

ASSESSMENT OF VALUE REPORT

For the year to
31 August 2022



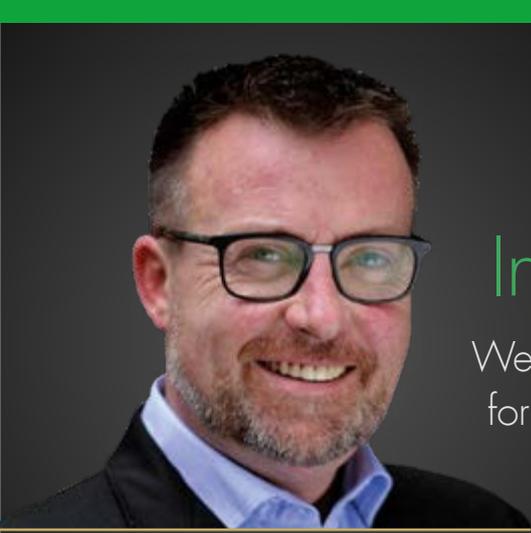
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Introduction

We continuously talk about the importance of long-term investing for a very good reason. The vagaries of investment markets have been fully demonstrated this year, with barely an asset class able to generate a positive return.

John Ions

CHIEF EXECUTIVE OF THE LIONTRUST GROUP

The responsibility of asset managers as guardians of investors' savings are particularly important during periods of such volatility in investment markets and the current cost of living crisis. It is to meet this responsibility that we stress the importance of having expertise in all the areas of investment we offer and for each of our fund management teams to have robust and rigorous processes, which enable Liontrust to help investors to achieve their long-term financial objectives and enjoy a better financial future.

The benefit of this approach is demonstrated by strong long-term fund performance and the fact that research shows the Liontrust Sustainable Investment and Economic Advantage teams are regarded as leaders in their respective asset classes among both professional intermediaries and retail investors in the UK (Source: Research in Finance).

This is supported by the fact that Liontrust has won further independent recognition over the past year, including the Global Group of the Year award at *Investment Week's* Fund Manager of the Year Awards for the second year running.

Assessment of Value

Meeting our responsibility to investors is about more than just long-term performance, however. This is demonstrated by this Assessment of Value Report, which has evaluated whether the Liontrust range funds are delivering value to investors against seven criteria and then provided an overall summary for each one. The criteria and overall assessment are judged through a RAG (Red, Amber and Green) scoring system.

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 of the 52 Liontrust funds assessed, 39 have a Green score for performance.

Across the other six criteria, amber scores only feature for Comparable market rates for nine funds. Information on all the criteria and the reasons for the scores is provided throughout this Report, including in the section analysing each fund that starts on page 30.

Investment capability

Liontrust has continued to expand the breadth of the fund choice and investment capability offered to investors through the acquisition of Majedie Asset Management in April 2022. This includes UK and global equities, which are not included in this Report and will be assessed by Liontrust for the first time in 2023.

Insights

Liontrust's new website went live in March 2022: www.liontrust.co.uk. The website has been designed to offer clearer and more efficient customer journeys so that investors can more easily find information and content.

Investors tell us they value investment insights from our fund managers. If you would like to receive these updates by email, you can do so by signing up via the preference centre on the website.

Thank you again for the trust you have shown in Liontrust and our funds. Everyone at Liontrust is aware of the responsibility they have to investors.

We hope you find the Report informative, useful and interesting. Liontrust welcomes your feedback.



Meet the Management Committee

The Management Committee (ManCo) of Liontrust Fund Partners LLP (LFP), the Authorised Fund Manager (AFM) is responsible for ensuring that the AFM complies with the Financial Conduct Authority's (FCA's) requirements and provides ongoing oversight of all activities related to the annual Assessment of Value. The

ManCo comprises seven senior managers of the Liontrust Group 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 challenge throughout the annual Assessment of Value process.

Executive members



John Ions

Chair of the Management Committee

John has been Chief Executive of the Liontrust Group since May 2010. Prior to joining Liontrust in February 2010, John was Chief Executive of Tactica Fund Management. 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 the Liontrust Group, 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 its 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 15 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 15 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 for which she is Chair of the Audit & Risk Committee and is the Liontrust Consumer Duty Champion.



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 2022

This Report evaluates whether the UK-domiciled Liontrust funds are delivering value to investors. Liontrust has considered each of the funds against the seven assessment criteria defined by our regulator, the 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 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

2022 assessment conclusions

This year's Assessment of Value resulted in an overall rating of Green for all funds except two, the Liontrust MA Active Progressive Fund and Liontrust MA Strategic Bond Fund, which have been given an Amber rating.

In 2021, two Liontrust funds – China and MA Strategic Bond – were given overall Amber scores, and since then the MA Strategic Bond Fund has been merged with the Liontrust Strategic Bond Fund managed by the Global Fixed Income team.

The scores for five of the criteria – Quality of service, AFM costs – General, Economies of scale, Comparable services* and Classes of units – have been Green for every fund and therefore assessed as delivering value. The two criteria with some Amber scores are Performance and Comparable market rates.

There is one Red score for Performance for the now merged MA Strategic Bond Fund. As well as the MA Active Progressive Fund, the other five funds in the MA Active range also have Amber scores for Performance. In addition to these, the SF European Growth, China, Emerging Markets, Global Innovation and Latin America funds have been given Amber scores for Performance. All these funds 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, nine of the Liontrust funds have 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.

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 Annual Management Charge (AMC) and Ongoing Charges Figure (OCF) than the Direct Retail class for the same fund. In assessing Comparable market rates, the fund level conclusions are determined by the outcome of the Wholesale class; where this is not present, the Direct Retail class is used.

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 Liontrust is providing value to investors, a survey was conducted to find out their views on whether Liontrust is delivering value. This survey is carried out to identify any areas where Liontrust could improve its service and ensure we are regularly engaging with investors.

Of the direct retail investors in Liontrust funds, 74.5% were satisfied with the service they have received in terms of information, materials, communication and client servicing. Of those who had contacted client services, 83% were satisfied with the service they have received.

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



2022 FINDINGS AT A GLANCE



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



In 2021, two Liontrust funds – China and MA Strategic Bond – were given overall Amber scores, and since then the MA Strategic Bond Fund has been merged with the Liontrust Strategic Bond Fund managed by the Global Fixed Income team



There is one red score for Performance, which is for the now merged MA Strategic Bond Fund



The scores for all criteria except Performance and Comparable market rates have been Green for every fund and therefore assessed as delivering value



For Comparable market rates, nine of the Liontrust funds have Amber scores

Summary of the Assessment of Value

An Assessment of Value Report for each fund can be found between pages 30 and 153.

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.

Listed below are the outcomes for the representative share classes of the funds. The share class level outcomes for each fund can be found on pages 30-153.

	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 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									
Liontrust SF Corporate Bond Fund									
Liontrust SF Monthly Income Bond 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
GLOBAL EQUITY TEAM									
Liontrust Balanced Fund									
Liontrust China Fund									
Liontrust Emerging Markets Fund									
Liontrust Global Alpha Fund									
Liontrust Global Smaller Companies Fund									
Liontrust Global Technology Fund									
Liontrust India Fund									
Liontrust Japan Equity Fund									
Liontrust Latin America 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.

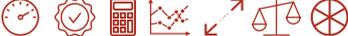


Not delivering value consistently
Some actions are required or are already under way

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
GLOBAL INNOVATION TEAM									
Liontrust Global Dividend Fund									
Liontrust Global Innovation Fund									
GLOBAL FUNDAMENTAL TEAM									
Liontrust Income Fund									
Liontrust US Opportunities Fund									
CASHFLOW SOLUTION TEAM									
Liontrust European Dynamic Fund									
GLOBAL FIXED INCOME TEAM									
Liontrust Strategic Bond 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
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MULTI-ASSET TEAM

Liontrust MA Active Dynamic Fund									
Liontrust MA Active Growth Fund									
Liontrust MA Active Progressive Fund									
Liontrust MA Active Intermediate Income Fund									
Liontrust MA Active Moderate Income Fund									
Liontrust MA Active Reserve Fund									
Liontrust MA Blended Growth Fund									
Liontrust MA Blended Progressive Fund									
Liontrust MA Blended Intermediate Fund									
Liontrust MA Blended Moderate Fund									
Liontrust MA Blended Reserve Fund									
Liontrust MA Passive Dynamic Fund									
Liontrust MA Passive Growth Fund									
Liontrust MA Passive Progressive Fund									
Liontrust MA Passive Intermediate Fund									
Liontrust MA Passive Moderate Fund									
Liontrust MA Passive Reserve Fund									
Liontrust MA Passive Prudent Fund									
Liontrust MA Monthly High Income Fund									
Liontrust MA UK Equity Fund									
Liontrust MA Diversified Real Assets Fund									

FUNDS THAT HAVE MERGED WITH OTHER LIONTRUST FUNDS SINCE THE END OF THE ASSESSMENT PERIOD (31 AUGUST 2022)

Liontrust MA Strategic Bond Fund									
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FUNDS THAT ARE CURRENTLY SUSPENDED AS AT THE END OF THE ASSESSMENT PERIOD (31 AUGUST 2022)

Liontrust Russia Fund								—	
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Changes and developments since the 2021 Assessment of Value

Since our last Assessment of Value report in 2021, we have made some changes to both our business and to some of our funds. We provide further information on these changes below.

Single Cost Disclosure

Liontrust has changed the way in which we show the costs that are paid by the funds you invest in to make this clearer for our investors. Previously, to meet different rules and requirements, Liontrust had shown two different costs for our funds. One of the costs was displayed on factsheets, Key Investor Information Documents (KIIDs) and the Liontrust website. The other was included in regulatory reports and also provided to other companies such as Morningstar and FE fundinfo which share that information with their users who include financial advisers and retail investors.

The methods used to calculate these costs differ slightly in the way in which they treat certain costs, namely 'synthetic costs', which are the specific costs for funds that invest in other funds. This meant that the costs provided to other companies can appear higher than the costs displayed on the factsheets, KIIDs and Liontrust website.

Guidance released by investment industry bodies has encouraged asset managers to move towards one number that includes all costs linked to running the funds (excluding transaction costs), which means we now only show the higher cost figure that, where relevant, includes the extra 'synthetic cost'.

Therefore, since the last Assessment of Value Report, we have updated our cost information to this single figure to improve cost transparency for investors.

Assuming the responsibilities of Authorised Fund Manager (AFM) for Majedie Asset Management

Majedie Asset Management was acquired by the Liontrust Group on 1 April 2022 as part of the company's continued diversification and expansion, both through distribution to institutional investors and investment capabilities. Following the acquisition, Liontrust assumed responsibility as AFM of the funds in October 2022.

The ex-Majedie investment management team was rebranded as the Liontrust Global Fundamental team and manages UK and Global Equities primarily for institutional clients, including the management of the Edinburgh Investment Trust.

The 2021-22 Liontrust Assessment of Value Report includes two existing Liontrust funds – Income and US Opportunities – that are now managed by the Global Fundamental team. It does not include the Global Fundamental funds acquired from Majedie as the previous AFM published a report covering these funds in April 2022. The full range of in-scope Global Fundamental funds will be included in the next Assessment of Value report in 2023.

Changes to our funds since the 2021 Assessment of Value Report

On this page, you will find the outcomes of actions or enhancements identified in the previous Assessment of Value Report, as well as fund developments resulting from wider initiatives. The fund summary pages also address the outcomes of actions identified in the previous Assessment of Value Reports.

Changes following the reference date



Fund name changes

To align the fund names in the Sustainable Future range, the Liontrust Monthly Income Bond Fund was renamed the Liontrust Sustainable Future Monthly Income Bond Fund on 6 June 2022.

The Liontrust European Growth Fund was renamed the Liontrust European Dynamic Fund on 11 July 2022.



Mergers

Following shareholder approval, the Liontrust MA Strategic Bond Fund was merged into the Liontrust Strategic Bond Fund on 14 October 2022. The MA Strategic Bond Fund scored an Amber overall rating in the 2021 Assessment of Value Report. On pages 100 and 148, you can find the Assessment of Value Reports of the two funds.

Other fund updates since the 2021 Assessment of Value Report

Fund suspension

Liontrust decided to suspend dealing on the Liontrust Russia Fund from 12pm on 25 February 2022 until further notice. Liontrust did not take this action lightly and we appreciate this was disappointing news for investors. Following consideration, Liontrust decided that suspending dealing was in the best interests of all investors given the exceptional circumstances in terms of the Russian invasion of Ukraine and the sanctions imposed on and by Russia as a result.

Liontrust has waived the AMC and Administration Fee for the Russia Fund since suspension and continues to do so. This means

that holders of the Russia Fund will not pay any costs in the Fund until dealing is resumed. For more information on the suspension and waiving of fees, please visit www.liontrust.co.uk/funds/russia-fund/russia-fund-suspension

For the 2022 Assessment of Value of this Fund, Liontrust has assessed four of the seven criteria set out by the FCA: these are Quality of service, AFM costs, Economies of scale and Classes of units. Please visit the Liontrust Russia Fund Summary on page 152 to learn more about the Fund's assessments.

How Liontrust adds value for investors

Liontrust has six strategic objectives and they all relate to how the company seeks to add value to you as an investor. These strategic objectives are: be a responsible company and investor; deliver strong long-term performance; expand distribution and products; acquire and develop talent; enhance the investor experience; ensure strong operations and infrastructure.

Investment capability

At the heart of adding value is delivering strong long-term investment performance. Liontrust's funds strive to outperform their relevant benchmarks and the average returns of their respective peer groups over the medium to long term.

How does Liontrust seek to achieve this? Liontrust focuses only on managing funds and portfolios in which the company has particular expertise. We ensure our delegated investment manager – Liontrust Investment Partners LLP – has rigorous and repeatable investment processes, which Liontrust believes are key to delivering strong long-term performance and effective risk control.

Staying true to an investment 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. Having the investment processes reviewed internally on a regular basis at Liontrust is a good discipline to go through. This also means you, as an investor in the funds, know exactly how your money is managed.

Risk management

Liontrust ensures that appropriate and prudent levels of risk are taken to meet the investment objective and policy of its 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

Acquiring and developing talent and expanding products

Liontrust will add to the product range when the fund management expertise is in place and there is investor demand. Liontrust will continue to seek investment managers who have excellent track records, expertise in their respective asset classes and who use rigorous and repeatable investment processes. Liontrust will make acquisitions that enhance and grow the business and increase the range of investment options that it offers investors.

Liontrust continues to invest in the business and the expansion over the last few years giving opportunities to develop investment talent.

Liontrust is proud of the people who work at the organisation and is investing in their training, qualifications and development as part of the strategy to retain talented staff. Liontrust is seeking greater diversity across the organisation as it believes this enhances the performance of businesses and leads to better decision making.



Sustainability and Responsible Capitalism

Liontrust not only seeks to generate strong investment performance but also engagement with the companies it holds to ensure they adopt best practices. Liontrust is reporting to investors on the impact of these engagements.

The 17-strong Liontrust Sustainable Investment team has been managing the Sustainable Future (SF) funds for more than 21 years. The team's investment process seeks to generate strong returns from investing in companies aiming to deliver profits through positive social and environmental impacts.

Liontrust continues to work with its investment manager to further integrate Environmental, Social and Governance (ESG) within its other investment processes. You can read more in the section on Sustainability and Responsible Capitalism on page 16.

Strong operations and infrastructure

Liontrust aspires for excellence in administration, risk management and corporate governance to ensure a first class-service is delivered to investors. Liontrust has one administrator to secure a solid foundation from which to support future expansion and to ensure investors benefit from efficiencies.

Enhancing the investor experience

Liontrust aims to provide investors with exceptional service and support, striving to be as transparent as possible. Liontrust is committed to the Principles of Treating Customers Fairly (TCF) and they are central to how it conducts business across all functions.

Liontrust communicates clearly and frequently with investors, regularly updating them on the performance of each fund and portfolio, the effectiveness of the investment processes applied to each of the funds and portfolios and the progress of the business as a whole.

Liontrust's new website went live in March 2022: www.liontrust.co.uk. The website has been designed to offer clearer and more efficient customer journeys so that investors can more easily find information and content. One of these journeys is for retail investors.

The new website includes enhanced fund pages, where investors can find all the up-to-date information and latest insights on each fund in one place. Liontrust has also developed an enhanced Learning section with a range of educational articles.

The website and wider digital marketing strategy at Liontrust are designed to provide investors with the information and content they want and in the way they want to consume it, while also enhancing online experiences. To help achieve this, Liontrust has continued to expand the range of content and communications for investors, including videos and infographics.



