, which provided positive returns, and alternatives, which was the only negative asset class during the period. This was due to the issues faced by two holdings: aircraft leasing and catastrophe reinsurance. We still believe in the diversification benefits of these assets, but the former was significantly impacted by a virtual halt to air travel during the pandemic while the latter has struggled in the face of extreme weather conditions.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.01%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market. Furthermore, as a result of our annual review of funds charges, the Administration Fees of the Fund were recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Active Intermediate Income Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve income with a median level of volatility (risk), having a risk profile of 4, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest. The underlying funds will, where practicably possible, be active funds, which aim to beat the performance of various financial indices.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while providing income to the investor.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund has delivered income to investors in as well as a total return of 33.5% over the past five years. Although not an official benchmark, the Fund sits in the IA 20-60% sector, which returned 27.5% during the same period.*

The diversified mix of alternative assets, UK property, equities and bonds helped to provide positive returns for the fund while limiting the level of volatility experienced during the period.

While returns from UK and global government bonds were muted, we still believe in their diversification and capital preservation benefits. The relatively higher risk areas of bonds, including high yield, and corporate, which account for around a quarter of the fund, helped to provide more positive returns.

With around half of the Fund invested in equities, the strong returns of stock markets globally significantly boosted performance. The biggest holdings were in UK and US equities, which both provided positive returns, as did Japan, Europe and Developed Asia.

Alternative assets were broadly flat over the period as their more defensive nature means they are less likely to benefit from a rising market. Some of the holdings in this asset class did perform relatively well and provided positive returns, including renewable energy and infrastructure. This was offset, however, by the issues faced by two holdings: aircraft leasing and catastrophe reinsurance.

We still believe in the diversification benefits of these assets, but the former was significantly impacted by a virtual halt to air travel during the pandemic while the latter has struggled in the face of extreme weather conditions.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.01%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of the Direct Retail class of this Fund is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy.

Additionally, we assessed charges of the Wholesale class of this Fund, and the OCF is below, or in line with, comparable classes in its peer group. A substantial portion of assets under management are in the Wholesale class which has lower attached fees than the Direct Retail class. Please go to pages 23 and 25 for an explanation of the different share classes.

As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

We have assessed the charges of this Fund against other Multi-Asset funds managed for a third party with similar investment objectives, policies and target risk range. Our assessment has concluded that investors in this Fund are charged appropriately relative to investors in other, similar Multi-Asset funds managed by Liontrust for a third party.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Active Moderate Income Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve income with a below median level of volatility (risk), having a risk profile of 3, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest. The underlying funds will, where practicably possible, be active funds, which aim to beat the performance of various financial indices.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while providing income to the investor.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund has delivered income to investors in as well as a total return of 20.3% over the past five years. Although not an official benchmark, the Fund sits in the IA 0-35% sector, which returned 18.3% over the same period.*

The diversified mix of alternative assets, UK property, equities and bonds helped to provide positive returns for the Fund while limiting the level of volatility experienced during the period.

While returns from UK and global government bonds were muted, we still believe in their diversification and capital preservation benefits. The relatively higher risk areas of bonds, including high yield, corporate and convertibles, helped provide more positive returns.

The inclusion of some equity exposure within the Fund also boosted performance. The biggest holdings were in UK and US equities, which both provided positive returns.

Alternative assets were broadly flat over the period as their more defensive nature means they are less likely to benefit from a rising market. Most of the holdings in this asset class did perform relatively well and provided positive returns, including renewable energy and infrastructure. This was offset, however, by the issues faced by two holdings: aircraft leasing and catastrophe reinsurance.

We still believe in the diversification benefits of these assets, but the former was significantly impacted by a virtual halt to air travel during the pandemic while the latter has struggled in the face of extreme weather conditions.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.02%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of the Direct Retail class of this Fund is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy.

Additionally, we assessed charges of the Wholesale class of this Fund, and the OCF is below, or in line with, comparable classes in its peer group. A substantial portion of assets under management are in the Wholesale class which has lower attached fees than the Direct Retail class. Please go to pages 23 and 25 for an explanation of the different share classes.

