

# ASSESSMENT OF VALUE REPORT

For the year to  
30 June 2023



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# Introduction

Liontrust takes the responsibility of managing your savings very seriously. To achieve this, Liontrust's investment teams focus on their distinct investment processes, risk management and identifying companies that will be successful over the long term.

John Ions  
CHIEF EXECUTIVE OF THE LIONTRUST GROUP

The long term is key, with the benefit of this approach seen in the performance across Liontrust's fund ranges over extended time periods. Rigorous investment processes have never been more important given the need to navigate the current political, economic and market environments. While performance can never be predictable, processes must be. Confidence about investment processes provides belief for the long term despite periods of underperformance.

Investor sentiment has been impacted by the events of the last 18 months or so. In 2022, there was the rare event of the diversification of portfolios failing as both equities and bonds generally delivered negative returns. For investors, this development has been compounded by the fact that the rate of return on holding cash has increased in line with the rise in interest rates in the UK and other countries.

Cash can be a good place to park savings when you have a short-time horizon so you are not subject to the ups and downs of investment markets. Extending the time you keep savings in cash, however, is an active decision not to invest and you might miss out on the long-term benefits of investing in markets. This includes potentially generating real returns above the rate of inflation. Over the long term, investment markets have historically outperformed cash and inflation.

## Assessment of Value

Key to being guardians of investors' savings, therefore, is the long-term performance of our funds. This year, 41 funds have a Green rating. Of the rest, 11 funds have an Amber rating for performance and five have a Red rating – two of which have merged or closed. Some of our processes have been impacted by being focused on quality growth, mid and small caps, and UK equities, which have all been out of favour recently. We have full confidence in the investment teams and processes at Liontrust. We do make changes, however, where we believe it is in the best interest of investors, including fund mergers and changes in investment managers.

Meeting our responsibility to investors is about more than just long-term performance. This is demonstrated by this Assessment of Value Report, which has evaluated whether the Liontrust 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.

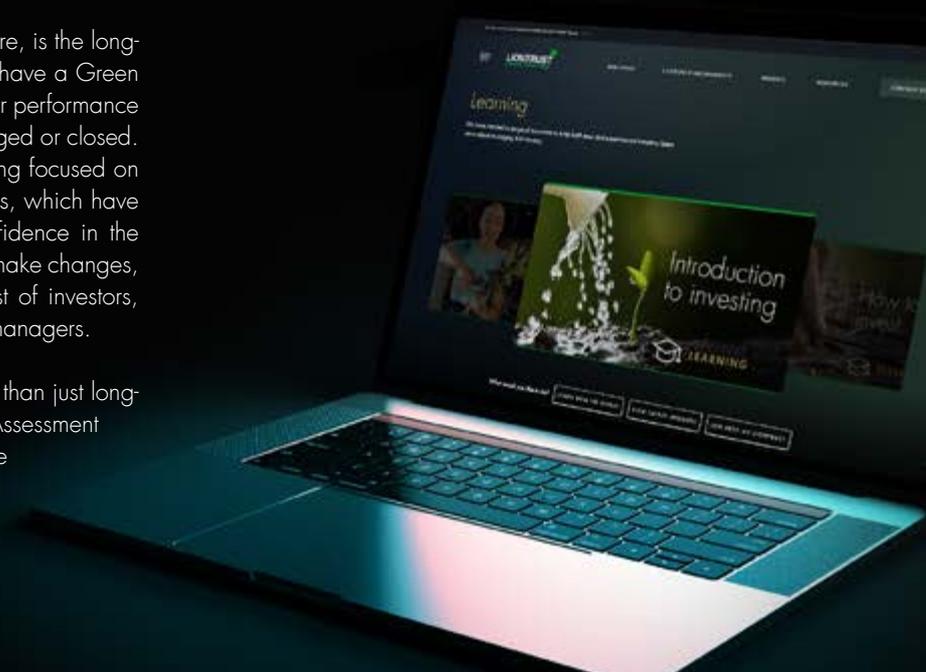
Of the 58 Liontrust funds covered by this year's assessment, 49 have an overall rating of Green, which means we have assessed them as delivering value. Eight of the others have an overall rating of Amber while the Russia Fund does not have a rating as it is suspended because of the ongoing war in Ukraine and subsequent sanctions.