Sustainability and Responsible Capitalism

Liontrust not only seeks to generate strong investment performance but also good stewardship of companies that Liontrust funds invest in. This includes engagement to ensure the companies adopt best practices. Liontrust then reports to investors on the impacts of this engagement.

One of the investment teams of the appointed investment manager is the Sustainable Investment team, who has been managing the Sustainable Future (SF) funds for more than 21 years. The team's investment process seeks to generate strong returns from investing in companies aiming to deliver profits through positive social and environmental impacts.

The other investment teams managing Liontrust funds are following a "Responsible Capitalism" approach. This includes stewardship activity and analysing how the different ESG and sustainability characteristics of the companies they invest in impact investment decisions.

The investment manager of the Liontrust funds is a signatory to the PRI (Principles for Responsible Investment), a UN-supported network of investors, which works to promote sustainable investment through the incorporation of ESG factors into investment decision-making.

On 25 May 2022, it also joined the Net Zero Asset Managers' Initiative (NZAMI) to commit the business to supporting the goal of net zero Greenhouse gas emissions by 2050. The speed at which funds will move towards net zero will vary between the fund ranges, dependent on each of their investment processes.

More information on each of the appointed investment manager's team's processes and integration of ESG can be found in our Responsible Capitalism report – <https://www.liontrust.co.uk/about-us/corporate-sustainability/responsible-capitalism-report>

Liontrust has always believed that stewardship and sound governance of the companies in which the funds invest in are essential parts of creating shareholder value and delivering performance for investors.

Liontrust engages with the companies the funds invest in on a wide range of ESG issues and believes their stewardship activities improve understanding of the risks and opportunities that impact the ability to deliver sustainable value for investors. In 2021, Liontrust's investment teams met with 614 companies for engagement purposes, and in total, 468 ESG issues were raised. This engagement influenced, among other aspects, the various approaches that investee companies have taken to transition away from fossil fuels, employ greater degrees of diversity and inclusion across their businesses and support the Workforce Disclosure Initiative.

Information on Liontrust's stewardship activities can be found on its website – <https://www.liontrust.co.uk/about-us/corporate-sustainability>

Liontrust is proud of what it has accomplished in the drive to be a more sustainable business but recognises that this is an ongoing process and there is much more to be achieved. Liontrust will continue to evolve its efforts in this space.





How to use this Report



Why we have produced this Report?

Our regulator, the FCA, requires asset managers to conduct an annual review of UK-domiciled funds to evaluate the value provided to investors.



What is the Assessment of Value?

The assessment of whether each of our funds and share classes 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 confirms whether they have each delivered value to investors. We have evaluated the criteria for each fund and share class and provided an overall assessment for the 12 months to 31 August 2022. The Report will be published every year.

The results of the share class level assessments are provided in the fund summary pages of 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, acquiring and developing talent, risk management, and sustainability and Responsible Capitalism.

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.



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.

 From this section onwards, Liontrust Fund Partners (LFP) as Authorised Fund Manager (AFM) explains how the assessments were carried out and the outcomes for each of the funds.

How we carried out the Assessment of Value

1. PERFORMANCE

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

Our assessment has considered whether each fund has met its investment objective, given the market conditions it has been operating under and its investment philosophy, policy and strategy.

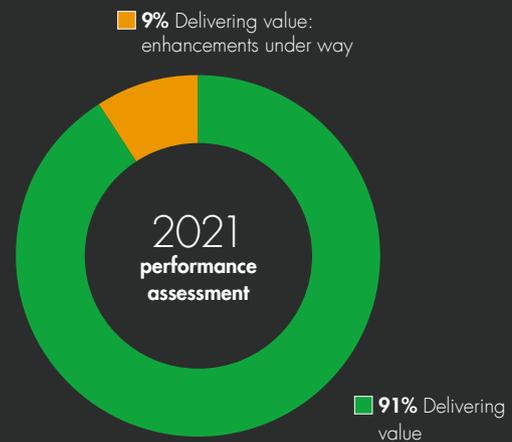
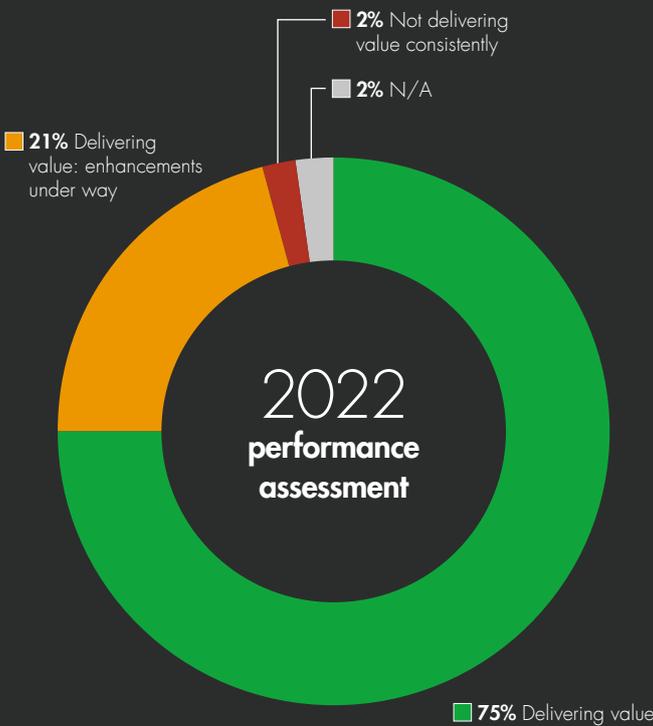
The Liontrust Multi-Asset Active, Blended and Passive fund ranges are target risk funds, i.e. each fund is targeting a certain range of expected risk over its investment horizon: some funds take more risk than others and all funds have maximum upper and lower risk bands. We looked at whether each fund 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 it hasn't performed in line with how we would expect. 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 and share class against the stated investment objective, policy and strategy, as well as against the benchmarks that are set out in its prospectus. We have concluded that out of 52 funds, 39 have met expectations over the appropriate time period. For the remaining funds, we continue to keep 11 funds under close review and where we have identified areas for improvement, we are taking action to address these. One fund received a red score and has been merged, while the Russia Fund has not been assessed for Performance due to the suspension of the fund.



*Class I for Economic Advantage and Cash Flow, Class 2 for Sustainable Future with the exception of Monthly Income Bond where class B is used. Class B also for Global Fixed Income and Class S for Multi-Asset with the exception of Diversified Real Assets where class A is used. Class C for Global Equity, Global Innovation and Global Fundamental.



2. 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 we believe 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 other companies 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. We have also reviewed our 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**

There is engagement with the companies in which we invest on important topics regarding how they operate their business. Liontrust Investment Partners (LIP), the appointed investment manager for the funds, supports a range of ESG-related bodies, including the PRI, NZAMI, and IIGCC (the Institutional Investors' Group on Climate Change).

- **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. These activities are largely administered and provided by specialist companies on our behalf and we have assessed these activities by reviewing regular service reports provided by them and in our general oversight of the activities they perform for us.

- **Investor engagement and communications**

Here we have considered the quality of our investor servicing including, for example, how we address investor queries and resolve complaints and breaches, as well as the quality, breadth and accessibility of the information we provide. We have undertaken an investor survey among 155 private investors and 415 professional advisers using an independent research company. 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 the quality of 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 other companies we use to provide these services, have performed as expected. Whilst the outcome for this criteria is Green for all funds, we continue to focus on elements of investor engagement and communications for potential improvement and enhancement.

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 check 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. More information on what is included in these charges is provided below.

Our assessment of AFM costs is at a fund and share class level and 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.

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.

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. 'Synthetic costs' is another term for underlying fund fees.

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



4. COMPARABLE MARKET RATES

We have assessed the amount we charge our investors in each share class by comparing the charges to other funds with similar characteristics using the appropriate Investment Association (IA) sectors or a bespoke peer group (defined by an independent specialist company) where the IA sector is not deemed to be an appropriate peer group.

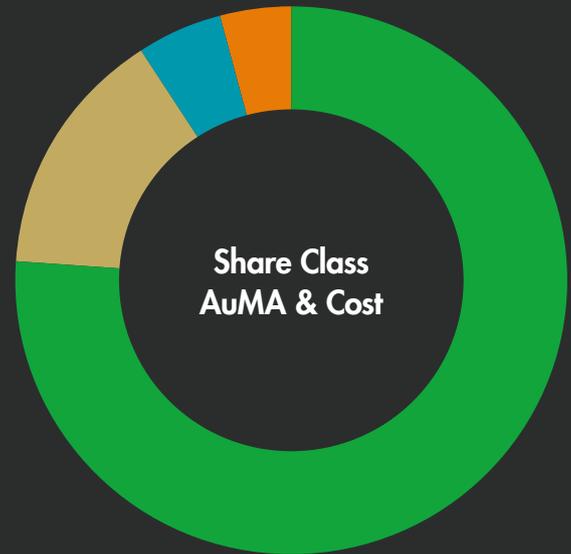
We have reviewed the levels of our AMC, Administration Fee and OCF relative to the comparable share class in the peer group, and focused on the OCF to drive the outcome of the assessment.

Based on their charges, different share classes within a fund can produce different outcomes. The representative share class used to conclude our fund-level outcomes is the 'Wholesale' share class.* In most cases, this is the share class with the largest amount of assets in each fund, as well as the share class that is available to retail clients investing through an independent financial adviser or investment platform. If this class is not available for a fund, the Direct Retail class is used.

In the fund summary pages of this report, you will find all share class outcomes for our funds.

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 42 of our funds appear lower than, or in line with, comparable funds. For nine 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

76% of total AuMA

Average OCF: 0.81%

Average AuMA per shareholder:

£2.14m

Direct retail

5% of total AuMA

Average OCF: 1.01%

Average AuMA per shareholder:

£0.04m

Institutional

14% of total AuMA

Average OCF: 0.59%

Average AuMA per shareholder:

£13.29m

Legacy Retail

4% of total AuMA

Average OCF: 1.67%

Average AuMA per shareholder:

£0.71m

This is not an exhaustive list of Liontrust share class types. The remaining share class types represent less than 1% of the assets under management (AuM) across all funds. Each share 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 share class type, please go to page 25. Due to rounding, percentages of total AuM do not precisely reflect the absolute figures.

* As our representative class last year, we used the highest charging classes used by investors buying Liontrust funds directly.

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 size of the funds we manage for you. Our assessment has considered whether Liontrust is able to generate efficiencies to achieve economies of scale and whether any such savings can be passed onto our investors.

All our funds in scope for this Assessment of Value operate 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 confidence that they will benefit from cost savings achieved as a result of the fund growing in size. The Administration Fee for each fund reduces as the fund grows in size, thereby allowing us to pass on cost savings to investors that are achieved as a result of an increase in the fund's size.

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 will improve 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, through our annual review of Administration Fees, we have reduced fees on share classes of 41 funds. Throughout the reference period, 12 funds had a further discount applied as a result of an increase in the fund's size, reducing the fees on the applicable share classes.



6. COMPARABLE SERVICES

We have assessed whether the charges paid by investors in our UK funds are reasonable compared to what our other investors pay when investing in other Liontrust products or services with similar investment objectives and policies. These products and services include funds we have domiciled in Europe and some dedicated accounts set up for large institutional investors such as pension funds.

We identified which of our UK 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 assessing whether investors in the UK funds are charged appropriately relative to other investors in the comparable funds or services.

Conclusion: Through our assessment, we have challenged the differences in charges paid by investors in our UK funds relative to what other investors pay for comparable products or services managed by Liontrust. We have considered the factors contributing to any difference in charges and conclude that investors in our UK 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 holding 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 considered existing governance and monitoring processes including the regular review of our investors who buy Liontrust funds directly.

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. In prior years, where possible, we have taken action to move investors from one share class to another, lower priced, share class where we were confident that this was in the best interests of our investors. For a second year running, as part of our annual review of share class appropriateness, we have written to investors who remain in certain older share classes offering the opportunity to convert into an alternative share class with a lower fee, where they wish to do so. 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. 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 institution where they are promoting this fund to their own clients.		
Class type in fund range	Global Equity	B	C	A	D	M
	Economic Advantage	B / A***	I	R	S	M
	Cashflow Solution	B / A	I	R	S	M
	Sustainable Investment Fixed Income	B / P	N/A	N/A	M	N/A
	Global Fixed Income	B / P	N/A	N/A	M	N/A
	Sustainable Investment Equity	N/A	2 / 6	N/A	3 / 7	M
	Multi Asset	A / D**	D / S / A**	R	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 ongoing costs. Synthetic costs are another term for underlying fund fees.

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 Real Assets 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/share classes 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 feeds 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 other companies to provide fund charges, peer group information, and to conduct an annual investor survey.

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 are 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 and share class, considering all assessment criteria.

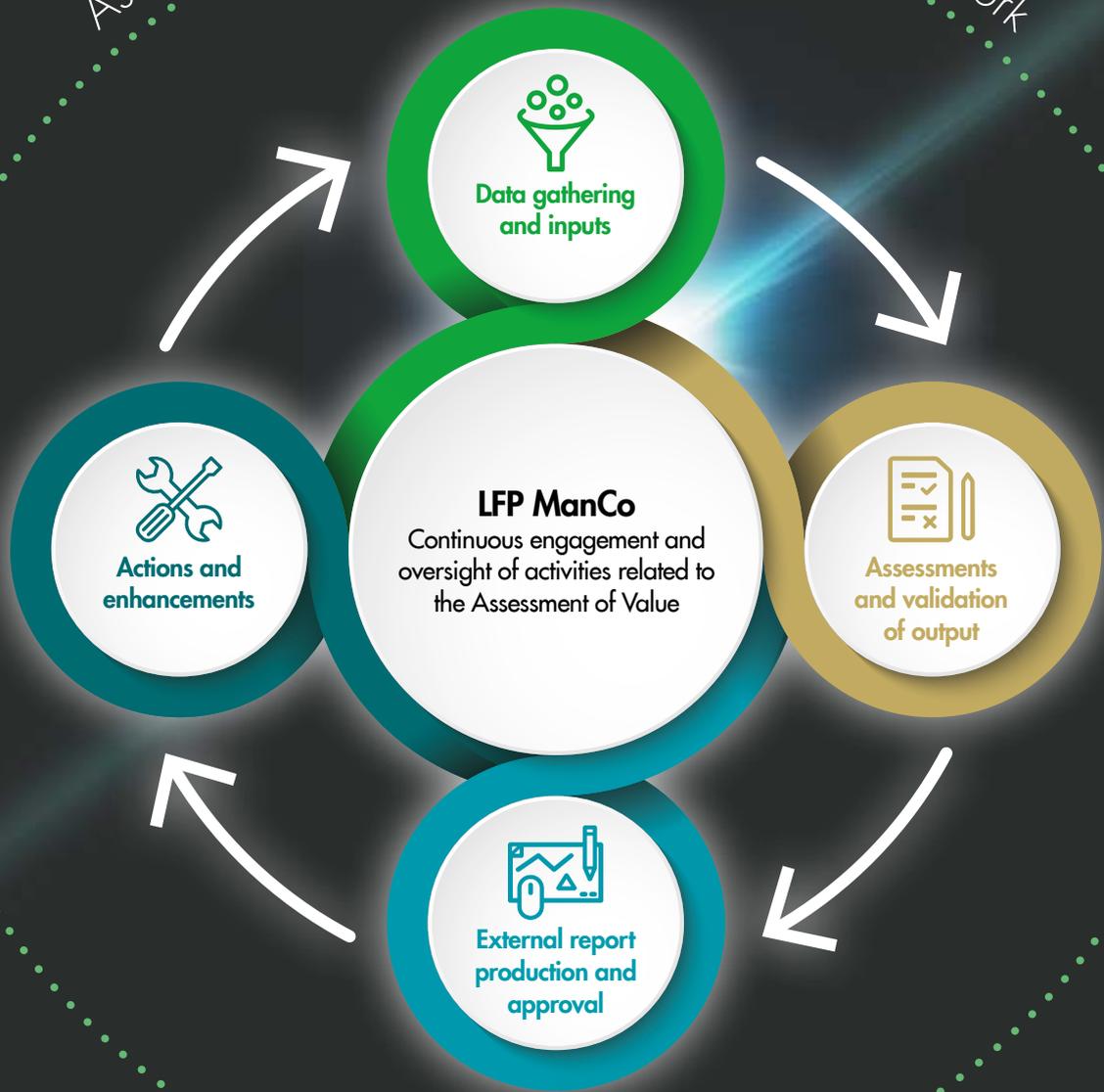
External Report production and approval

Once all final ratings for the funds and share classes, 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.