As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

We have assessed the charges of this Fund against other Multi-Asset funds managed for a third party with similar investment objectives, policies and target risk range. Our assessment has concluded that investors in this Fund are charged appropriately relative to investors in other, similar Multi-Asset funds managed by Liontrust for a third party.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Active Progressive Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth and income with an above median level of volatility (risk), having a risk profile of 5, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest. The underlying funds will, where practicably possible, be active funds, which aim to beat the performance of various financial indices.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while trying to maximise the total return to the investor which may be in the form of either income or capital growth.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 45.8% over the past five years. Although not an official benchmark, the Fund sits in the IA 40-85% sector, which returned 42.0% during the same period.*

The diversified mix of alternative assets, UK property, equities and bonds helped to provide positive returns for the Fund while limiting the level of volatility experienced during the period.

While returns from UK and global government bonds were muted, we still believe in their diversification and capital preservation benefits. The relatively higher risk areas of bonds, including high yield and corporate, helped to provide more positive returns. With most of the Fund invested in equities, the strong performance of stock markets globally significantly boosted performance. The biggest holdings were in UK and US equities, which both provided positive returns, as did Japan, Europe, Emerging Markets and Developed Asia.

Alternative assets were slightly down over the period. Some of the holdings in this asset class did perform relatively well and provided positive returns, including renewable energy and infrastructure. This was offset, however, by the issues faced by two holdings: aircraft leasing and catastrophe reinsurance.

We still believe in the diversification benefits of these assets, but the former was significantly impacted by a virtual halt to air travel during the pandemic while the latter has struggled in the face of extreme weather conditions.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.01%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of this Fund is higher than those of comparable funds, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy. As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

We have assessed the charges of this Fund against other Multi-Asset funds managed for a third party with similar investment objectives, policies and target risk range. Our assessment has concluded that investors in this Fund are charged appropriately relative to investors in other, similar Multi-Asset funds managed by Liontrust for a third party.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Blended Growth Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth and income with a moderately high level of volatility (risk), having a risk profile of 6, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest. The underlying funds will be a blend of active funds, whose managers aim to beat the

performance of a benchmark, and passive funds, which aim to track the performance of an index. Active funds will be selected over passive funds where the investment managers believe the potential returns from active funds outweigh any additional cost.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while trying to maximise the total return to the investor which may be in the form of either income or capital growth.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 50.4% over the past five years.*

The investment team sought to maximise returns while ensuring the Fund stayed within its targeted risk band and the expected level of volatility.

The Fund has seen positive returns across all equity markets. The strong performance of US equities provided the biggest contribution while other markets, including UK, Japan, Emerging Markets and Europe, were also positive contributors. Overall, the Fund benefited from a higher allocation to equities, including significant exposure to US equities, compared to those Multi-Asset Blended funds at the lower end of the risk scale.

The Fund's small exposure to UK property acted as a drag on performance although this was offset by the positive performance of convertibles, the only bond exposure in this Fund. A convertible bond is a corporate debt instrument that pays regular income and returns capital at the end of a fixed term.

Convertibles also enable investors to convert them into shares and allows holders to benefit from rises in share prices while retaining a degree of bond-like mitigation against market falls.

The small allocation to alternative assets were broadly flat over the period as their more defensive nature means they are less likely to benefit from a rising market. Most of the holdings in this asset class did perform relatively well and provided positive returns, including renewable energy, infrastructure and gold. However, this was offset by the issues faced by catastrophe reinsurance. We still believe in the diversification benefits of this asset class, but it has struggled in the face of extreme weather conditions.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has concluded that the Administration Fee is appropriate. We will continue to review the cost and charges of the fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of this Fund is higher than those of comparable funds, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Blended Intermediate Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth and income with a median level of volatility (risk), having a risk profile of 4, in a range from 1 to 7 where 1 is the lowest risk and 7 is the highest. The underlying funds will be a blend of active funds, whose managers aim to beat the performance of a

benchmark, and passive funds, which aim to track the performance of an index. Active funds will be selected over passive funds where the investment managers believe the potential returns from active funds outweigh any additional cost.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while trying to maximise the total return to the investor which may be in the form of either income or capital growth.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 33.7% over the past five years.*

The Fund has seen positive returns across both equities and bonds. The strong performance of US equities provided the biggest contribution while other markets, including the UK, Japan, Emerging Markets and Europe, were also positive contributors. Overall, the Fund benefited from a higher allocation to equities compared to those Multi-Asset Blended funds at the lower end of the risk scale.