## Insights

To help navigate the current environment, the Liontrust investment teams provide regular updates and insights. If you would like to receive these by email, you can do so by signing up via the preference centre on the Liontrust website ([liontrust.co.uk/my-preference](http://liontrust.co.uk/my-preference)). You can also find educational articles about different aspects of investment in the learning section of 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 six senior managers of the Liontrust Group as well as two 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.



### Clare Prince

Clare is Head of Product for Liontrust, having joined in 2018. She has over 16 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. He has 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.



### **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 2023

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

## 2023 assessment conclusions

This year's Assessment of Value resulted in an overall rating of Green for all funds except nine, with eight being given an Amber rating and Russia not having a rating as it is suspended. Of the eight with an Amber rating, the UK Equity Income and Institutional UK Small Cap funds have now been merged or closed.

The other six funds that have an overall Amber rating are the SF UK Growth, UK Ethical, Diversified Real Assets, China, Emerging Markets and Latin America.

This is the third year in a row that the China Fund has been granted an overall Amber rating. We wrote to investors in the Fund earlier this year proposing that it merges with the Emerging Markets Fund but this was rejected in the subsequent vote.

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 Comparable market rates have some Amber scores while Performance has both some Amber and Red scores as well as 41 Green scores.

Other than the Red scores for Performance for five funds – two of which have merged or closed – 11 funds have Amber: SF European Growth, SF UK Growth, UK Ethical, Global Alpha, US Opportunities, UK Equity, UK Focus, MA Explorer 35, MA Explorer 45, Diversified Real Assets and Global Innovation. All these funds will continue to be closely monitored and where we have identified areas for improvements, we are taking action to address these.

For Comparable market rates, 12 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.

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

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 pages 24–25 of this Report.

The vast majority of investors and 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.

In line with guidance published by the Investment Association (IA) in 2020 and January 2022, Liontrust moved towards a single overall cost disclosure from 30 June 2022.

Previously, 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 means that the costs of some of our funds can appear higher as the ongoing costs figures includes 'synthetic costs' which if applicable to a given fund, can include the costs of investing in Exchange Traded Funds (ETFs) and Investment Trusts. More information on the impact of these costs can be found in the Fund Summary pages of the effected funds.

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 surveyed, 72% were satisfied with the service they have received in terms of information, materials, communication and client servicing. Of those who had contacted client services, 82% were satisfied with the service they have received.



## 2023 FINDINGS AT A GLANCE



This year's Assessment of Value resulted in an overall rating of Green for all funds except nine



Eight have been given an Amber rating with Russia not having a rating as it is suspended



Other than the Red scores for Performance for five funds – two of which have merged or closed – 11 funds have Amber scores

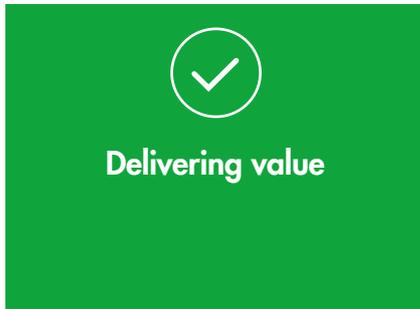


This is the third year in a row that the China Fund has been granted an overall Amber rating. We wrote to investors in the Fund earlier this year proposing that it merges with the Emerging Markets Fund but this was rejected in the subsequent vote

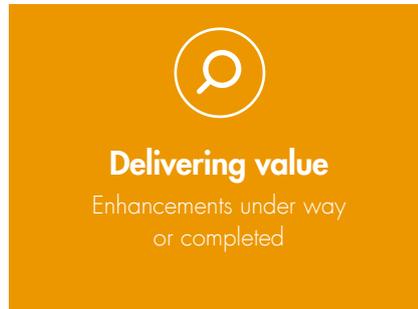
# Summary of the Assessment of Value

An Assessment of Value Report for each fund can be found between pages 28 and 161.