The active range of multi-asset funds currently have both a risk and return objective. The funds in the active range are generally included in the IA Mixed Investment sector or the IA Flexible Investment sector alongside return oriented funds rather than sitting within the IA Volatility managed sector where risk targeting funds usually sit. We have been engaging with our clients to understand their expectations from the fund range and whether the range should be measured primarily against the performance of their respective IA sectors. We expect this to complete in the coming months and may result in clarifications and changes to the prospectus of the funds and the communication and approval of these changes by investors will be managed in line with the depositary's and FCA's requirements.



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 the right mix of tactical asset allocation (TAA)* and fund selection, providing the potential for outperformance.



Liontrust Multi-Asset Passive Funds

Liontrust MA Passive Funds are a range of seven fund of funds targeted at investors willing to accept that their investments will track the performance of the underlying funds' benchmarks but will not outperform them. The MA Passive range is designed to harness the cost advantages of investing in tracker funds with the active management of the fund of funds managers through the selection of underlying securities and the TAA.

*The primary aim of the tactical asset allocation 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.

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 timeframe. 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

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

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.

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

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

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

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. We have concluded that the Fund has performed in line with expectations and the Fund's charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

	Class A	Class B	Class I	Class M	Class R
	Direct retail	Direct retail	Wholesale*	Institutional	Legacy retail
Performance					
Quality of service					
AFM costs					
Comparable market rates					
Economies of scale					
Comparable services					
Class of units					

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 investing in companies with durable barriers to competition in the form of intangible assets, the Fund has recorded a 28.6% total return over five years, outstripping the 17.8% return from the FTSE All-Share Index comparator benchmark and the 11.5% average return by the IA UK All Companies sector, also a comparator benchmark. **

During 2022, rising interest rate expectations led to a shift in investor sentiment away from stocks with high forecast earnings growth, a pattern which has hindered some of the Fund's holdings. Nevertheless, over time, we would expect the holdings' high-quality characteristics to allow them to outperform the average company, especially against a tough economic backdrop.

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 Kainos Group rank among the Fund's largest contributors over the period.

Typically, the Fund has held around 40% in large caps, with about 30% in mid caps and between 20% to 30% in small caps. The Fund's small cap investments have contributed particularly strongly to returns over the last five years. Over this period, notable returns have come in the consumer discretionary and technology sectors, both of which are overweight exposures for the Fund.

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

**Source: Financial Express, as at 31.08.22, 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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.***

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.03%. The Fund has also benefited from a volume discount of 0.04%, passing on the available economies of scale to investors. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment in the business.



Comparable services

We have assessed the charges of this Fund against other Liontrust funds and dedicated accounts set up for large institutional investors (such as pension funds) 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 services provided to institutional investors.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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.

For a second year running, as part of our annual review of share class appropriateness we have written to investors who remain in a certain older retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. For an explanation of the different share classes, please go to page 25.

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

***Comparable market rates commentary is based on the Wholesale share class (the representative share class). The Direct Retail A share class has an Amber rating due to its higher fees which have been further analysed and concluded to be reasonable.

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. We have concluded that the Fund has performed in line with expectations and the Fund's charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

	Class B	Class I	Class M	Class R	Class S
	Direct Retail	Wholesale*	Institutional	Legacy Retail	Institutional
Performance					
Quality of service					
AFM costs					
Comparable market rates					
Economies of scale					
Comparable services					
Class of units					

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 investing in companies with durable barriers to competition in the form of intangible assets, the Fund has recorded a 26.4% total return over five years, outstripping the 17.8% return from the FTSE All-Share Index comparator benchmark and the 11.5% average return by the IA UK All Companies sector, also a comparator benchmark. **

During 2022, rising interest rate expectations led to a shift in investor sentiment away from stocks with high forecast earnings growth, a pattern which has hindered some of the Fund's holdings. Nevertheless, over time we would expect the holdings' high-quality characteristics to allow them to outperform the average company, especially against a tough economic backdrop.

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 AstraZeneca, Diageo and Halma rank among the Fund's largest contributors over the period. The return from stock selection has been particularly strong in the industrials and technology sectors, both of which are overweight exposures for the Fund.

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

**Source: Financial Express, as at 31.08.22, 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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.03%. The Fund has also benefited from a volume discount of 0.01%, passing on the available economies of scale to investors. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment in the business.



Comparable services

We have assessed the charges of this Fund against other Liontrust funds and dedicated accounts set up for large institutional investors (such as pension funds) 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 services provided to institutional investors.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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.

For a second year running, as part of our annual review of share class appropriateness we have written to investors who remain in a certain older retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. For an explanation of the different share classes, please go to page 25.

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 and the Fund's charges are justified given the overall value that has been delivered to investors.



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

	Class I	Class R
	Wholesale*	Legacy Retail
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Class of units		

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

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 are those with an 'owner manager' culture that ensures alignment of incentives between shareholders and management. The Fund seeks to invest in 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 fantastic returns. Over the last five years, the Fund has returned 48%, well ahead of the FTSE Small-Cap comparator index at 16.7% and the average by the IA UK Smaller Companies sector at 16.5%, also a comparator index. **

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, Kainos Group, Gamma Communications, Judges Scientific and Learning Technologies Group.

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

**Source: Financial Express, as at 31.08.22, 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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF 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 the other classes of this fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.03%. The Fund has also benefited from a volume discount of 0.02%, passing on the available economies of scale to investors. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment in the business.



Comparable services

We have assessed the charges of this Fund against other Liontrust funds and dedicated accounts set up for large institutional investors (such as pension funds) 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 services provided to institutional investors.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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's charges are justified given the overall value that has been delivered to investors.



[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 31.08.22, total return, bid-to-bid, net of fees, income reinvested.

	Class I
	Wholesale
Performance	
Quality of service	
AFM costs	
Comparable market rates	
Economies of scale	
Comparable services	
Class of units	



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

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 risks, which the fund managers seek to mitigate by applying the Economic Advantage investment process to stock selection.

The Fund's five-year investment return is 71.3%, well ahead of its three comparator benchmarks. ** The FTSE Small Cap ex Inv Co Index has returned 16.7%, the FTSE AIM All-Share Index has returned -7.42% and the IA UK Smaller Companies sector has returned 16.5%. This reflects an excellent stock-picking track record, with many of these holdings exiting the Fund after growing through the market cap limit.

The Fund looks to gradually exit holdings when they exceed the £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 realising 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, IMImobile, Lighthouse Group and Sanderson Group. Of the Fund's current holdings, the largest contributors to five-year performance include Cerillion, K3 Capital Group, Tolly and Instem.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF 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.

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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.03%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

ASSESSMENT OF FUNDS

SUSTAINABLE
INVESTMENT TEAM





Sustainable Investment team

The 17-strong team has been managing the Sustainable Future (SF) funds for more than 21 years. A key differentiator is the fact all the sustainable elements are fully integrated within a single team. The team, which has an average of 14 years of industry experience, is headed by Peter Michaelis, who was previously Head of SRI at Aviva Investors and has been managing the SF funds since launch. The fund managers all joined from Alliance Trust Investments (ATI) as part of its acquisition and had previously run the Sustainable Future fund range at Aviva Investors. The other lead equity managers are Simon Clements (who was formerly Head of Global Equities at Aviva Investors) along with Martyn Jones and Chris Foster who joined the management training programme at ATI as graduates. Fixed Income investments are headed by Stuart Steven, who was formerly Investment Director at Scottish Widows Investment Partnership. Stuart's co-managers are Kenny Watson (formerly at Ignis Asset Management), along with Aitken Ross and Jack Willis who also started their careers in the graduate scheme at ATI. Harriet Parker leads on engagement activities across the team.

Investment process

Equities

The investment process seeks to generate strong returns from investing in companies aiming to deliver profits through positive social and environmental impacts. The fund managers look at the world through the prism of three mega trends – Better resource efficiency (cleaner), Improved health (healthier) and Greater safety and resilience (safer) – and then 20 themes within these.

If a company has significant exposure to one of the themes, the fund managers verify how sustainable the rest of its activities are. For each company, the fund managers determine the ESG factors that are important indicators of future success and assess how well these are managed, via the proprietary Liontrust Sustainability Matrix.

Companies in which the fund managers invest will have robust business fundamentals with a proven ability to deliver high returns on equity (RoE) through sustaining margins and asset turnover. Typically, these companies have a maintainable competitive advantage through scale, technology or business model.

The fund managers invest in well-run companies whose products and operations capitalise on the transformative changes the Liontrust Sustainable Investment team has highlighted, may benefit financially from them and score well on ESG, business fundamentals and valuation. The managers believe identifying these powerful themes and investing in companies exposed to them can make for attractive and sustainable investments.

Fixed Income

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).

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 Corporate Bond fund
- Liontrust SF Monthly Income Bond Fund

Liontrust SF Cautious Managed Fund

The Fund, which is managed by Peter Michaelis and Simon Clements, aims to deliver capital growth, as well as some level of income, 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's charges are justified given the overall value that has been delivered to investors.



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

	Class 2 Wholesale*	Class 3 Institutional
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Class of units		

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 25% of capital growth and income over five years, outperforming the 20% average return by the IA Mixed Investment 40-85% Shares sector (which is the comparator benchmark).**

Over time, the Liontrust Sustainable Investment team believes 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. The Sustainable Future investment process identifies companies benefiting from three areas of this shift – those making the economy cleaner, healthier and safer – and 20 investment themes within these.

The managers 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 outperformance.

While the Fund has a strong long-term track record, it has faced headwinds over the last 12 months in the form of rising global interest rates. As investors have applied a higher discount rate to companies' future expected earnings, their present valuation has fallen – a pattern which has affected the Fund due to its growth bias and long-term investment horizon.

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

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**Source: Financial Express, as at 31.08.22, total return.



income, the Fund has largely remained overweight credit and underweight gilts.

In managing the Fund, the managers start by looking for companies that address major societal issues over time. For example, the focus as sustainable investors is not only on a cleaner and safer world in the future, but also one in which people are healthy enough to enjoy this. Healthcare sector investments have therefore been a key component of a transformative theme of Improved health. In broad terms, the key is to take a far more proactive stance in monitoring and preventing disease before it occurs. More specifically, investment themes such as Enabling innovation in healthcare and Providing affordable healthcare have both been integral to Fund performance. Top holdings in this area have included ThermoFisher Scientific and IQVIA.

Also among the top contributors to the five-year investment performance is Cadence Design Systems, part of the Improving the efficiency of energy use theme that contributes to making the economy cleaner. Cadence provides chip design software which delivers superior energy efficiency. It counts traditional chip manufacturers among its customers, as well as new customers who are investing in chip design, such as Amazon, Google and even Tesla.

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



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF 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 the other classes of the Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02%. The Fund has also benefited from a volume discount of 0.02%, passing on the available economies of scale to investors. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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.

***Comparable market rates commentary is based on the Wholesale share class (the representative share class). The Institutional share class has a Green rating due to fee differences.

Liontrust SF Defensive Managed Fund

The Fund, which is managed by Peter Michaelis and Simon Clements, aims to deliver capital growth, as well as some level of income, 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's charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

	Class 2 Wholesale*	Class 3 Institutional
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Class of units		

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 18% of capital growth and income over five years, outperforming the average return of 10% by the IA Mixed Investment 20-60% Shares sector (which is the comparator benchmark). **

Over time, the Liontrust Sustainable Investment team believes 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. The team's investment process identifies companies benefiting from three areas of this shift – those making our economy cleaner, healthier and safer – and 20 investment themes within these.

The team believes most investors underestimate the speed, scale and persistency of such trends within the 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.

While the Fund has a strong long-term track record, it has faced headwinds over the last 12 months in the form of rising global interest rates. As investors have applied a higher discount rate to companies' future expected earnings, their present valuation has fallen – a pattern which has affected the Fund due to its growth bias and long-term investment horizon.

The asset allocation decisions have 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, the Fund has been overweight equities but last year this position was reduced back to neutral. The last time the Fund was neutral on equities was in February 2020 in advance of the initial pandemic fallout but moved back overweight a couple of months later as the team felt the long-term opportunity for equities was increasingly compelling post-

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**Source: Financial Express, as at 31.08.22, total return.



selloff. Within fixed income, the Fund has largely remained overweight credit and underweight gilts.

In managing the Fund, the team starts by looking for companies that address major societal issues over time. For example, the managers' focus as sustainable investors is not only on a cleaner and safer world in the future, but also one in which people are healthy enough to enjoy this. Healthcare sector investments have therefore been a key component of a transformative theme of Improved health. In broad terms, the key is to take a far more proactive stance in monitoring and preventing disease before it occurs. More specifically, investment themes such as Enabling innovation in healthcare and Providing affordable healthcare have both been integral to Fund performance. Top holdings in this area have included ThermoFisher Scientific and IQVIA.

Also among the top contributors to the five-year performance was Cadence Design Systems, part of the Improving the efficiency of energy use theme which contributes to making the economy cleaner. Cadence provides chip design software which delivers superior energy efficiency. It counts traditional chip manufacturers among its customers, as well as new customers who are investing in chip design, such as Amazon, Google and even Tesla.

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



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF 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 the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02%. The Fund has also benefited from a volume discount of 0.02%, passing on the available economies of scale to investors. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

^{***}Comparable market rates commentary is based on the Wholesale share class (the representative share class). The Institutional share class has a Green rating due to fee differences.

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. While the Fund has received Amber for performance, we understand why and have explained the reasons for this and we continue to keep the Fund under close review. The Fund has performed in line with expectations for the remaining criteria, and the Fund charges are justified given the overall value that has been delivered to investors.

	Class 2	Class 3	Class 6
	Wholesale*	Institutional	Wholesale
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 7.6% over five years, underperforming the average return of 15.6% by the IA Europe ex-UK sector and the MSCI Europe ex-UK index's return of 17.3%. **

Over time, the Liontrust Sustainable Investment team believes 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. The Sustainable Future investment process identifies companies benefiting from three areas of this shift – those making our economy cleaner, healthier and safer – and 20 investment themes within these.

The team believes 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 outperformance.

While the Fund has a strong long-term track record, it has faced headwinds over the last 12 months in the form of rising global interest rates. As investors have applied a higher discount rate to companies' future expected earnings, their present valuation has fallen – a pattern which has affected the Fund due to its growth bias and long-term investment horizon.

In managing the Fund, the team starts by looking for companies that address major societal issues over time. For example, their focus as sustainable investors is not only on a cleaner and safer world in the future, but also one in which people are healthy enough to enjoy this. Healthcare sector investments have therefore been a key component of a transformative theme of Improved health. In broad terms, the key is to take a far more proactive



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**Source: Financial Express, as at 31.08.22, total return.



stance in monitoring and preventing disease before it occurs. More specifically, investment themes such as Enabling innovation in healthcare and Providing affordable healthcare have both been integral to Fund performance.

The SF European Growth fund has provided investors with positive capital returns but behind the sector and the index. The Fund has underperformed significantly in the last year bringing down its previously good longer-term numbers. This is mainly due to competing against a defensively focused, value oriented, large cap index especially with the significant divergence between the returns of large and small cap stocks over the last year. Due to the relative underperformance versus the index and sector over the last year, the Fund will be monitored carefully over the next year.

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



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02% for certain classes. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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 and the Fund's charges are justified given the overall value that has been delivered to investors.



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	Class 2	Class 3
	Wholesale*	Institutional
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Class of units		

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 72% over five years to 31 August 2022, outperforming the average return of 49% by the IA Global sector and the 62% return by the MSCI World Index (both of which are comparator benchmarks). **

Over time, the Liontrust Sustainable Investment team believes 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. The Sustainable Future investment process identifies companies benefiting from three areas of this shift – those making our economy cleaner, healthier and safer – and 20 investment themes within these.

The team believes most investors underestimate the speed, scale and persistency of such trends within the 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 outperformance.

While the Fund has a strong long-term track record, it has faced headwinds over the last 12 months in the form of rising global interest rates. As investors have applied a higher discount rate to companies' future expected earnings, their present valuation has fallen – a pattern which has affected the Fund due to its growth bias and long-term investment horizon.

In managing the Fund, the team starts by looking for companies that address major societal issues over time. For example, the managers' focus as sustainable investors is not only on a cleaner and safer world in the future, but also one in which people are healthy enough to enjoy this. Healthcare sector investments have therefore been a key component of a transformative theme of Improved health. In broad terms, the key is to take a far more proactive

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**Source: Financial Express, as at 31.08.22, total return.



stance in monitoring and preventing disease before it occurs. More specifically, investment themes such as Enabling innovation in healthcare and Providing affordable healthcare have both been integral to Fund performance. Top holdings in this area have included ThermoFisher Scientific and IQVIA.