Although returns from bonds were not as significant, they continue to meet four roles: providing some income, capital preservation, inflation protection and diversification from equities. The best performing bond sectors over the five years were corporate bonds followed by UK government bonds.

Alternative assets were broadly flat over the period as their more defensive nature means they are less likely to benefit from a rising market. Most of the holdings in this asset class did perform relatively well and provided positive returns, including renewable energy, infrastructure and gold. This was offset, however, by the issues faced by two holdings: aircraft leasing and catastrophe reinsurance. We still believe in the diversification benefits of these assets, but the former was significantly impacted by a virtual halt to air travel during the pandemic while the latter has struggled in the face of extreme weather conditions.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has concluded that the Administration Fee is appropriate. We will continue to review the cost and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of this Fund is higher than those of comparable funds, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Blended Moderate Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth and income with a below median level of volatility (risk), having a risk profile of 3, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest. The underlying funds will be a blend of active funds, whose managers aim to beat the

performance of a benchmark, and passive funds, which aim to track the performance of an index. Active funds will be selected over passive funds where the investment managers believe the potential returns from active funds outweigh any additional cost.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while trying to maximise the total return to the investor which may be in the form of either income or capital growth.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 27.1% over the past five years.*

The Fund has seen positive returns across both equities and bonds. The strong performance of US equities provided the biggest contribution while other markets including UK, Japan, Emerging Markets and Europe were also positive contributors.

Although returns from bonds were not as significant, they continue to meet four roles: providing some income, capital preservation, inflation protection and diversification from equities.

Alternative assets were broadly flat over the period as their more defensive nature means they are less likely to benefit from a rising market. Most of the holdings in this asset class did perform relatively well and provided positive returns, including renewable energy, infrastructure and gold. This was offset, however, by the issues faced by two holdings: aircraft leasing and catastrophe reinsurance. We still believe in the diversification benefits of these assets, but the former was significantly impacted by a virtual halt to air travel during the pandemic while the latter has struggled in the face of extreme weather conditions.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has concluded that the Administration Fee is appropriate. We will continue to review the cost and charges of the fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of the Direct Retail class of this Fund is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy.

Additionally, we assessed charges of the Wholesale class of this Fund, and the OCF is below, or in line with comparable classes in its peer group. A substantial portion of assets under management are in the Wholesale class which has lower attached fees than the Direct Retail class. Please go to pages 23 and 25 for an explanation of the different share classes.

We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Blended Progressive Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth and income with an above median level of volatility (risk), having a risk profile of 5, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest. The underlying funds will be a blend of active funds, whose managers aim to beat the

performance of a benchmark, and passive funds, which aim to track the performance of an index. Active funds will be selected over passive funds where the investment managers believe the potential returns from active funds outweigh any additional cost.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while trying to maximise the total return to the investor which may be in the form of either income or capital growth.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 42.0% over the past five years.*

The Fund has seen positive returns across both equities and bonds. The strong performance of US equities provided the biggest contribution while other markets, including UK, Japan, Emerging Markets and Europe, were also positive contributors. Overall, the Fund benefited from a higher allocation to equities, including significant exposure to US equities, compared to those Multi-Asset Blended funds at the lower end of the risk scale.

Although returns from bonds were not as significant, they continue to meet four roles: providing some income, capital preservation, inflation protection and diversification from equities. The best performing bond sectors over the five years were corporate bonds followed by UK government bonds.

Alternative assets were broadly flat over the period as their more defensive nature means they are less likely to benefit from a rising market. Most of the holdings in this asset class did perform relatively well and provided positive returns, including renewable energy, infrastructure and gold. This was offset, however, by the issues faced by two holdings: aircraft leasing and catastrophe reinsurance. We still believe in the diversification benefits of these assets, but the former was significantly impacted by a virtual halt to air travel during the pandemic while the latter has struggled in the face of extreme weather conditions.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has concluded that the Administration Fee is appropriate. We will continue to review the cost and charges of the fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of this Fund is higher than those of comparable funds, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Blended Reserve Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth and income with a low level of volatility (risk), having a risk profile of 2, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest. The underlying funds will be a blend of active funds, whose managers aim to beat the

performance of a benchmark, and passive funds, which aim to track the performance of an index. Active funds are selected over passive funds where the investment managers believe the potential returns from active funds outweigh any additional cost.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while trying to maximise the total return to the investor which may be in the form of either income or capital growth.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 18.4% over the past five years.*

The Fund has seen positive returns across both equities and bonds. The strong performance of US equities provided the biggest contribution while other markets, including UK, Japan, Emerging Markets and Europe, were also positive contributors. Although returns from bonds were not as significant, they continue to meet four roles: providing some income, capital preservation, inflation protection and diversification from equities.