## 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.

 Due to the suspension of the Russia Fund, Performance and Comparable Market Rates were not assessed.

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 28–161.

	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
<b>ECONOMIC ADVANTAGE TEAM</b>									
Liontrust Special Situations Fund									
Liontrust UK Growth Fund									
Liontrust UK Smaller Companies Fund									
Liontrust UK Micro Cap Fund									
<b>SUSTAINABLE INVESTMENT TEAM</b>									
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
<b>GLOBAL FUNDAMENTAL TEAM</b>									
Liontrust Balanced Fund									
Liontrust China Fund									
Liontrust Emerging Markets Fund									
Liontrust Global Alpha Fund									
Liontrust Global Smaller Companies Fund									
Liontrust Income Fund									
Liontrust India Fund									
Liontrust Japan Equity Fund									
Liontrust Latin America Fund									
Liontrust US Opportunities Fund									
Liontrust Global Equity Fund									
Liontrust Global Focus Fund									
Liontrust UK Equity Fund									
Liontrust UK Focus 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.

 Due to the suspension of the Russia Fund, Performance and Comparable Market Rates were not assessed.

	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
<b>GLOBAL INNOVATION TEAM</b>									
Liontrust Global Dividend Fund									
Liontrust Global Innovation Fund									
Liontrust Global Technology Fund									
<b>CASHFLOW SOLUTION TEAM</b>									
Liontrust European Dynamic Fund									
Liontrust Tortoise Fund									
<b>GLOBAL FIXED INCOME TEAM</b>									
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
<b>MULTI-ASSET TEAM</b>									
Liontrust MA Explorer 35 Fund									
Liontrust MA Explorer Income 45 Fund									
Liontrust MA Explorer Income 60 Fund									
Liontrust MA Explorer 70 Fund									
Liontrust MA Explorer 85 Fund									
Liontrust MA Explorer 100 Fund									
Liontrust MA Blended Growth Fund									
Liontrust MA Blended Intermediate Fund									
Liontrust MA Blended Moderate Fund									
Liontrust MA Blended Progressive Fund									
Liontrust MA Blended Reserve Fund									
Liontrust MA Dynamic Passive Adventurous Fund									
Liontrust MA Dynamic Passive Growth Fund									
Liontrust MA Dynamic Passive Intermediate Fund									
Liontrust MA Dynamic Passive Moderate Fund									
Liontrust MA Dynamic Passive Progressive Fund									
Liontrust MA Dynamic Passive Prudent Fund									
Liontrust MA Dynamic Passive Reserve Fund									
Liontrust MA Monthly High Income Fund									
Liontrust MA UK Equity Fund									
Liontrust Diversified Real Assets Fund									
<b>FUNDS THAT HAVE MERGED WITH OTHER LIONTRUST FUNDS OR CLOSED SINCE THE END OF THE REFERENCE PERIOD (30 JUNE 2023)</b>									
Liontrust UK Equity Income Fund									
Liontrust Institutional UK Small Cap Fund									
<b>FUNDS THAT ARE CURRENTLY SUSPENDED AS AT THE END OF THE ASSESSMENT PERIOD (30 JUNE 2023)</b>									
Liontrust Russia Fund									

# Changes and developments since the 2022 Assessment of Value

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.

## Fund updates since the 2022 Assessment of Value Report

### Review of Multi-Asset funds

Liontrust has made a number of changes to the Multi-Asset fund range that it believes will enhance the investment proposition, including through strengthening the inputs into the investment process, bringing consistency across the ranges and ensuring the funds are best placed to meet their objectives.