Also among the top contributors to the five-year performance was Cadence Design Systems, part of the Improving the efficiency of energy use theme which contributes to making the economy cleaner. Cadence provides chip design software which delivers superior energy efficiency. It counts traditional chip manufacturers among its customers, as well as new customers who are investing in chip design, such as Amazon, Google and even Tesla.

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



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02% for certain classes. The Fund has also benefited from a volume discount of 0.02% for certain classes, passing on the available economies of scale to investors. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment in the business.



Comparable services

We have assessed the charges of this Fund against other Liontrust funds and dedicated accounts set up for large institutional investors (such as pension funds) 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 services provided to institutional investors.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 capital growth, as well as some level of income, 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 and the Fund's charges are justified given the overall value that has been delivered to investors.

	Class 2	Class 3	Class 6	Class 7
	Wholesale*	Institutional	Wholesale	Institutional
Performance				
Quality of service				
AFM costs				
Comparable market rates				
Economies of scale				
Comparable services				
Class of units				

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 44% of capital growth and income over five years, outperforming the average return of 20% by the IA Mixed Investment 40-85% Shares sector (which is the comparator benchmark).**

Over time, the Liontrust Sustainable Investment team believes 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. The Sustainable Future investment process identifies companies benefiting from three areas of this shift – those making our economy cleaner, healthier and safer – and 20 investment themes within these.

The team believes 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 outperformance.

While the Fund has a strong long-term track record, it has faced headwinds over the last 12 months in the form of rising global interest rates. As investors have applied a higher discount rate to companies' future expected earnings, their present valuation has fallen – a pattern which has affected the Fund due to its growth bias and long-term investment horizon.

The asset allocation decisions for the Fund have had a positive impact, tactically adjusting exposure to equities, credit, government bonds and cash depending on conditions. For much of the last few years, the Fund has been overweight equities and credit and underweight government bonds and cash, but last year equities were reduced back to neutral. The last time the Fund was neutral on equities was in February 2020 in advance of the initial pandemic fallout but moved back overweight a couple of months later as the managers felt the long-term opportunity for equities was



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**Source: Financial Express, as at 31.08.22, total return.



compelling post-selloff.

In managing the Fund, the team starts by looking for companies that address major societal issues over time. For example, their focus as sustainable investors is not only on a cleaner and safer world in the future, but also one in which people are healthy enough to enjoy this. Healthcare sector investments have therefore been a key component of a transformative theme of Improved health. In broad terms, the key is to take a far more proactive stance in monitoring and preventing disease before it occurs. More specifically, investment themes such as Enabling innovation in healthcare and Providing affordable healthcare have both been integral to Fund performance. Top holdings in this area have included ThermoFisher Scientific and IQVIA.

Also among the top contributors to the Fund's five-year performance was Cadence Design Systems, part of the Improving the efficiency of energy use theme that contributes to making the economy cleaner. Cadence provides chip design software which delivers superior energy efficiency. It counts traditional chip manufacturers among its customers, as well as new customers who are investing in chip design, such as Amazon, Google and even Tesla.

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



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02% for certain classes. The Fund has also benefited from a volume discount of 0.03% for certain classes, passing on the available economies of scale to investors. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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, as well as some level of income, 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 and the Fund's charges are justified given the overall value that has been delivered to investors.



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	Class 2	Class 3
	Wholesale*	Institutional
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Class of units		

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 70% of capital growth and income over five years to 31 August 2022, outperforming the average return of 22% by the IA Flexible sector (which is the comparator benchmark).**

Over time, the Liontrust Sustainable Investment team believes 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. The Sustainable Future investment process identifies companies benefiting from three areas of this shift – those making our economy cleaner, healthier and safer – and 20 investment themes within these.

The team believes most investors underestimate the speed, scale and persistency of such trends within the 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 outperformance.

While the Fund has a strong long-term track record, it has faced headwinds over the last 12 months in the form of rising global interest rates. As investors have applied a higher discount rate to companies' future expected earnings, their present valuation has fallen – a pattern which has affected the Fund due to its growth bias and long-term investment horizon.

In managing the Fund, the team starts by looking for companies that address major societal issues over time. For example, the team's focus as sustainable investors is not only on a cleaner and safer world in the future, but also one in which people are healthy enough to enjoy this. Healthcare sector investments have therefore been a key component of a transformative theme of Improved health. In broad terms, the key is to take a far more proactive stance in monitoring and preventing disease before it occurs. More specifically, investment themes

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**Source: Financial Express, as at 31.08.22, total return.



such as Enabling innovation in healthcare and Providing affordable healthcare have both been integral to Fund performance. Top holdings in this area have included ThermoFisher Scientific and IQVIA.

Also among the top contributors to the Fund's five-year performance was Cadence Design Systems, part of the Improving the efficiency of energy use theme which contributes to making the economy cleaner. Cadence provides chip design software which delivers superior energy efficiency. It counts traditional chip manufacturers among its customers, as well as new customers who are investing in chip design, such as Amazon, Google and even Tesla.

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



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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. Due to the specialist nature of the Fund, there is a limited number of similar funds/share classes to compare against.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02% for certain classes. The Fund has also benefited from a volume discount of 0.02% for certain classes, passing on the available economies of scale to investors. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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. While the Fund has received an Amber for Comparable market rates, we have concluded that the Fund's charges are justified given the overall value that has been delivered to investors.



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**Source: Financial Express, as at 31.08.22, total return.

	Class 2	Class 3
	Wholesale*	Institutional
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Class of units		

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 18.7% over five years, in line with the 19.0% return of the MSCI United Kingdom Index but ahead of the 11.5% average return by the IA UK All Companies sector (both of which are comparator benchmarks). **

Over time, the Liontrust Sustainable Investment team believes 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. The Sustainable Future investment process identifies companies benefiting from three areas of this shift – those making the economy cleaner, healthier and safer – and 20 investment themes within these.

The managers 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 outperformance.

While the Fund has a strong long-term track record, it has faced headwinds over the last 12 months in the form of rising global interest rates. As investors have applied a higher discount rate to companies' future expected earnings, their present valuation has fallen – a pattern which has affected the Fund due to its growth bias and long-term investment horizon.

In managing the Fund, the managers start by looking for companies that address major societal issues over time. For example, their focus as sustainable investors is not only on a cleaner and safer world in the future, but also one in which people are healthy enough to enjoy this.

Among the top contributors to the five-year investment performance is Sofcat, part of the Enhancing digital security theme that contributes to making the economy



safer. Softcat is the UK's leading value-added reseller of IT software and equipment serving the fragmented SME market. The company's competitive advantage is based on its unique culture, which emphasises professionalism, meritocracy, competition and fun. This employee satisfaction drives best-in-class customer experience, high-recurring revenues and fast-increasing market share.

The Fund provided a positive return over the last five years and beat the returns of the sector. The highest fee class of the Fund slightly underperformed the index by 0.3%. The index is large cap biased and the impact of the energy stocks and the outperformance of the mid/small cap stocks held in the portfolio explain why the Fund struggled to beat the index. The main driver of the underperformance of this share class versus the index was the different fee rather than the underlying investment decisions.

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



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF 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 the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.03% for certain classes. The Fund has also benefited from a volume discount of 0.01% for certain classes, passing on the available economies of scale to investors. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

***Comparable market rates commentary is based on the Wholesale share class (the representative share class). The Institutional share class has a Green rating due to fee differences.

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. While the Fund has received an Amber for Comparable market rates, we have concluded that the Fund's charges are justified given the overall value that has been delivered to investors.



[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 31.08.22, total return.

	Class 2	Class 3	Class M	Class 6
	Wholesale*	Institutional	Institutional	Wholesale
Performance				
Quality of service				
AFM costs				
Comparable market rates				
Economies of scale				
Comparable services				
Class of units				

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 13.7% over five years, outperforming the average return of 11.5% by the IA UK All Companies sector but behind the MSCI UK index's return of 19.0%. **

Over time, the Liontrust Sustainable Investment team believes 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. The Sustainable Future investment process identifies companies benefiting from three areas of this shift – those making our economy cleaner, healthier and safer – and 20 investment themes within these.

The team believes 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 outperformance.

While the Fund has a strong long-term track record, it has faced headwinds over the last 12 months in the form of rising global interest rates. As investors have applied a higher discount rate to companies' future expected earnings, their present valuation has fallen – a pattern which has affected the Fund due to its growth bias and long-term investment horizon.

In managing the Fund, the team starts by looking for companies that address major societal issues over time. For example, their focus as sustainable investors is not only on a cleaner and safer world in the future, but also one in which people are healthy enough to enjoy this. Healthcare sector investments have therefore been a key component of a transformative theme of Improved health. In broad terms, the key is to take a far more proactive stance in monitoring and preventing



disease before it occurs. More specifically, investment themes such as Enabling innovation in healthcare and Providing affordable healthcare have both been integral to Fund performance.

The SF UK Growth Fund has provided investors with positive capital returns ahead of the sector but behind the index. The Fund has underperformed the index significantly in the last year bringing down its good longer-term numbers. This is mainly due to the significant divergence between the returns from large and small cap stocks over the last year. The MSCI UK index comprises the largest 82 companies listed in the UK. Many of the larger UK stocks include energy, materials and oil companies that do not meet the sustainable criteria of the Sustainable Future investment process. Investors are well aware of the positioning of the Sustainable Investment team's SF UK Growth Fund and that at these times the Fund is likely to underperform and so has performed in line with investors' expectations.

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



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF 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 the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.03% for certain classes. The Fund has also benefited from a volume discount of 0.01% for certain classes, passing on the available economies of scale to investors. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

***Comparable market rates commentary is based on the Wholesale share class (the representative share class). The Institutional share class has a Green rating due to fee differences.

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 and the Fund's charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

	Class 2	Class 3	Class 6
	Wholesale*	Institutional	Wholesale
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned -5.5% over five years compared with -4.5% from the Markit iBoxx Sterling Corporate All Maturities Index and the IA Sterling Corporate Bond sector average of -2.5% (both of which are comparator benchmarks). **

The Liontrust Sustainable Investment team believes focusing on more sustainable parts of the bond markets and avoiding companies and sectors challenged by environmental and societal considerations can drive performance. The managers invest in businesses providing solutions to the world's problems and couple this with strong credit fundamentals and, most importantly, attractive valuations. Combining all three elements – sustainability, value and fundamentals – has helped steer the team through volatile markets and deliver strong returns over the long term.

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 have done so with considerable volatility.

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

On top of the high-quality core credit portfolio, the managers believe a flexible approach to managing interest rate risk can enhance returns. For the vast majority of the five-year period, the Fund was short duration relative to the benchmark index due to unprecedented supply and reflation risks. Following

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**Source: Financial Express, as at 31.08.22, total return.



a sharp rise in gilt yields during 2022, the managers believed UK government bond yields were above fair value, and they closed off the long-standing short duration position

The Fund met its income target over the period, but the Fund failed to provide a positive total return over the last five years in line with the negative returns of the benchmark and sector index. The lowest fee class of the Fund did outperform the index suggesting that the main driver of the underperformance of the other share classes versus the index was the different fee levels rather than the underlying investment decisions.

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



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02% for certain classes. The Fund has also benefited from a volume discount of 0.01% for certain classes, passing on the available economies of scale to investors. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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 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). The Fund has the flexibility to change duration depending on movements in interest rates. All investments are expected to conform to the ESG criteria.



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 and the Fund's charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

	Class B	Class P	Class Z
	Direct Retail*	Direct Retail	Zero Fee
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned -1.5% over five years**, outperforming the -2.5% average return from the IA Sterling Corporate Bond sector (the comparator benchmark) and -4.5% 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. Only one of the share classes produced a positive total return over the period.

The Liontrust Sustainable Investment team believes that focusing on more sustainable parts of the bond markets and avoiding companies and sectors challenged by environmental and societal considerations can drive performance. The managers invest in businesses providing solutions to the world's problems and couple this with strong credit fundamentals and, most importantly, attractive valuations. Combining all three elements – sustainability, value and fundamentals – has helped steer the team through volatile markets and deliver strong returns over the long term.

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 have done so with considerable volatility.

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

On top of their high-quality core credit portfolio, the managers believe a flexible approach to managing interest rate risk can enhance returns. For

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**Source: Financial Express, as at 31.08.22, total return.



the vast majority of the five-year period, the Fund was short duration relative to the iBoxx Sterling 5-15 Years Index due to unprecedented supply and reflation risks. Following a sharp rise in gilt yields during 2022, the managers believed UK government bond yields were above fair value and they closed off the long-standing short duration position.

All share classes of the Fund met their performance targets even though all but one did not provide a positive capital return over the period. Given that the reference bond benchmark and sector also failed to provide positive total returns, and the Fund outperformed these benchmarks across the share classes, the Fund is considered to have met its performance objectives.

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



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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 Global Equity team headed by Robin Geffen manages 10 global, regional and emerging markets funds and moved to Liontrust in October 2019 as part of the acquisition of Neptune Investment Management. Robin has more than 40 years of investment experience having previously worked at Charterhouse J Rothschild, Eagle Star, York Trust Plc, Scottish Equitable and Orbitex Investments. The other managers of the Global Equity funds were all previously part of the investment team at Neptune as well.

Investment process

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

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 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.

Funds

- Liontrust Balanced Fund
- Liontrust China Fund
- Liontrust Emerging Markets Fund
- Liontrust Global Alpha Fund
- Liontrust Global Smaller Companies Fund
- Liontrust Global Technology Fund
- Liontrust India Fund
- Liontrust Japan Equity Fund
- Liontrust Latin America Fund
- Liontrust Russia Fund (suspended, see pages 152 to 153)

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. We have concluded that the Fund has performed in line with expectations and the Fund's charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

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**Source: Financial Express, as at 31.08.22, total return, bid-to-bid, net of fees, income reinvested.

	Class A	Class B	Class C	Class D
	Legacy retail	Direct retail	Wholesale*	Institutional
Performance				
Quality of service				
AFM costs				
Comparable market rates				
Economies of scale				
Comparable services				
Class of units				

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 42.8% over five years, outperforming the IA Mixed Investment 40-85% Shares sector (comparator benchmark) average return of 20.0%. **

The main driver of returns for the Fund has been its 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 for 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 Palo Alto Networks.

More recently, the macro-economic environment of 2022 has created headwinds for the Fund's investment approach, with central banks raising interest rates to tackle rising inflation. Companies with strong growth expectations have higher sensitivity to interest rate changes than those with lower growth prospects, with the market discounting future earnings more heavily and bringing down their present valuation as a result. This shift has hit the Fund's performance given its bias to high-quality growth.

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, Deep Technology, Positive Change and Entrepreneurial Vision will, the manager believes, guide the Fund towards those companies that will change the world as we adapt going forward.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.***

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02% for certain classes. The Fund has also benefited from a volume discount of 0.01% for certain classes, passing on the available economies of scale to investors. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

For a second year running, as part of our annual review of share class appropriateness we have written to investors who remain in a certain older retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. For an explanation of the different share classes, please go to page 25.

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

***Comparable market rates commentary is based on the Wholesale share class (the representative share class). The Legacy and Direct Retail share classes have an Amber rating due to their higher fees which have been further analysed and concluded to be reasonable.

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. While the Fund has received Amber for performance, we understand why and have explained the reasons for this and we continue to keep the Fund under close review. The Fund has performed in line with expectations for the remaining criteria, and we have concluded that the Fund charges are justified given the overall value that has been delivered to investors.



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 31.08.22, total return, net of fees, income reinvested.

	Class A	Class B	Class C
	Legacy retail	Direct retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 0.1% over five years, outperforming the MSCI China Index return of -1.6% but underperforming the IA China/Greater China sector average return of 18.5%** (both comparator benchmarks). The retail class provided a negative return and underperformed both the index and sector.

The Fund's investment process seeks emerging leaders – those companies that are well positioned in a fast-changing China.

In terms of recent drivers of performance, the Covid pandemic and government regulation of 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. The Fund's regulatory limits dictate a maximum 10% position in an individual stock, and therefore an underweight to these two companies has ultimately been a drag on performance.

Following last year's review of the China Fund, a number of changes were made to the investment process and team. Following these changes, the performance of the Fund has seen some improvement, however it is still too soon to draw any conclusions on the effect of the changes and a full review will be performed in the next year.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.03%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

For a second year running, as part of our annual review of share class appropriateness we have written to investors who remain in a certain older retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. For an explanation of the different share classes, please go to page 25.