Alternative assets were broadly flat over the period as their more defensive nature means they are less likely to benefit from a rising market. Most of the holdings in this asset class did perform relatively well and provided positive returns, including renewable energy, infrastructure and gold. This was offset, however, by the issues faced by two holdings: aircraft leasing and catastrophe reinsurance.

We still believe in the diversification benefits of these assets, but the former was significantly impacted by a virtual halt to air travel during the pandemic while the latter has struggled in the face of extreme weather conditions.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.01%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of the Direct Retail class of this Fund is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy.

Additionally, we assessed charges of the Wholesale class of this Fund, and the OCF is below, or in line with, comparable classes in its peer group. Please go to pages 23 and 25 for an explanation of the different share classes.

As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Passive Dynamic Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth and income with a high level of volatility (risk), having a risk profile of 7, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest. The underlying funds will, where practicably possible, be passive funds, meaning they seek to track investment indices.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while trying to maximise the total return to the investor which may be in the form of either income or capital growth.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 61.0% over the past five years.*

The Fund has seen positive returns across all equity markets. The strong performance of US equities provided the biggest contribution while other markets, including UK, Japan, Emerging Markets and Europe, were also positive contributors. Overall, the Fund benefited from a higher allocation to equities, including a significant exposure to US equities, compared to those Multi-Asset Passive funds at the lower end of the risk scale.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.05%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market. Furthermore, as a result of our annual review of funds charges, the Administration Fees of the Fund were recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this fund free of charge into an alternative share class with a lower fee. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Passive Growth Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth and income with a moderately high level of volatility (risk), having a risk profile of 6, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest. The underlying funds will, where practicably possible, be passive funds, meaning they seek to track investment indices.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while trying to maximise the total return to the investor which may be in the form of either income or capital growth.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 56.8% over the past five years.*

The Fund has seen positive returns across all equity markets. The strong performance of US equities provided the biggest contribution while other markets including UK, Japan, Emerging Markets and Europe were also positive contributors. Overall, the Fund benefited from a higher allocation to equities, including a significant exposure to US equities, compared to those Multi-Asset Passive funds at the lower end of the risk scale.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.01%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market. Furthermore, as a result of our annual review of funds charges, the Administration Fees of the Fund were recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Passive Intermediate Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth and income with a median level of volatility (risk), having a risk profile of 4, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest. The underlying funds will, where practicably possible, be passive funds, meaning they seek to track investment indices.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while trying to maximise the total return to the investor which may be in the form of either income or capital growth.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 37.0% over the past five years.*

The Fund's bond exposure provided both positive returns and crucial diversification benefits during the period. UK gilts, global government bonds and corporate bonds all helped boost performance as did the holdings in UK property. The Fund also benefited significantly from its exposure to equity markets, particularly the US, UK, Japan, and Europe. Overall, with more than half invested in equities, the Fund benefited from this higher allocation compared to those Multi-Asset Passive funds in the range at the lower end of the risk scale.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has concluded that the Administration Fee is appropriate. We will continue to review the cost and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Passive Moderate Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth and income with a below median level of volatility (risk), having a risk profile of 3, in a range from 1 to 7, where 1 is the lowest risk and 7 the highest. The underlying funds will, where practicably possible, be passive funds, meaning they seek to track investment indices.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while trying to maximise the total return to the investor which may be in the form of either income or capital growth.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 30.3% over the past five years.*

The Fund's bond exposure provided both positive returns and crucial diversification benefits during the period. UK gilts, global government bonds and corporate bonds all helped boost performance as did the holdings in UK property. The fund also benefited from its exposure to equity markets, particularly the US, UK, Japan and Europe.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has concluded that the Administration Fee is appropriate. We will continue to review the cost and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Passive Progressive Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth and income with an above median level of volatility (risk), having a risk profile of 5, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest. The underlying funds will, where practicably possible, be passive funds, meaning they seek to track investment indices.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while trying to maximise the total return to the investor which may be in the form of either income or capital growth.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term. The Fund has delivered a return of 46.4% over the past five years. *

The Fund has seen positive returns across all equity markets. The strong performance of US equities provided the biggest contribution while other markets, including UK, Japan, Emerging Markets and Europe, were also positive contributors. Overall, the Fund benefited from a higher allocation to equities, including a significant exposure to US equities, compared to those Multi-Asset Passive funds at the lower end of the risk scale. The Fund also has a relatively small exposure to bonds and property. Both corporate bonds and UK property provided positive returns across the period. UK and global government bonds were fairly flat, although we continue to believe in their diversification and capital preservation benefits within a portfolio.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has concluded that the Administration Fee is appropriate. We will continue to review the cost and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Passive Prudent Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth and income with a low level of volatility (risk), having a risk profile of 2, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest. The underlying funds will, where practicably possible, be passive funds, meaning they seek to track investment indices.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility while trying to maximise the total return to the investor which may be in the form of either income or capital growth.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund delivered a return of 19.1% over the past five years, meeting its stated investment objective of achieving capital growth and income in absolute terms.*

The Fund has seen positive returns across both equities and bonds. The strong performance of US equities provided the biggest contribution while other markets including UK, Japan, Emerging Markets and Europe were also positive contributors.

UK gilts were a positive contributor over the period, although this was somewhat offset by holdings in index linked gilts and global government bonds which acted as a drag on performance. Overall, bonds continue to meet four roles: providing some income, capital preservation, inflation protection and diversification from equities.

The Fund's exposure to UK property also performed relatively well over the period, with all three holdings providing positive returns.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has concluded that the Administration Fee is appropriate. We will continue to review the cost and charges of the fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Passive Reserve Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth and income with a low level of volatility (risk), having a risk profile of 2, in a range from 1 to 7 where 1 is the lowest risk and 7 the highest. The underlying funds will, where practicably possible, be passive funds, meaning they seek to track investment indices.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term volatility (15 years) while trying to maximise the total return to the investor which may be in the form of either income or capital growth.

We have reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year and can confirm that the Fund stayed within its targeted risk band and is on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 25.2% over the past five years.*

The Fund's significant bond exposure provided both positive returns and crucial diversification benefits during the period. UK gilts, global government bonds and corporate bonds all helped boost performance as did the holdings in UK property. The Fund also benefited from its exposure to equity markets, particularly the US, UK, Japan and Europe.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has concluded that the Administration Fee is appropriate. We will continue to review the cost and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Monthly High Income Fund

The Fund, which is managed by the Multi-Asset team, seeks to generate a monthly income. The underlying funds will primarily (meaning at least 70%) invest in bonds and debt instruments which can easily be converted into cash (money market instruments).



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund has delivered a return of 13.1% over the past five years and achieved an annual historic yield of 3.35% over the last 12 months.* It has therefore met its stated investment objective of generating a monthly income. It has, however, lagged the average returns of its peers in the IA Mixed Investment 0-35% Shares sector, with the benchmark returning 18.3%, although these peers are not all income focused. Recently this has improved, with the Fund now outperforming its benchmark over one year.

While returns from UK and global government bonds were muted, we still believe in their diversification and capital preservation benefits. The relatively higher risk areas of bonds, including high yield, corporate and strategic, helped provide more positive returns.

The inclusion of some equity exposure within the Fund also boosted performance. The biggest contribution was from UK and US equities, although this was slightly offset by our holdings in global equities.

Alternative assets also performed relatively well, providing positive returns overall, in particular our exposure to asset backed securities and property. The only drag on performance within the asset class was from our holding that acquires and leases aircraft, which was significantly impacted by a virtual halt to air travel during the pandemic.