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. While the Fund has received Amber for performance, we understand why and have explained the reasons for this and we continue to keep the Fund under close review. The Fund has performed in line with expectations for the remaining criteria, and we have concluded that the Fund charges are justified given the overall value that has been delivered to investors.

	Class C
	Wholesale
Performance	
Quality of service	
AFM costs	
Comparable market rates	
Economies of scale	
Comparable services	
Class of units	



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 1.4% over five years, underperforming the MSCI Emerging Markets Index and IA Global Emerging Markets (both comparator benchmarks) respective returns of 14.1% and 8.8%. *

The last five years have 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, when the Fund had expected a quicker recovery than we have seen.

The most notable single impact on performance has come from Brazil, where the manager's belief that low valuations would yield a relative recovery in the market has 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 Covid in the first quarter of 2020 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



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*Source: Financial Express, as at 31.08.22, total return, net of fees, income reinvested.



volatile asset class and there is a large dispersion of returns within the comparative sector. After last year's review of the Fund, a number of changes were made to the investment process and team. Following these changes, the performance of the Fund has yet to see a significant improvement, although it is still too soon to draw any conclusions on the effect of the changes and a full review will be performed in the next year.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. Overall, our investors have been able to benefit from an improvement in service as a result of reinvestment 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 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, with William Geffen becoming Deputy Manager in November 2021, 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 and the Fund's charges are justified given the overall value that has been delivered to investors.



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	Class A	Class B	Class C
	Legacy Retail	Direct Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 58.1% over five years, outperforming the MSCI All Country World Index return of 55.1% and the IA Flexible sector average return of 22.2% (both comparator benchmarks). ** The highest fee class of the Fund did underperform the index suggesting that the main driver of this was higher costs rather than investment performance.

Much of the Fund's performance can be attributed to a preference for high-quality growth stocks within the mid-cap area of the market, which have made strong gains over the past five years. An emphasis on the drivers of Science, Intellectual Property, Deep Technology, Positive 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 high-growth and, in the manager's view, underappreciated stocks within the US and the innovative nature of these companies, the Fund is currently finding the most opportunities in that market, with this regional allocation being a key driver of outperformance over the period.

The Fund maintains its overweight 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.

The macro-economic environment of 2022 has created considerable headwinds for the Fund's investment approach, with central banks around the world still raising interest rates to tackle rising inflation. Companies with strong growth expectations have higher sensitivity to interest rate changes than those with lower growth prospects, with the market discounting future earnings more

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**Source: Financial Express, as at 31.08.22, total return, net of fees, income reinvested.



heavily and bringing down their present valuation as a result. This shift has hit the Fund's performance given its bias to high-quality growth.

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. The top contributors to performance over the period were Twilio, RingCentral, Amazon, Nvidia and Horizon Therapeutics.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.***

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02% for certain classes. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

For a second year running, as part of our annual review of share class appropriateness we have written to investors who remain in a certain older retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. For an explanation of the different share classes, please go to page 25.

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

*Comparable market rates commentary is based on the Wholesale share class (the representative share class). The Legacy and Direct Retail share classes have an Amber rating due to their higher fees which have been further analysed and concluded to be reasonable.

Liontrust Global Smaller Companies Fund

The Fund is managed by Robin Geffen, with William Geffen becoming Deputy Manager in November 2021, 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 and the Fund's charges are justified given the overall value that has been delivered to investors.



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

*Source: Financial Express, as at 31.08.22, total return, net of fees, income reinvested.

	Class C
	Wholesale
Performance	
Quality of service	
AFM costs	
Comparable market rates	
Economies of scale	
Comparable services	
Class of units	



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 64.2% over five years, outperforming the MSCI ACWI Small Cap index return of 43.2% and the IA Global average return of 48.5% (both comparator benchmarks).*

The manager seeks companies that are capable of long-term growth using the five key drivers of Science, Intellectual Property, Deep Technology, Positive 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 in that market, 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, Rapid7 and Horizon Therapeutics among the top contributors over the period.

The macro-economic environment of 2022 has created considerable headwinds for the Fund's investment approach, with central banks around the world still raising interest rates to tackle rising inflation. Companies with strong growth expectations have higher sensitivity to interest rate changes than those with lower growth prospects, with the market discounting future earnings more heavily and bringing down their present valuation as a result. This shift has hit the Fund given its bias to high growth.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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 has been managed by Robin Geffen since 2018, with William Geffen becoming Deputy Manager in November 2021. The Fund 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. We have concluded that the Fund has performed in line with expectations and the Fund's charges are justified given the overall value that has been delivered to investors.



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*Source: Financial Express, as at 31.08.22, total return, net of fees, income reinvested.

	Class C
	Wholesale
Performance	
Quality of service	
AFM costs	
Comparable market rates	
Economies of scale	
Comparable services	
Class of units	



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 107.9% over five years, versus the MSCI World/Information Technology Index return of 143.2% and the IA Technology & Telecommunications sector average return of 93.5% (both comparator benchmarks).*

The Fund invests in high-quality technology stocks designed to future-proof an investor's portfolio, with the process focusing on investing in companies with underlying secular growth, strong economics and unique moats – all of which are abundant in this sector. Companies that meet these characteristics, are run by competent, shareholder-oriented management and are available for a price which offers a strong long-term return are added to and retained in the portfolio. The portfolio positions are initially sized on a risk basis and allowed to 'run' up to pre-determined limits or exited if the investment case deteriorates.

This Fund's underperformance versus its MSCI benchmark can mainly be attributed to a regulatory enforced underweight to two stocks that dominate the Index. Microsoft and Apple comprise over 35% of the Index and are the two stocks that have contributed most to the performance of the market over the period. The Fund is limited to a maximum holding of 10% in any one stock and thus has historically allocated a combined 15% to 19% total weighting in these two stocks.

The managers look at technological disruption, industry structure and corporate pricing power to identify the long-term strategic winners. Due to the '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.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.01%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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 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. We have concluded that the Fund has performed in line with expectations and the Fund's charges are justified given the overall value that has been delivered to investors.



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*Source: Financial Express, as at 31.08.22, total return, net of fees, income reinvested.

	Class C
	Wholesale
Performance	
Quality of service	
AFM costs	
Comparable market rates	
Economies of scale	
Comparable services	
Class of units	



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 33.3% over five years, versus the MSCI India Index (comparator benchmark) return of 67.3% and the IA India sector average return of 48.5%.*

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

The Liontrust India Fund underperformed over the five-year period primarily due to two poor years of performance in calendar years 2018 and 2019, during which the management of the Fund changed twice.

During 2018 and 2019, the Fund's performance suffered because of its exposure to medium-sized companies that underperformed the wider market due to 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, on the whole, 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 and the changed underlying conditions within the Indian economy, the decision was taken to exit stocks that were perceived to be 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 the 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 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 by both factors.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.03%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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 and the Fund's charges are justified given the overall value that has been delivered to investors.



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	Class B	Class C
	Direct Retail	Wholesale*
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Class of units		

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 24.5% over five years, outperforming the TOPIX Index return of 17.7% and beating the IA Japan sector average of 21.2% (both comparator benchmarks). **

The Fund's outperformance was largely driven by the portfolio's overweight position in the more 'value' as opposed to 'growth' category sectors, especially industrials and materials.

From early 2018, these core holdings began to be more negatively impacted by fears of a US-China trade war that investors assumed would result from ex-President Trump's actions. 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.

However, as 2021 progressed, the value versus growth battle began to reverse sharply as the Covid pandemic appeared to have run its course, so ending the huge growth spurt enjoyed by the e-commerce/technology related stocks. Their double-derating has continued across 2022, firstly due to their less rapid earnings progression and secondly as higher interest rates disproportionately negatively impact longer duration assets.

By contrast, the more value-orientated stocks held by the Fund have come into their own, partly due to their lowly rating, being less affected by rate moves and having been largely ignored for two to three years as investors failed to grasp both the strength of their balance sheets and their potential profits growth. In fact, many stood to benefit from disruptions to component/material supplies as they were able to pass on costs and often exploit their position as one of the few remaining global providers of such items in much shrunken industries with few competitors.

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**Source: Financial Express, as at 31.08.22, 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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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. While the Fund has received Amber for performance, we understand why and have explained the reasons for this and we continue to keep the Fund under close review. The Fund has performed in line with expectations for the remaining criteria, and we have concluded that the Fund charges are justified given the overall value that has been delivered to investors.

	Class C
	Wholesale
Performance	
Quality of service	
AFM costs	
Comparable market rates	
Economies of scale	
Comparable services	
Class of units	



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned -0.9% over five years, underperforming the MSCI EM Latin America Index (comparator benchmark) return of 1.7% but better than the IA Latin America sector return of -4.5%.*

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 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).

Investors in the Fund have not benefited from capital growth over the five-year period, and although outperforming the sector, it has delivered slightly less than the index returns. There has been significant volatility in the Latin America markets and the Fund has underperformed significantly in the last year, bringing down its longer-term numbers as it has been negatively impacted by a number of investments in smaller companies. The Fund has delivered good relative performance over periods greater than five years but due to the



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*Source: Financial Express, as at 31.08.22, total return, net of fees, income reinvested.



negative capital return and underperformance versus the index, the Fund has been marked Amber and will be monitored carefully over the next year.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.03%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.



ASSESSMENT OF FUNDS

GLOBAL INNOVATION TEAM

Global Innovation team

The three-strong Global Innovation team is co-headed by James Dowey and Storm Uru who are supported by Clare Pleydell-Bouverie. James and Storm jointly developed the Global Innovation investment process. The three managers joined Liontrust as part of the acquisition of Neptune Investment Management in October 2019. James has 16 years of industry experience and has researched and taught the history of innovation at the London School of Economics, Storm has 10 years' industry experience and Clare undertook third-party research for private equity firms across a variety of industries before moving to Neptune.

Investment process

The team seeks to generate strong returns by investing in innovative companies. They believe that innovation is the single most important driver of stock returns, underpinned by three pillars:

- Innovative companies deliver superior operational performance and shareholder returns over the long run.
- Innovation is much more than technology and is the key to success in every sector.
- Innovation is complementary to the traditional investment styles of value and quality, and is a key part of an investment portfolio in the 21st century.

Stage 1

The team sets their investible universe to only those companies that are listed, liquid (with a market capitalisation above \$1 billion at the time of purchase) and have the resources to innovate (based on metrics of financial strength).

Stage 2

The team manages the Global Innovation 200 watchlist, an ever-evolving list of the most innovative companies around the world across all sectors and regions. Every company that makes it onto the list has four attributes:

- **Innovation:** Creates genuine value for customers by driving down prices or providing more for its customers' money.
- **Barrier:** Has strong barriers to competition to capture value for shareholders.
- **Management:** Has good management with the right incentives and ability to execute.
- **Cash returns on capital:** Can convert its investments in innovation into cash.

Stage 3

The team identifies the price they are willing to pay for a company using a 10-year DCF model. Their hurdle to invest is an anticipated 15% annual compound return. As part of valuation the team conducts a risk assessment, covering financial, disruptive innovation and ESG factors.

Stage 4

The team manages the portfolio based on the following principles:

- Stock weights are determined by each stock's current valuation upside and its contribution to the diversification of the portfolio.
- Portfolio fundamentals are monitored through management meetings, company results, and announcements and industry research.
- The team's typical intended holding period is three to five years. Stocks are sold for three reasons: they hit their target price, a better opportunity is identified on the watchlist or there is a breakdown in fundamentals.

Funds

- Liontrust Global Dividend Fund
- Liontrust Global Innovation Fund

Liontrust Global Dividend Fund

The Fund was launched in 2012. Storm Uru started managing the Fund in August 2017 and was joined by James Dowey in February 2021 and Clare Pleydell-Bouverie in 2022. They have jointly developed the Global Innovation 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. We have concluded that the Fund has performed in line with expectations and the Fund's charges are justified given the overall value that has been delivered to investors.



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

	Class B	Class C	Class M
	Direct Retail	Wholesale*	Institutional
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 70.9% over five years, outperforming the MSCI World return of 61.6% and the IA Global Equity Income sector average return of 37.2% (both comparator benchmarks). All share classes have also met their income objective. **

The Fund's investment process was overhauled from 2017 onwards 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.

Not every great innovation, however, 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.

The Fund has outperformed its MSCI World comparator benchmark and also outperformed its more representative average peer in the IA Global Equity Income sector. 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 Microsoft, Apple, Constellation Software, Alphabet and Intuit.

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

**Source: Financial Express, as at 31.08.22, 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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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 Dowe, Storm Uru and Clare Pleydell-Bouverie. James started managing the Fund in July 2019 and was joined by Storm in February 2021 and Clare in 2022. They have jointly developed the Global Innovation 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, Storm and Clare'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 Amber for performance, we understand why and have explained the reasons for this and we continue to keep the fund under close review. The Fund has performed in line with expectations for the remaining criteria and we have concluded that the Fund charges are justified given the overall value that has been delivered to investors.



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 31.08.22, total return, net of fees, income reinvested.

	Class A	Class B	Class C
	Legacy Retail	Direct Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 43.6% over five years, underperforming the MSCI All Country World index return of 55.1% and the IA Global sector average return of 48.5% (both comparator benchmarks).**

The Fund Management team changed in 2019 and the Fund's investment process was enhanced following this to focus on investing in innovative businesses based on the managers' belief that innovation is the biggest driver of shareholder returns. Innovative businesses have the potential to deliver high investment returns because they can grow at a low cost of growth. Not every great innovation, however, 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.

The initial performance following the change of manager/investment process was strong, but more recently the Fund has suffered poor relative performance versus the index and benchmark. All share classes have a positive return overall but given the large relative underperformance of the Fund over the last year, it has been marked as Amber. We will continue to closely monitor the performance of the Fund as it reaches its recommended holding period particularly with the changing market environment.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.01%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment in the business.



Comparable services

There are no Comparable services provided for this Fund.

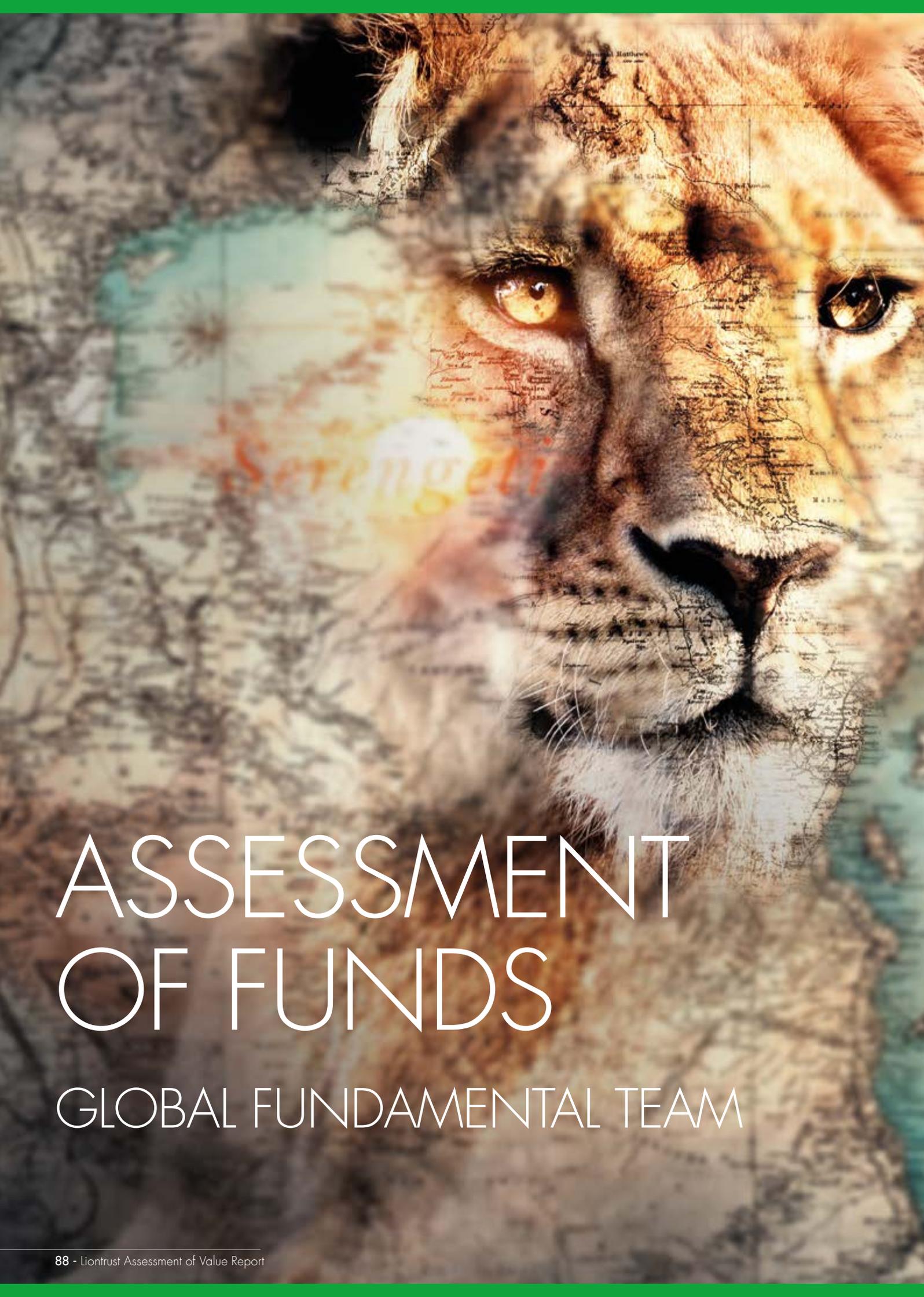


Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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.