The Fund has delivered a high yield with monthly payments as well as capital growth over the previous five years and met its investment objective. Investors are aware the Fund's focus on monthly income may come at the expense of total return and that the fund may lag a total return benchmark.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.04%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this fund are less than, or in line with, other comparable Funds available in the market. Furthermore, as a result of our annual review of funds charges, the Administration Fees of the Fund were recently reduced.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.04%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of this Fund is higher than those of comparable funds, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy. As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. We will continue to monitor the charges of the Fund to ensure these remain appropriate on an ongoing basis.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA UK Equity Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve capital growth. The underlying funds will primarily (meaning at least 70%) invest in shares of companies which are domiciled, incorporated, or have significant business operations in the UK, and which are listed on the UK stock market (UK equities).



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We are keeping the Fund under close review as a result of the Amber for performance; we have identified areas for improvement, and we are taking actions to address these. Overall, we consider the fund is delivering value.



Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund delivered a return of 33.6% over the past five years, meeting its stated investment objective of delivering capital growth in absolute terms.* It has, however, lagged behind the average returns of its peers in the IA UK All Companies sector which returned 41.8%. The sector has significantly outperformed the general market, with the FTSE All-share returning 33.3%.

The Fund saw positive returns across nearly all underlying funds, with the UK equity market performing strongly over the period. In particular, our holdings in small and micro cap funds boosted performance. The main drag on performance was a defensive style income fund, which is likely to lag its peers in a rising market despite the value rally.

The other funds in the comparison sector take a direct investment approach rather than be fund of funds and we believe further consideration needs to be made to ensure that the Fund's objective, strategy and policy remain feasible and appropriate given the constraints of this approach and the extra costs. We will continue to closely monitor the performance of the Fund until a review is completed.



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This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has led to the reduction in its Administration Fee of 0.04%. We will continue to review the costs and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund, and our assessment has concluded that the fee reflects the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy. As a result of our annual reviews of fund charges, the Administration Fees of the Fund were recently reduced. Due to the specialist nature of the Fund, there is a limited number of competitor funds to compare against.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee. For an explanation of the different share classes, please go to pages 23 and 25.

We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

Liontrust MA Diversified Real Assets Fund

The Fund, which is managed by the Multi-Asset team, seeks to achieve growth from a combination of income and capital growth. The underlying funds mainly (meaning at least 50%) invest in a range of real asset classes, which may include infrastructure,

commodities, inflation-linked assets and specialist property (examples of which are transport facilities, telecommunication networks and water supplies).



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund delivered a return of 20.4% over the past five years, meeting its stated investment objective of delivering growth from a combination of income and capital growth while providing diversification away from traditional equities and bonds.*

Our exposure to property provided positive returns overall, with our holdings in specialist real estate investment trusts, such as social housing and industrial warehouses, performing particularly well. This was slightly offset by our exposure to UK and global direct property which periodically suffered from liquidity concerns.

The inclusion of core infrastructure within the Fund also boosted performance. The largest contributions came from our holdings in renewable infrastructure, although our social infrastructure holdings also performed well.

Cyclical real assets performed positively, including commodities, private equity and global property equity. This was offset, however, by the issues faced by two holdings: aircraft leasing and catastrophe reinsurance. We still believe in the diversification benefits of these assets, but the former was significantly impacted by a virtual halt to air travel during the pandemic while the latter has struggled in the face of extreme weather conditions.

The Fund also contains several other diversifiers, including gold and asset backed securities, which contributed positively to the Fund's performance while offering protection during periods of market volatility.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has concluded that the Administration Fee is appropriate. We will continue to review the cost and charges of the Fund at least annually.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in. We will continue to monitor the charges of our classes to ensure they meet the needs of our investors.

ASSESSMENT OF FUNDS

FUNDS THAT HAVE CLOSED OR MERGED WITH
OTHER LIONTRUST FUNDS SINCE THE END OF
THE ASSESSMENT PERIOD (31 AUGUST 2021)



Liontrust Japan Opportunities Fund

The Fund is managed by Chris Taylor and aims to generate capital growth over the long term (5 years or more). The Fund invests at least 80% in shares of Japanese companies. These are companies which, at the time of purchase, are incorporated, domiciled, listed

or conduct significant business in Japan. Liontrust merged the Fund with the Liontrust Japan Equity Fund on 8 November 2021 following regulatory and shareholder approval.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for comparable market rates, we have concluded that the Fund has performed in line with expectations for the remaining criteria, delivering overall value to investors including through the investment performance.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund merged with the Liontrust Japan Equity Fund on 8 November 2021. The Liontrust Japan Opportunities Fund returned 42.9% over the five years to 31 August 2021, underperforming the TOPIX Index return of 45.4%.*

The Fund's strategy of hedging the yen into sterling resulted in approximately -7% in performance terms due mostly to the sharp fall in sterling after the referendum vote to exit the EU.

From a portfolio positioning perspective, the underperformance of both the Index and peer group was largely due to its overweight position in the more value as opposed to growth category sectors, especially industrials and materials, particularly against competing funds.

This in turn meant that although the Fund performed well across 2016 and 2017, the majority of its holdings were negatively impacted by fears of a US-China trade war that investors assumed would result from ex-President Trump's actions in early 2018. This saw growth-style stocks generally perform better from 2019 onwards, with a second large relative performance boost after the markets hit their Covid induced low in March 2020, particularly those stocks deemed to be involved with e-commerce.

The market then back-peddled on profit taking such that over the three months to August 2021, the value versus growth battle sharply reversed again as a combination of Covid outbreaks, worldwide transport disruptions, increasing fuel costs and component/material shortages – particularly of computer chips

and construction supplies – resulted in investors becoming more pessimistic as to the strength of any global recovery. Traditionally, Japanese stocks are largely perceived as being a geared play upon global trade/growth prospects with domestic developments being of little relevance.

The decision to merge the Fund with the Japan Equity Fund was taken to allow the holders of the former to benefit from being part of a larger fund while still being able to choose whether to hedge their investment.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has concluded that the Administration Fee is appropriate.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. The OCF of the Direct Retail class of this Fund is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis. Following this analysis, we conclude that the higher fees reflect the active, high conviction approach adopted by this Fund, and the fees charged for this level of service are reasonable given the Fund's investment objective and strategy.

Additionally, we assessed charges of the Wholesale class of this Fund, and the OCF is below, or in line with, comparable classes in its peer group. A substantial portion of assets under management are in the Wholesale class which has lower attached fees than the Direct Retail class. Please go to pages 23 and 25 for an explanation of the different share classes.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Where possible, we have moved investors that were in the Legacy Retail share class of this Fund free of charge into an alternative share class with a lower fee.

In cases where we did not have sufficient information or comfort that a compulsory conversion would be in their best interests, we have written to certain investors who remain in the Legacy Retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee on an elective basis.

Liontrust US Income Fund

The Fund is managed by George Boyd-Bowman and aims to generate capital growth over the long term (5 years or more). The Fund invests at least 80% in shares of US companies. These are companies which, at the time of purchase, are incorporated,

domiciled, listed or conduct significant business in the US. Stocks are selected with a focus on income and the potential for capital growth. Liontrust merged the Fund with the Liontrust Global Dividend Fund on 8 October 2021 following regulatory and shareholder approval.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



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Performance

We have assessed the investment performance of the Fund against both its stated investment objective, as well as against the benchmarks that are set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Manager of the Fund was changed less than five years ago, the Fund has met its Income targets over this period, but its performance versus the benchmark and sector has struggled. Much of the performance of the US markets have been driven by stocks with little or no dividends (such as technology stocks) and this has meant the income focus of the Fund has held back its capital performance. We have concluded that the Fund has broadly met investors' expectations given these constraints, providing a good income as well as capital growth. Following a review of the Fund during the year, we concluded that investors would be better served by having exposure to a global income portfolio and a merger was voted through with the Liontrust Global Dividend Fund.

Prior to its merger with the Liontrust Global Dividend Fund on 8 October 2021, the Liontrust US Income Fund returned 77.0%, versus the S&P 500 Index and IA North America (both comparator benchmarks) respective returns of 111.8% and 106.0%.*

The Fund aimed to create a portfolio focused on the beneficiaries of digitalisation but importantly doing so in a style conscious manner, building a core portfolio. The manager implemented this belief by investing across three different categories of digitalisation beneficiaries: the disruptors, which tend to be growth orientated, and embracers and enablers of digitalisation which offer a mix of growth, value and potentially more cyclical opportunities.