For a second year running, as part of our annual review of share class appropriateness we have written to investors who remain in a certain older retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. For an explanation of the different share classes, please go to page 25.

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



ASSESSMENT OF FUNDS

GLOBAL FUNDAMENTAL TEAM



Global Fundamental team

Headed by James de Uphaugh, the Global Fundamental team has a track record of active management of equities for institutional investors, intermediaries and their clients since 2002. The team's offering initially focused on UK equities but expanded in 2007 to include a global long/short equity fund and again in 2014 to include US, Global and International equities strategies. Following the acquisition of Majedie Asset Management in 2022, the team brought their funds and expertise to Liontrust.

Investment process

At the core of the team's investment approach is deep, fundamental research driven by original thinking to find share price inflection points that can drive long-term performance.

The team is able to invest across sectors and markets and pays particular attention to ESG risks and opportunities as part of the investment process.

Digital technology underpins the research platform, and the team is structured to foster a robust and honest environment rich in dialogue and debate.

Funds

- Liontrust Income Fund
- Liontrust US Opportunities Fund

The other funds managed by the Global Fundamental team will be assessed in next year's Assessment of Value Report.

Liontrust Income Fund

In July 2022, Chris Field took over management of the Income Fund, supported by Dan Ekstein and James O'Connor. The Fund 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 economic recovery.



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 and the Fund's charges are justified given the overall value that has been delivered to investors.



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 31.08.22, total return, net of fees, income reinvested.

	Class A	Class B	Class C
	Legacy Retail	Direct Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 23.7% over five years, outperforming the FTSE All-Share Index return of 17.8% and the IA UK Equity Income sector average return of 12.0% (both comparator benchmarks). ** All share classes have also met their 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 stocks 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 without sacrificing capital.

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

Another driver of performance is the Fund's 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 helps the portfolio perform across the market cycle.

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 found in the UK market.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.03%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

For a second year running, as part of our annual review of share class appropriateness we have written to investors who remain in a certain older retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. For an explanation of the different share classes, please go to page 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. We have concluded that the Fund has performed in line with expectations and the Fund's charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

	Class A	Class B	Class C	Class D
	Legacy Retail	Direct Retail	Wholesale*	Institutional
Performance				
Quality of service				
AFM costs				
Comparable market rates				
Economies of scale				
Comparable services				
Class of units				

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has returned 95.3% over five years, outperforming the S&P 500 Index return of 88.6% and the IA North America (comparator benchmark) average return of 78.6%. ** The highest fee class of the Fund did underperform the index suggesting that the main driver of this was higher costs rather than investment performance.

The Fund's investment process is based on 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 between the winners and losers in 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 that 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 sector positions in keeping with the core and balanced approach.

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

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

**Source: Financial Express, as at 31.08.22, 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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

For a second year running, as part of our annual review of share class appropriateness we have written to investors who remain in a certain older retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. For an explanation of the different share classes, please go to page 25.

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 formed the Cashflow Solution team on joining Liontrust in March 2006 and was joined by Samantha Gleave in 2012. James and Samantha jointly manage the Cashflow Solution range of funds having first worked together in 1998 and with an average industry experience of 25 years. James previously managed funds at Fleming Investment Management, JP Morgan Fleming and Polar Capital. 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 fund managers focus on the historic cash flows generated and invested by companies to support their forecast profits growth. As forecasts are often unreliable, the scale of cash invested to support forecasts is key.

The fund managers seek to own 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.

To identify companies' annual cash flow, balance sheet development and valuation efficiently across all equity markets the fund managers have developed a simple screen as a starting point for further qualitative analysis. The investment screen consists of two cash flow ratios that are combined equally to highlight the process characteristics that they seek.

The two cash flow measures are:

- Cash flow relative to operating assets
- Cash flow relative to market value

Funds

- Liontrust European Dynamic Fund

Liontrust European Dynamic 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. We have concluded that the Fund has performed in line with expectations and the Fund's charges are justified given the overall value that has been delivered to investors.



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 31.08.22, total return, bid-to-bid, net of fees, income reinvested.

***Class S has less than 1 year Performance data available.

	Class B	Class I	Class R	Class S
	Direct retail	Wholesale*	Legacy Retail	Institutional
Performance				***
Quality of service				
AFM costs				
Comparable market rates				
Economies of scale				
Comparable services				
Class of units				

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The fund managers expect the Cashflow Solution investment process to deliver its strongest returns during bouts of market inflection. This certainly appears to have been the case over the last five years, with much of the Fund's good performance having accrued since the Covid-19 pandemic rocked markets in early 2020. The Fund has returned 46.1% (institutional, income class) over five years, well ahead of the 17.3% return of the MSCI Europe ex-UK Index and the 15.6% average of the IA Europe ex-UK sector, both of which are comparator benchmarks. **

For several years prior to this, 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 which looked expensive on conventional value 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 and financials were hit hardest due to their very uncertain trading outlook. Stock markets had slipped into very cheap territory 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 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. Specifically – 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. As the market subsequently rallied from its post-Covid lows, the managers shifted away from contrarian value picks and emphasised recovering value and momentum. More recently, as share valuations became more expensive and showed less dispersion across the market, they added some stocks with inexpensive defensive and quality characteristics.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

For a second year running, as part of our annual review of share class appropriateness we have written to investors who remain in a certain older retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. For an explanation of the different share classes, please go to page 25.

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

The Co-Heads of the Global Fixed Income team are Phil Milburn and Donald Phillips, who joined Liontrust to set up the team in early 2018. They were joined by Emma Veitch on 12 July 2022 with Sharmin Rahman moving to Liontrust to join the team on 1 August 2022. Before joining Liontrust, Phil had spent over 20 years at Kames Capital, launching one of the market's first strategic bond funds in 2003 and developing a leading high-yield franchise. Phil graduated from the University of Edinburgh in 1996 with a first-class MA in Economics. Donald had worked with Phil at Kames Capital for three years from 2005 to 2008, before moving to Baillie Gifford where he managed investments prior to joining Liontrust. Donald had been co-managing the European high-yield strategy at Baillie Gifford since 2010. More recently, he had been involved in the portfolio construction of a US high-yield fund. Sharmin joined from AXA Investment Managers where she had been a Senior Portfolio Manager and Analyst in the European High Yield team since July 2012, having 14 years' experience in total. Sharmin had assisted with the management of portfolios with more than €2 billion in assets. Emma returned to the fund management industry at the start of 2022 after a career break to raise her family and work in volunteer roles. Emma's previous role in asset management was as Senior Investment Analyst of UK companies at Aegon Asset Management from October 1993 to July 2000. Her volunteer roles included being Orchestra Manager of the Edinburgh Symphony Orchestra.

Investment process

The process is designed to take advantage of inefficiencies in fixed income markets 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 technical (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 Phil Milburn and Donald Phillips 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. The ESG characteristics of securities will be considered when selecting investments for the Fund.



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 and the Fund's charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

	Class B	Class M
	Direct retail*	Institutional
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Class of units		

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The fund managers have generated a positive return for the Fund since launch and – for the vast majority of the period – believed the levels of risk necessary to target substantially higher returns to be unacceptable. Since launch in May 2018, the Fund has returned 2.4% while the average return from the IA Sterling Strategic Bond sector, the Fund's comparator benchmark, was 4.2%. **

The fund managers do not believe in chasing risk for higher returns and have actively managed volatility to limit losses in down periods for markets. The investment process is designed to be flexible enough to enable the managers to buy when bond markets are cheap and risk is underpriced and sell when markets are expensive and is risk overpriced. The managers only commit cash when they believe investors will receive a return that justifies the risk, primarily buying large and liquid bonds in core, global markets.

For most of the period since the launch of the Fund, the managers have viewed government bond markets as incredibly expensive so they have restricted interest rate risk to less than half that of the global bond market. The Fund has typically carried between 2.5 and 3.0 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.

While the managers avoided exposing the Fund to beta risk (a bet on bond market direction), which they viewed as deeply unattractive, they have still been able to manage the positioning of the portfolio to seek to generate positive returns. These include asset allocation and credit selection.

Due to the sharp rise in government bond yields in 2022 – the result of rising

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**Source: Financial Express, as at 31.08.22, total return, net of fees, income reinvested.



interest rate expectations and, in the UK, a fiscal misstep from the government – the fund managers have recently increased duration to slightly above neutral (but still below the index average).

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 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; the investment adviser, however, still believes the sector remains the most appropriate one for comparison. Given the above, the Fund has been marked Green for performance.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment in the business.



Comparable services

We have assessed the charges of this Fund against other Liontrust funds and dedicated accounts set up for large institutional investors (such as pension funds) 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 services provided to institutional investors.



Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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), Mayank Markanday, Malachi Ferguson and Victor Alabrune, along with a three-strong Multi-Asset investment support team headed by Adrian Holmes. John was a co-founder and CIO of North Investment Partners before joining Liontrust in 2013 and was previously Director of Multi-Manager Investments at Henderson Global Investors. James joined in 2021 from Momentum Global Investment Management where he was Director of Investment Management. Mayank was previously at Architas and joined Liontrust as part of the acquisition of its UK Investment Business in 2020. Victor originally joined Liontrust after completing an internship in 2020 in the Portfolio & Data Insights team. Malachi was an Investment Analyst at LGPS Central before moving to Liontrust in 2022. David joined in 2022 from 4 Shires Asset Management where he had been an Investment Manager looking after private client portfolios.

Investment process for target risk funds

There are five key stages to the investment process for the target risk funds. The MA Monthly High Income and MA UK Equity funds use the last three parts of the investment process.

Strategic asset allocation (SAA)

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. The team gains access to the underlying fund managers to probe their thinking and evaluate their continued commitment.

Funds

- MA Active Dynamic Fund
- MA Active Growth Fund
- MA Active Progressive Fund
- NA Active Intermediate Income Fund
- MA Active Moderate Income Fund
- MA Active Reserve Fund
- MA Blended Growth Fund
- MA Blended Progressive Fund
- MA Blended Intermediate Fund
- MA Blended Moderate Fund
- MA Blended Reserve Fund
- MA Passive Dynamic Fund
- MA Passive Growth Fund
- MA Passive Progressive Fund
- MA Passive Intermediate Fund
- MA Passive Moderate Fund
- MA Passive Reserve Fund
- MA Passive Prudent Fund
- MA Monthly High Income Fund
- MA UK Equity Fund

Investment process for Real Assets

The Real Assets investment process seeks to combine asset classes, sectors and securities that deliver total returns above inflation over the long term. The process is unconstrained and dynamic, with a focus on listed private assets that can help diversify against traditional equities and bonds.

The process invests in both growth and defensive assets with the allocations changing according to the view of the business cycle. A combination of quantitative and qualitative signals leans the Fund into areas of the market that provide the best risk-adjusted outcomes.

The process selects securities with:

- **Real returns** – cash flows directly or indirectly linked to inflation and benefiting from secular trends
- **Strong corporate fundamentals** – transparent business models, appropriate leverage and high-quality management
- **Dividend sustainability** – a stable and/or growing dividend cover for income securities
- **Valuations** – not overpaying for assets

The fund managers aim to ensure there is no single risk or factor that dominates the overall risk of the portfolio. The fund managers construct the portfolio to seek to deliver alternative sources of risk and returns from traditional equities and bonds. As a daily dealing alternative fund, maintaining a high liquid profile is essential. Individual holding weights are determined by both conviction and liquidity.

Fund

- Liontrust MA Diversified Real Assets Fund

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 Amber for performance, we understand why and have explained the reasons for this and we continue to keep the Fund under close review. The Fund has performed in line with expectations for the remaining criteria, and we have concluded that the Fund charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

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**Source: Financial Express, as at 31.08.22, total return.

	Class A	Class R	Class S
	Direct Retail	Legacy Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) 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 except for two minor instances when it drifted marginally outside. But it was soon returned to being within the band limits without any fundamental change in its risk profile. We regard the Fund as being on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 26.4% over the last five years. ** Although not an official benchmark, the Fund sits in the IA Flexible Investment sector, which returned 22.2% over the same period.

Overall, performance of the Fund benefited from a higher allocation to equities compared to those funds in the Multi-Asset active range at the lower end of the risk scale. The strong performance of North American equities provided the biggest boost to returns but positive contributions were also provided by UK, Japan and Developed Asia equities. Emerging Markets and Europe were the only equity exposures that generated slightly negative returns. The Fund has a small exposure to alternatives and UK property, both of which also delivered slightly negative returns. The team still believes in the diversification benefits of these asset classes, however.

While the Fund has outperformed the IA Flexible Investment sector average on a cumulative basis over the past five years, we recognise the performance of all the share classes have been poor relative to their passive equivalents.



There have been developments in portfolio construction to align tactical asset allocations and fund selection with the aim to achieve more consistency going forward which should improve performance of all share classes versus their passive equivalents over the long term. The Fund will continue to be monitored over the next year and we would expect performance to improve as a result of the changes to portfolio construction.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.05%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

For a second year running, as part of our annual review of share class appropriateness we have written to investors who remain in a certain older retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. For an explanation of the different share classes, please go to page 25.

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. While the Fund has received Amber for performance, we understand why and have explained the reasons for this and we continue to keep the Fund under close review. The Fund has performed in line with expectations for the remaining criteria, and we have concluded that the Fund charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

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**Source: Financial Express, as at 31.08.22, total return.

	Class A	Class R	Class S
	Direct Retail	Legacy Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) 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 has delivered a return of 26.0% over the last five years. ** Although not an official benchmark, the Fund sits in the IA Flexible Investment sector, which returned 22.2% over the same period.

Emerging Markets was the only equity sector in which the Fund saw negative returns. North American equities provided the strongest source of returns but exposure to UK, Japan, European and Developed Asia equities within the MA Active range also delivered positive returns. Overall, the Fund benefited from a higher allocation to equities versus the funds at the lower end of the risk scale within the MA Active range. A relatively small exposure to global government bonds also provided a positive contribution, although small holdings in corporate bonds and UK property detracted from performance. The fund managers still believe in the diversification benefits of these asset classes, however.

While the Fund has outperformed the IA Flexible Investment sector average on a cumulative basis over the past five years, we recognise that the performance of all the share classes have been poor relative to their passive equivalents. There have been developments in portfolio construction to align tactical asset allocations and fund selection with the aim to achieve more consistency



going forward which should improve performance of all share classes versus their passive equivalents over the long term. The Fund will continue to be monitored over the next year and we would expect performance to improve as a result of the changes to portfolio construction.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.01%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

For a second year running, as part of our annual review of share class appropriateness we have written to investors who remain in a certain older retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. For an explanation of the different share classes, please go to page 25.

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. 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 management 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.



Go back to the Summary of the Assessment of Value table

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**Source: Financial Express, as at 31.08.22, total return.

	Class A	Class R	Class S
	Direct Retail	Legacy Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) 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 has delivered a return of 18.1% over the last five years. Although not an official benchmark, the Fund sits in the IA Mixed Investment 40-85% Shares sector, which returned 20.0% 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 its volatility over the period. Exposure to higher-risk assets provided the main positive contribution to the Fund's performance. With most of the portfolio invested in equities, the strong returns of stock markets globally over the past five years have supported its performance. The biggest holdings – UK and North American equities – delivered the most significant returns, with further contributions from Japan, Developed Asia and European equities. The main detractors from performance were corporate bonds and UK gilts, but other fixed income holdings, including global government bonds and high yield debt, did provide marginal support. Holdings in UK property and alternatives were also negatives.

Rising interest rates have hit bonds particularly hard over the last year as central banks have tightened monetary policy to tackle soaring inflation. However, the fund managers still firmly believe in the benefits of diversification over the longer term and that fixed income, including UK government and corporate bonds, has a role to play.



While the Fund has outperformed the IA Mixed Investment 40-85% Shares sector average on a cumulative basis over the past five years, we recognise that the performance of all the share classes have been poor relative to their passive equivalents. There have been developments in portfolio construction to align tactical asset allocations and fund selection with the aim to achieve more consistency going forward which should improve performance of all share classes versus their passive equivalents over the long term. The Fund will continue to be monitored over the next year and we would expect performance to improve as a result of the changes to portfolio construction.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF 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 the other classes of this fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.01%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

For a second year running, as part of our annual review of share class appropriateness we have written to investors who remain in a certain older retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. For an explanation of the different share classes, please go to page 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 Amber for performance, we understand why and have explained the reasons for this and we continue to keep the Fund under close review. The Fund has performed in line with expectations for the remaining criteria, and we have concluded that the Fund charges are justified given the overall value that has been delivered to investors.



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**Source: Financial Express, as at 31.08.22, total return.

	Class A	Class R	Class S
	Direct Retail	Legacy Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) volatility 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 as part of a total return of 12.2% over the last five years. Although not an official benchmark, the Fund sits in the IA Mixed Investment 20-60% Shares sector, which returned 10.4% over the same period. **

The diversified exposure of the Fund, including bonds, equities, UK property and alternative assets, has helped to deliver positive returns while limiting its volatility over the period. Exposure to higher risk assets provided the main positive contribution to performance. Approximately half of the portfolio is in equities and the relatively strong returns of stock markets globally were supportive. The biggest holdings – UK and US equities – delivered the most significant returns, with further contributions from Developed Asia, Japan and Emerging Markets equities as well as high yield debt.

The most significant detractors from performance were holdings in UK gilts and corporate bonds. For example, UK gilt prices fell by over 20% from a high in December 2021 to the end of August 2022. Holdings in UK property and alternatives also delivered negative performances.

Rising interest rates have hit bonds particularly hard over the last year as central banks have tightened monetary policy to tackle soaring inflation. However, the team still firmly believes in the benefits of diversification over the longer term and that fixed income, including UK and corporate bonds, has a role to play.



While the Fund has outperformed the IA Mixed Investment 20-60% Shares sector average on a cumulative basis over the past five years, we recognise that the performance of all the share classes have been poor relative to their passive equivalents. There have been developments in portfolio construction to align tactical asset allocations and fund selection with the aim to achieve more consistency going forward which should improve performance of all share classes versus their passive equivalents over the long term. The Fund will continue to be monitored over the next year and we would expect performance to improve as a result of the changes to portfolio construction.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.01%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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 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 Amber for performance, we understand why and have explained the reasons for this and we continue to keep the fund under close review. The Fund has performed in line with expectations for the remaining criteria, and we have concluded that the Fund charges are justified given the overall value that has been delivered to investors.



[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 31.08.22, total return.

	Class A	Class R	Class S
	Direct Retail	Legacy Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) volatility 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 as part of a total return of -1.3% over the last five years. Although not an official benchmark, the Fund sits in the IA Mixed Investment 0-35% Shares sector, which returned 3.2% over the same period.**

Exposure to higher risk assets provided the main positive contribution to the Fund's performance, including North American, UK, Developed Asia and Emerging Markets equities as well as high yield debt and convertibles. Their contributions were weighed down, however, by holdings in UK gilts and global government bonds. For example, UK gilt prices fell by over 20% from a high in December 2021 to the end of August 2022. Holdings in UK property and alternatives delivered flat or negative performances.

The diversified exposure of the Fund, including bonds, equities, UK property and alternative assets, would traditionally be expected to limit volatility, with bonds providing defensive support during equity sell-offs. But we are in a rare period of extreme stress in which normal asset class diversification has temporarily broken down and rising interest rates have hit bonds particularly hard over the last year. However, the fund managers still firmly believe in the benefits of diversification over the longer term and that fixed income, including UK and global government bonds, has a role to play.



While the Fund has outperformed the the IA Mixed Investment 0-35% Shares sector average on a cumulative basis over the past five years, we recognise that the performance of all the share classes have been poor relative to their passive equivalents. There have been developments in portfolio construction to align tactical asset allocations and fund selection with the aim to achieve more consistency going forward which should improve performance of all share classes versus their passive equivalents over the long term. The Fund will continue to be monitored over the next year and we would expect performance to improve as a result of the changes to portfolio construction.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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. Due to the specialist nature of the Fund, there is a limited number of similar funds/share classes to compare against.***

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.02%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

***Comparable market rates commentary is based on the Wholesale Share class (the representative share class). The Legacy and Direct Retail share classes have an Amber rating due to their higher fees which have been further analysed and concluded to be reasonable.

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. While the Fund has received Amber for performance, we understand why and have explained the reasons for this and we continue to keep the Fund under close review. The Fund has performed in line with expectations for the remaining criteria, and we have concluded that the Fund charges are justified given the overall value that has been delivered to investors.



[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 31.08.22, total return.

	Class A	Class R	Class S
	Direct Retail	Legacy Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) volatility while trying to maximise the total return to the investor which may be in the form of either income or capital growth. The Fund has a zero exposure to equities. 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 -5.1% over the last five years.**

The Fund's diversified exposure to fixed income, alternative assets and UK property is designed to limit the level of volatility but its zero exposure to equities does mean it is likely to deliver lower returns in comparison to relatively higher risk funds in rising markets.

Over the five-year period, the Fund's exposure to UK government bonds weighed the most on performance, but holdings in global government and corporate bonds were negatives too, as well as asset backed securities. UK property, high yield and convertible bonds and alternatives were positives. However, over the last year, the Fund was held back by its overweight exposure to fixed income, which has been hit hard by central banks raising rates sharply to tackle soaring inflation. Again, UK government bonds were the most significant detractor from performance. For example, UK gilt prices fell by over 20% from a high in December 2021 to the end of August 2022.

The Fund met its risk targets but had a negative absolute return over the last five years. We also recognise that the performance of all the share classes have been poor relative to their passive equivalents. There have been



developments in portfolio construction to align tactical asset allocations and fund selection with the aim to achieve more consistency going forward which should improve performance of all share classes versus their passive equivalents over the long term. The Fund will continue to be monitored over the next year and we would expect performance to improve as a result of the changes to portfolio construction.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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. Due to the specialist nature of the Fund, there is a limited number of similar funds/share classes to compare against.***

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.03%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

***Comparable market rates commentary is based on the Wholesale Share class (the representative share class). The Legacy and Direct Retail share classes have an Amber rating due to their higher fees which have been further analysed and concluded to be reasonable.

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's charges are justified given the overall value that has been delivered to investors.



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	Class A	Class R	Class S
	Direct Retail	Legacy Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) 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 has delivered a return of 28.0% over the last five years. **

All equity investments delivered positive returns for the Fund over five years. North American equities provided the strongest contribution but other equity sectors, including the UK, Japan, Developed Asia, Europe ex-UK and Emerging Markets, performed positively as well. The Fund benefited from its significantly higher allocation to equities compared with other MA Blended funds with lower risk ratings.

The Fund also benefited from having very limited exposures to fixed income and UK property, both of which have struggled over the last year in the face of sharply rising interest rates. Convertible bonds have delivered a positive return over five years for the Fund while the combined contribution from global government, high yield and corporate bonds was flat.

A convertible bond is a corporate debt instrument that pays regular income and returns capital at the end of a fixed term. It enables investors to convert the bonds into shares and allows holders to benefit from rises in share prices while retaining a degree of bond-like mitigation against market falls.

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

**Source: Financial Express, as at 31.08.22, 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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF 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 the other classes of this fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. Overall, our investors have been able to benefit from an improvement in service as a result of reinvestment 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 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 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. We have concluded that the Fund has performed in line with expectations and the Fund's charges are justified given the overall value that has been delivered to investors.

	Class A	Class R	Class S
	Direct Retail	Legacy Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) 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 has delivered a return of 19.7% over the last five years. **

All equity investments delivered positive returns for the Fund over five years. North American equities provided the strongest contribution but other equity sectors, including the UK, Japan, Developed Asia, Europe and Emerging Markets, performed positively as well. The Fund benefited from its higher allocation to equities compared with other MA Blended funds with lower risk ratings.

Performance of fixed income in the Fund was mixed, with convertibles positive, high yield bonds marginally so and corporate and UK and global government bonds in negative territory over five years. UK property and alternatives were both negatives. Exposure to bonds was negative across the board over the last year because of the headwinds created by rapidly rising interest rates and inflationary concerns. The fund managers still believe in the diversification benefits of fixed income, however. Alternative assets were also negative contributors. Two holdings – aircraft leasing and catastrophe reinsurance – faced issues over the five years linked to Covid halting air travel and extreme weather conditions.



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**Source: Financial Express, as at 31.08.22, 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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.***

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. Overall, our investors have been able to benefit from an improvement in service as a result of reinvestment 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 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.

***Comparable market rates commentary is based on the Wholesale Share class (the representative share class). The Legacy and Direct Retail share classes have an Amber rating due to their higher fees which have been further analysed and concluded to be reasonable.

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. We have concluded that the Fund has performed in line with expectations and the Fund's charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

	Class A	Class R	Class S
	Direct Retail	Legacy Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) 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 except for one instance in September 2021 when it drifted marginally outside. It was soon returned to being within the band limits without any fundamental change in its risk profile. We still regard the Fund as being on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 14.0% over the last five years. **

All equity investments delivered positive returns for the Fund over five years. North American equities provided the strongest contribution but other equity sectors, including the UK, Japan, Developed Asia, Europe and Emerging Markets, performed positively as well. The Fund benefited from its higher allocation to equities compared with other MA Blended funds with lower risk ratings.

As part of the Fund's alignment with its strategic asset allocation, it has a significant weighting in fixed income. Convertibles and high yield were the only fixed income sectors to deliver positively over the five-year period. Global government, corporate and inflation-linked bonds were negative while UK government bonds detracted the most from performance over the five years. UK gilt prices fell by over 20% from a high in December 2021 to the end of August 2022. UK property and alternatives were also negative contributors.

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**Source: Financial Express, as at 31.08.22, total return.



Over the long term, bonds have served as a diversifier versus equities. But the sharp rises in interest rates implemented by major central banks to control inflation in 2022 have been detrimental to both bonds and equities, and especially the former. However, the fund managers still believe in the diversification benefits of bonds.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.***

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. Overall, our investors have been able to benefit from an improvement in service as a result of reinvestment 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 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.

For a second year running, as part of our annual review of share class appropriateness we have written to investors who remain in a certain older retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. For an explanation of the different share classes, please go to page 25.

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

***Comparable market rates commentary is based on the Wholesale Share class (the representative share class). The Legacy and Direct Retail share classes have an Amber rating due to their higher fees which have been further analysed and concluded to be reasonable.

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. We have concluded that the Fund has performed in line with expectations and the Fund's charges are justified given the overall value that has been delivered to investors.



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 31.08.22, total return.

	Class A	Class R	Class S
	Direct Retail	Legacy Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) 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 except for two instances in September 2021 and July 2022, when it drifted marginally outside but it was soon returned to being within the band limits without any fundamental change in its risk profile. We regard the Fund as being on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 7.6% over the last five years. **

The strong performance of North American equities contributed the most to overall returns over five years, while exposure to UK, Japan, European and Developed Asia equities also delivered positive returns. Emerging Markets was the only equity sector to deliver marginally negative returns.

Returns from bonds were mixed and less favourable: convertible, corporate bonds and high yield were positive over the period but returns from UK and global government bonds were negative. UK property and alternatives were also negative performers.

As part of the Fund's alignment with its strategic asset allocation, the Fund has substantial exposure to fixed income and particularly UK gilts. Exposures to UK gilts and corporate bonds over the last year have significantly detracted from overall performance, although UK property was also a poor performer. For example, UK gilt prices fell by over 20% from a high in December 2021 to the end of August 2022. Over the long term, bonds have served as a



diversifier versus equities. But the sharp rises in interest rates implemented by major central banks to control inflation in 2022 have been detrimental to both bonds and equities, and especially the former. However, the team still believes in the diversification benefits of bonds.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.***

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. Overall, our investors have been able to benefit from an improvement in service as a result of reinvestment 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 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.

For a second year running, as part of our annual review of share class appropriateness we have written to investors who remain in a certain older retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. For an explanation of the different share classes, please go to page 25.

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

***Comparable market rates commentary is based on the Wholesale Share class (the representative share class). The Legacy and Direct Retail share classes have an Amber rating due to their higher fees which have been further analysed and concluded to be reasonable.

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. We have concluded that the Fund has performed in line with expectations and the Fund's charges are justified given the overall value that has been delivered to investors.



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

	Class A	Class R	Class S
	Direct Retail	Legacy Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) 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 except for three minor instances in 2022, when it drifted marginally outside but it was soon returned to being within the band limits without any fundamental change in its risk profile. We regard the Fund as being on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of -0.3% over the last five years. **

The Fund has seen mixed returns across asset classes. The strong performance of North American equities contributed the most to overall performance over five years, while exposure to UK, Japanese, European, Emerging Markets and Developed Asia equities also delivered positive returns. Returns from bonds were less favourable: convertibles and inflation-linked bonds were positive over the period but returns from government, high yield and global government and corporate bonds were negative. UK property and alternatives were also negative.

As part of the Fund's alignment with its strategic asset allocation, it has an overweight exposure to fixed income and particularly UK gilts. Exposure to bonds over the last year, and especially to UK gilts, has been the most significant detractor from overall performance. For example, UK gilt prices fell by over 20% from a high in December 2021 to the end of August 2022. Over the long term, bonds have served as a diversifier versus equities. But the sharp rises in interest rates implemented by major central banks to control

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**Source: Financial Express, as at 31.08.22, total return.



inflation in 2022 have been detrimental to both bonds and equities, and especially the former. However, the fund managers still believe in the diversification benefits of fixed income, which provides income and inflation protection.

The Fund met its risk targets but had a negative absolute return over the last five years. Given its main exposure is to lower-risk assets such as bonds, which have not had a positive return over the same period, no further review is necessary.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.***

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.01%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

For a second year running, as part of our annual review of share class appropriateness we have written to investors who remain in a certain older retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. For an explanation of the different share classes, please go to page 25.

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

***Comparable market rates commentary is based on the Wholesale Share class (the representative share class). The Legacy and Direct Retail share classes have an Amber rating due to their higher fees which have been further analysed and concluded to be reasonable.

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 and the Fund's charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

	Class A	Class D	Class R	Class S	Class Z
	Direct Retail	Wholesale	Legacy Retail	Wholesale*	Zero Fee
Performance					
Quality of service					
AFM costs					
Comparable market rates					
Economies of scale					
Comparable services					
Class of units					

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) 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 except for one minor instance in September 2021 when it drifted marginally outside, but it was soon returned to being within the band limits without any fundamental change in its risk profile. We regard the Fund as being on track to meet the expected level of volatility over the long term.

The Fund has delivered a return of 36.8% over the last five years. **

The Fund is heavily weighted towards equities and has zero exposure to fixed income, which has benefited its performance compared to those MA Passive funds at the lower end of the risk scale.

All of the Fund's equity positions delivered positive performance over five years, especially those in the North American and UK sectors in which nearly half of the portfolio is invested. Other equity markets, including Japan, Europe, Emerging Markets and Developed Asia, as well as UK property, were also positive contributors.

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**Source: Financial Express, as at 31.08.22, 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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.***

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.05%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

***Comparable market rates commentary is based on the Wholesale Share class (the representative share class). The Legacy and Direct Retail share classes have an Amber rating due to their higher fees which have been further analysed and concluded to be reasonable.

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 and the Fund's charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

	Class A	Class D	Class R	Class S	Class Z
	Direct Retail	Wholesale	Legacy Retail	Wholesale*	Zero Fee
Performance					
Quality of service					
AFM costs					
Comparable market rates					
Economies of scale					
Comparable services					
Class of units					

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) 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 has delivered a return of 36.2% over the last five years. **

The Fund is heavily weighted towards equities and has a very small exposure to fixed income, which has benefited its performance compared to those MA Passive funds at the lower end of the risk scale.

All of the Fund's equity positions delivered positive performance, especially those in the North American and UK sectors in which more than half of the portfolio is invested. Other equity markets, including Japan, Europe, Emerging Markets and Developed Asia, as well as UK property, were also positive contributors.