The US Income Fund peer group as a whole has struggled against the S&P 500 Index and wider US equity universe in recent times. The overriding reason for this has been the strength of a handful of large and mega-cap technology stocks which, aside from Microsoft and Apple (which the fund owned), do not pay meaningful dividends, if any dividend at all.

The Liontrust US Income Fund did not employ a barbell approach to income generation and therefore did not own non-yielding companies. The impact of not being able to own these companies on the performance of the Fund was significant with these shares experiencing huge price gains over the past five years, driving a significant proportion of the returns for the Index.

This backdrop continued to be detrimental over the Covid-19 crisis which has seen the secular trends that many of the large and mega-cap tech stocks benefit from, including the shift to the cloud and e-commerce, only be accentuated. It is for this reason that some underperformance on a total return basis was expected, but the fund continued to deliver on its income objective.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return, net of fees, income reinvested.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has concluded that the Administration Fee is appropriate.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Liontrust Diversified Global Income Fund

The Fund, which is managed by the Multi-Asset team, seeks to provide income together with capital growth. The underlying funds primarily (meaning at least 70%) invest in shares, bonds and alternative assets such as infrastructure and specialist property

(examples of which are transport facilities, telecommunication networks and water supplies). The Fund was closed on 18 October 2021 following regulatory approval.



Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We have concluded that the Fund has performed in line with expectations, delivering overall value to investors.



[Go back to the Summary of the Assessment of Value table](#)



Performance

We have assessed the investment performance of the Fund against its stated investment objective that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund delivered a return of 18.8% over the past five years, meeting its stated investment objective of delivering income together with capital growth in absolute terms.* It has, however, lagged the average returns of its peers in the IA Mixed Investment 20-60% Shares sector, with the benchmark returning 27.5%, although these peers are not all income focused.

More recently, performance had improved, with the Fund outperforming its benchmark over one year.

While returns from UK gilts were muted, the relatively higher risk areas of bonds, such as high yield, helped to provide more positive returns.

The inclusion of some equity exposure within the Fund also boosted performance. The biggest contributions were from UK and global equities, although European, US and Emerging Market equities were all positive.

Alternative assets also performed relatively well, providing positive returns overall, especially exposure to asset backed securities, renewable energy and property. This was somewhat offset by the issues facing our holding in aircraft leasing, which was significantly impacted by a virtual halt to air travel during the pandemic.

The Fund delivered one of the highest yields for a global fund as well as capital growth over five years and met its investment objective. Investors were aware of the Fund's positioning and those looking for the high yield would have been aware that this may come at the expense of the total return.

The redemption of the largest investor earlier this year triggered a review of the Fund and it was decided to close it and offer investors the ability to transfer to a larger fund with a similar objective.

This document is intended to be for information purposes only. It is not marketing material.

*Source: Financial Express, as at 31.08.21, total return.



Quality of service

Our assessment has considered the range and quality of services experienced by investors. We have concluded that the quality of services provided by Liontrust or by a third party is in line with expectations. This has been evaluated through a detailed review of the services we provide, our engagement with investors, communications and governance, and confirmed through our investor survey.



General costs of authorised fund manager

We have reviewed the breakdown of the charges of the Fund's Ongoing Charges Figure (OCF), including the Annual Management Charge (AMC), and Administration Fee. We have also reviewed our transaction costs. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. The annual review of the fixed Administration Fee for this Fund completed as part of our normal governance processes has concluded that the Administration Fee is appropriate.



Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the charges of this Fund are less than, or in line with, other comparable funds available in the market.



Economies of scale

Our assessment has considered whether we are able to generate efficiencies to achieve economies of scale and if benefits have been passed onto our investors. The Fund benefits from a fixed Administration Fee model, which, as well as providing clarity in relation to fund costs to investors, allows cost savings achieved from an increase in the Fund's size to be passed to investors through the application of a discount. As the Fund grows in assets above £500 million, the fixed Administration Fees are reduced by up to a maximum of 0.06% above £5 billion in assets. The Fund has also benefited from the growth in Liontrust's assets under management over the past few years. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



Comparable services

There are no Comparable Services provided for this Fund.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share or unit class that is available to them. Based on the information available to us, our review concluded that it is appropriate for investors in this Fund to be invested in the share class they are currently invested in.

Key risks

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

Disclaimer

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