The only negative contributions to performance were the Fund's investments in corporate and global government bonds, but these had very limited impact overall. Generally, fixed income has struggled over the last year as central banks raised interest rates sharply to counter soaring inflation. However, the fund managers continue to believe in the diversification benefits of fixed income.

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**Source: Financial Express, as at 31.08.22, 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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.***

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.01%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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.

***Comparable market rates commentary is based on the Wholesale share class (the representative share class). The Legacy and Direct Retail share classes have an Amber rating due to their higher fees which have been further analysed and concluded to be reasonable.

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 and the Fund's charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

	Class A	Class D	Class R	Class S	Class Z
	Direct Retail	Wholesale	Legacy Retail	Wholesale*	Zero Fee
Performance					
Quality of service					
AFM costs					
Comparable market rates					
Economies of scale					
Comparable services					
Class of units					

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) 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 has delivered a return of 27.6% over the past five years. **

All of the Fund's equity positions delivered positive performance. The strong performance of North American equities provided the biggest contribution while other equity markets, including the UK, Japan, Europe, Emerging Markets and Developed Asia, as well as UK property, were also positive contributors. Overall, the Fund benefited from a higher allocation to equities, including a significant exposure to US equities, compared to those MA Passive funds at the lower end of the risk scale.

The Fund has a relatively small exposure to bonds, which was also helpful given that the asset class has struggled over the last year as central banks raised interest rates sharply to counter soaring inflation. The Fund's holdings in UK and global government and corporate bonds all delivered negative contributions. However, the fund managers continue to believe in the diversification benefits of fixed income.

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**Source: Financial Express, as at 31.08.22, 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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.***

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. Overall, our investors have been able to benefit from an improvement in service as a result of reinvestment 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 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.

***Comparable market rates commentary is based on the Wholesale Share class (the representative share class). The Legacy and Direct Retail share classes have an Amber rating due to their higher fees which have been further analysed and concluded to be reasonable.

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 and the Fund's charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

	Class A	Class D	Class R	Class S	Class Z
	Direct Retail	Wholesale	Legacy Retail	Wholesale*	Zero Fee
Performance					
Quality of service					
AFM costs					
Comparable market rates					
Economies of scale					
Comparable services					
Class of units					

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) 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 has delivered a return of 19.8% over the last five years. **

Overall, having more than half of its investments in equities proved to be beneficial for the Fund versus other MA Passive funds in the range at the lower end of the risk scale.

The best contribution to performance came from its investment in North American equities. Positive contributions also came from UK, Europe, Japan, Emerging Markets and Developed Asia equities as well as UK property.

Fixed income has struggled over the last year because of the environment of sharply rising interest rates as central banks moved to tackle soaring inflation. Despite this, the Fund's corporate bond investments still performed positively and its exposure to global government bonds was only marginally negative. However, a significant investment in UK government bonds was the most damaging to performance.

Despite the negative performance in bonds, the fund managers still believe in the diversification benefits of the asset class over the longer term.

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

**Source: Financial Express, as at 31.08.22, 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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.***

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. Overall, our investors have been able to benefit from an improvement in service as a result of reinvestment 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 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.

***Comparable market rates commentary is based on the Wholesale Share class (the representative share class). The Legacy and Direct Retail share classes have an Amber rating due to their higher fees which have been further analysed and concluded to be reasonable.

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 and the Fund's charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

	Class A	Class D	Class R	Class S	Class Z
	Direct Retail	Wholesale	Legacy Retail	Wholesale*	Zero Fee
Performance					
Quality of service					
AFM costs					
Comparable market rates					
Economies of scale					
Comparable services					
Class of units					

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) 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 has delivered a return of 12.9% over the last five years. **

A positive return has been delivered over the five-year period despite a significant exposure to fixed income, which has struggled over the last year because of the environment of sharply rising interest rates as central banks moved to tackle soaring inflation. Significant investment in UK government bonds was the most damaging to performance but corporate and global government bonds also performed poorly.

More substantial positive contributions were provided, however, by North American, UK, Europe, Japan, Emerging Markets and Developed Asia equities as well as UK property.

Despite the negative performance in bonds, the fund managers still believe in the diversification benefits of the asset class over the longer term.

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**Source: Financial Express, as at 31.08.22, 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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.***

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. Overall, our investors have been able to benefit from an improvement in service as a result of reinvestment 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 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.

***Comparable market rates commentary is based on the Wholesale Share class (the representative share class). The Legacy and Direct Retail share classes have an Amber rating due to their higher fees which have been further analysed and concluded to be reasonable.

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 and the Fund's charges are justified given the overall value that has been delivered to investors.



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 31.08.22, total return.

	Class A	Class D	Class R	Class S	Class Z
	Direct Retail	Wholesale	Legacy Retail	Wholesale*	Zero Fee
Performance					
Quality of service					
AFM costs					
Comparable market rates					
Economies of scale					
Comparable services					
Class of units					

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (15 years) 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 has delivered a return of 8.8% over the past five years. **

A positive return has been delivered over the five-year period despite a significant exposure to fixed income, which has struggled over the last year because of the environment of sharply rising interest rates as central banks moved to tackle soaring inflation. Significant investment in UK government bonds was the most damaging to performance but corporate and global government bonds performed poorly as well.

This was more than countered, however, by positive contributions from North American, UK, Europe, Japan, Emerging Markets and Developed Asia equities as well as UK property.

Despite the negative performance in bonds, the fund managers still believe in the diversification benefits of the asset class over the longer term.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.***

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. Overall, our investors have been able to benefit from an improvement in service as a result of reinvestment 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 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.

For a second year running, as part of our annual review of share class appropriateness we have written to investors who remain in a certain older retail share class of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. For an explanation of the different share classes, please go to page 25.

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

***Comparable market rates commentary is based on the Wholesale Share class (the representative share class). The Legacy and Direct Retail share classes have an Amber rating due to their higher fees which have been further analysed and concluded to be reasonable.

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 and the Fund's charges are justified given the overall value that has been delivered to investors.



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 31.08.22, total return.

	Class A	Class D	Class R	Class S	Class Z
	Direct Retail	Wholesale	Legacy Retail	Wholesale*	Zero Fee
Performance					
Quality of service					
AFM costs					
Comparable market rates					
Economies of scale					
Comparable services					
Class of units					

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, 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 (seven years) 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 has delivered a return of 9.1% over the last five years.** The Fund has met its stated investment objective of achieving capital growth and income in absolute terms.

The Fund has seen positive returns across all its equities exposure over five years. The strong performance of North American equities provided the biggest contribution while other equity markets including the UK, Europe, Japan, Emerging Markets and Developed Asia were also positive contributors.

As part of the Fund's alignment with its strategic asset allocation, the Fund is underweight equities, however, and has substantial exposure to fixed income and particularly UK gilts. Fixed income investments were negative across the board, with UK gilts being the most significant detractor from performance but holdings in corporate, global government and inflation-linked bonds also weighed on performance. Fixed income generally has struggled over the past year because of concerns over inflation and sharp rises in interest rates as central banks endeavoured to tackle it. Overall, bonds continue to meet four roles over the long term: providing some income, capital preservation, inflation protection and diversification from equities.

The Fund's exposure to UK property performed positively over the period.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.***

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. Overall, our investors have been able to benefit from an improvement in service as a result of reinvestment 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 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.

***Comparable market rates commentary is based on the Wholesale Share class (the representative share class). The Legacy and Direct Retail share classes have an Amber rating due to their higher fees which have been further analysed and concluded to be reasonable.

Liontrust MA Monthly High Income Fund

The Fund, which is managed by Mayank Markanday, 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 and the Fund's charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

	Class A	Class R	Class S
	Direct Retail	Legacy Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has delivered a return of -2.7% over the last five years and achieved an annual historic yield of 3.3% 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, which returned 3.2%. This is not an official benchmark, however, and not all these peers are income focused.**

A significant majority of the Fund is invested in fixed income, which has struggled in the rising interest rate environment this year as central banks tightened monetary policy to tackle soaring inflation. Exposure to Emerging Markets, UK government (gilts) and corporate bonds detracted the most from performance, although this was ameliorated to some extent by positive contributions from high yield, strategic and global government bonds. Despite the poor returns in 2022 from fixed income, the fund managers still believe in the diversification and capital preservation benefits of the asset class over the long term.

The inclusion of some equity exposure within the Fund did contribute positively to performance, although this asset class also struggled this year, albeit to a lesser extent than bonds. The strongest contribution to performance came from US equities, but UK, European and Emerging Markets equities were all positive as well. Global equities did detract from performance, however.

Alternative assets also performed relatively well, with investments in renewable energy, asset-backed securities and property providing positive returns. The only drag on performance within alternatives came from holdings in loans and asset leasing, which involved acquiring and leasing aircraft and was significantly impacted by a virtual halt to air travel during the pandemic.

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

**Source: Financial Express, as at 31.08.22, total return.



The Fund has delivered a high yield with monthly payments over five years and met its investment objective. Investors are aware the Fund's focus on monthly income may come at the expense of capital returns and that the Fund may lag a total return benchmark.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.04%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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 MA UK Equity Fund

The Fund, which is managed by James Klempster, 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 have concluded that the Fund has performed in line with expectations and the Fund's charges are justified given the overall value that has been delivered to investors.



Go back to the Summary of the Assessment of Value table

	Class A	Class R	Class S
	Direct Retail	Legacy Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has delivered a return of 14.3% over five years.** It has also outperformed the average returns of its peers in the IA UK All Companies sector of 11.5%. The highest fee class of the Fund did underperform the sector, suggesting that the main driver of this was higher costs rather than investment performance.

A strong performance by the UK equity market, in which nearly all of the Fund is invested, meant that most of the underlying funds in the portfolio delivered positive returns over the past five years. The UK has outperformed other developed markets this year but remains cheap after being out of favour among international investors since Brexit.

The most significant positive contributions came from actively managed funds using both growth and income approaches, and several index funds invested in large, mid and all-caps also delivered good returns. Exposure to small cap index funds weighed on performance, while the most significant detractor was being a defensive-style income fund that is likely to lag its peers in a rising market.

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

**Source: Financial Express, as at 31.08.22, 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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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. Due to the specialist nature of the Fund, there is a limited number of similar funds/share classes to compare against.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.04%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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 MA Diversified Real Assets Fund

The Fund, which was launched in 2014 and is managed by Mayank Markanday and John Husselbee, seeks to achieve growth from a combination of income and capital growth. At least 50% of the underlying funds invest in a range of real asset

classes, which includes infrastructure, commodities, inflation-linked assets and specialist property (such as 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. While the Fund has received an Amber for Comparable market rates, we have concluded that the Fund's charges are justified given the overall value that has been delivered to investors.



[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 31.08.22, total return.

	Class A	Class D
	Wholesale*	Direct Retail
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Class of units		

*This is the representative share class for Performance and Comparable market rates.



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 16.2% over the past five years, meeting its stated investment objective of a combination of income and capital growth while providing diversification away from traditional equities and bonds. **

All the main asset classes in which the Fund invests delivered broadly positive returns over the five-year period, with core infrastructure providing the strongest contribution. Within core infrastructure, the renewables sector provided the largest contribution, although social infrastructure holdings also performed well.

Within property, holdings in specialist real estate investment trusts, such as social housing and industrial warehouses, performed particularly well but exposure to UK and global direct property, which periodically suffered from liquidity concerns, did detract slightly from performance.

Commodities delivered the strongest contribution to performance within cyclical real assets, closely followed by global infrastructure equity, global property equity and property debt. Two holdings in particular weighed on returns, however: aircraft leasing and catastrophe reinsurance. The fund managers 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.

Other diversifiers, including gold, inflation-linked bonds, infrastructure debt and asset backed securities, contributed positively to performance while offering mitigation during periods of market volatility.



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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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 OCF 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 the other classes of this fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. Overall, our investors have been able to benefit from an improvement in service as a result of reinvestment 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 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 MERGED WITH OTHER
LIONTRUST FUNDS SINCE THE END OF THE
ASSESSMENT PERIOD (31 AUGUST 2022)



Liontrust MA Strategic Bond Fund

Liontrust took the decision to merge the MA Strategic Bond Fund into Liontrust Strategic Bond Fund on 14 October. Rather than have two funds with a similar objective and policy, Liontrust considered it appropriate to combine the assets of both funds, and this was approved by investors of the Fund. Information about the Fund's performance can be found below.



Overall value assessment

We have evaluated the fund against all seven criteria in our assessment of the value it provides to investors. The Fund has received a Red for Performance; we understand why and have explained the reasons for this. On 14 October 2022, Liontrust merged the Liontrust MA Strategic Bond Fund with the Liontrust Strategic Bond Fund.



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

	Class A	Class R	Class S
	Direct Retail	Legacy Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Class of units			

*This is the representative share class for Performance and Comparable market rates.



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 met its investment objective, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Fund has delivered a return of -7.1% over five years. ** It has also underperformed the average returns of its peers in the IA Sterling Strategic Bond sector of 3.8%. The UK sector for strategic bond funds has a wide range of funds including a number with more aggressive risk appetites. The Fund does target a lower risk level than that of the sector and therefore the Fund will always struggle to compete with those funds taking more risk.

The other funds in the comparison sector invest directly in securities rather than use a fund of funds approach and we noted last year that further consideration needs to be made to ensure that the Fund's objective, strategy and policy remained feasible and appropriate given the constraints of this approach. Following this review, a decision was made to merge this Fund into a directly investing strategic bond fund through which we believe investors have a higher chance of receiving a better outcome.

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

**Source: Financial Express, as at 31.08.22, 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 the companies we work with to deliver services to our investors is in line with expectations. This has been assessed through a detailed review of the services we provide, our engagement with investors, communications, and governance, and confirmed through our investor survey. We continue to focus on elements of our services that can be enhanced to improve the service that investors receive.



General costs of authorised fund manager

We have reviewed the costs that investors pay as part of the operation and management of the Fund they are invested in. Our assessment has concluded that the costs of services provided to the Fund remain appropriate. 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. Due to the specialist nature of the Fund, there is a limited number of similar funds/share classes to compare against.

Additionally, we assessed the OCF of the other classes of this Fund, and the outcome of each class can be found in the table on the previous page. 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 model, which, as well as providing clarity in relation to Fund costs to investors, allows a potential reduction in fees as the Fund increases in size. As part of our normal governance processes, we have reviewed the fixed Administration Fee for this Fund and reduced it by 0.04%. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of reinvestment 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 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 ARE CURRENTLY SUSPENDED
AS AT THE END OF THE ASSESSMENT PERIOD
(31 AUGUST 2022)



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.



Go back to the Summary of the Assessment of Value table

On 25 February 2022, Liontrust suspended dealing in the Russia Fund. This means that from this point investors have not been able to make purchases or redemptions in the Fund until further notice. This decision was made in agreement with the depositary and with the knowledge of Liontrust's regulator, the FCA.

As a result, the Annual Management Charge (AMC) and Administration Fee for the Fund has been waived since 1 March 2022, the day after Liontrust announced the suspension of dealing.

Liontrust is unable to say for how long the Fund will be suspended and will keep the suspension under continual review. You can get up to date information on the suspension and the Fund on the Liontrust website: www.liontrust.co.uk/funds/russia-fund/russia-fund-suspension

The suspension, including the inability for investors to deal in the Fund and to evaluate performance, makes it impossible to assess all of the seven criteria used for all other funds. Liontrust has evaluated whether the services and processes that continue to be provided to the Fund and investors are meeting expectations.

	A	B	C	M
	Legacy Retail	Direct Retail	Wholesale	Institutional
Performance				
Quality of service				
AFM costs				
Comparable market rates				
Economies of scale				
Comparable services				
Class of units				

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



Quality of service

In our assessment, we have considered the quality of services received by investors. This has been assessed through an evaluation of the services that Liontrust or other companies on our behalf continue to provide, despite dealing in the Fund being suspended. We have communicated the suspension of dealing and waiving of fees to our investors, and our website has been kept up to date with relevant information. We have concluded that the quality of services provided to our investors is in line with expectations.



General costs of authorised fund manager

The Annual Management Charge (AMC) for the Fund has been waived from 1 March 2022. In our assessment, we have considered the costs incurred by the Fund for a period before the fees were waived. Our assessment has concluded that the costs of services provided to the Fund during that period were appropriate.



Comparable market rates

At the time of completing our pricing review for Comparable market rates, the AMC and Administration Fee had been waived and we could not meaningfully assess the Fund's charges against others in the same peer group.



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. Prior to the AMC and Administration Fee being waived, the Fund benefited from a 0.03% reduction in the Administration Fee. Overall, our investors had been able to benefit from the savings created and an improvement in service as a result of reinvestment 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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