These changes include the fact that Hymans Robertson and Defaqto now provide the Strategic Asset Allocation (SAA) and risk profile oversight services. As part of Hymans' expertise, they will provide the capability to create bespoke Liontrust features and a greater suite of asset classes and variability within asset classes for the SAA that provides the flexibility to respond to market trends in a timely manner. This will benefit the MA Explorer, MA Blended and MA Dynamic Passive ranges.

Liontrust changed the name of the MA Active fund range to MA Explorer. This name change reflects the fact the reference to the level of risk, which was formerly included within the fund objective, is now incorporated in a dedicated risk section rather than in the objective. The reference to risk has been moved because the funds will primarily seek to generate capital growth and income over the long term with the level of risk being a secondary consideration. The change of name was also to differentiate this fund range from the Liontrust MA Blended and Liontrust MA Passive (now Dynamic Passive) ranges of funds managed by the same investment team. The new name reflects the forward-looking nature of the objectives and the way in which the funds will explore the best investment opportunities across a combination of asset classes, geographies, sectors and funds, which may include exposure to passive as well as active underlying vehicles.

The names of each of the funds within the range also changed to better reflect their proposed new objectives and policies. The fund names now represent the maximum equity (shares) weightings of each of the funds, i.e. 35%, 45%, 60%, 70%, 85% and 100%. The Liontrust MA Explorer 35 Fund for example indicates that it has a maximum equity weighting of 35%.

Liontrust has changed the name of the Liontrust MA Passive fund range to Liontrust MA Dynamic Passive. This change has been made because Liontrust believes it better reflects how the fund range is managed. The Multi-Asset investment team actively manages the Liontrust MA Dynamic Passive range, including through the ability to select different passive investments from across the market and change them when appropriate, as well as alter the Tactical Asset Allocation (TAA) on a quarterly basis to reflect the fund managers' changing views on the relative value of asset classes and the economic and investment markets' environment. This flexibility results in amended weightings of and changes in the selection of passive investments within the portfolios including asset classes and geographical weightings.

While the underlying holdings are passive securities and vehicles, the dynamic management of the allocations between them in the funds has led Liontrust to change the name of the range to Liontrust MA Dynamic Passive.

While the MA Active funds have always been included in an IA sector, the sector had not previously been named in the prospectus as a comparator benchmark. The Fund previously had a risk/volatility profile, but given the changes to the investment objective, the respective IA sector that the Funds sit in is being added as a comparator benchmark.

## Other Fund events

### Fund modification

The MA Diversified Real Assets Fund was previously classified as a fund of funds and following a reduction in the investment in underlying funds, the Fund has been re-classified as directly invested. As part of the change, the 'MA' was removed from the Fund name, with the Fund now called the Liontrust Diversified Real Assets Fund.

### Fund Closure

Following a review of the viability of the Institutional UK Small Cap Fund, the decision was taken to close the Fund. Following FCA approval, the Fund closed in July 2023.

### Mergers

Following a review and shareholder approval, the Liontrust UK Equity Income Fund was merged into the Liontrust Income Fund on 13 October 2023. The Liontrust UK Equity Income Fund scored an overall Green rating in the Global Fundamental Assessment of Value Report published in April 2022, with the Fund scoring an Amber rating for Performance. On pages 154–155 and 72–73, you can find the Assessment of Value Reports of the two funds.

## Fund suspension

The Liontrust Russia Fund continues to be suspended. The suspension started on 25 February 2022 and means that from this point investors have not been able to make purchases or redemptions in the Fund until further notice. At the moment, Liontrust is unable to say for how long the Fund will be suspended. Liontrust will keep the suspension of the Russia Fund under continual review and we will update investors as soon as we can. Liontrust is waiving the Annual Management Charge (AMC) and Administration Fee for the Russia Fund while dealing in the Fund is suspended. This was

backdated to 1 March 2022, which is the business day after Liontrust announced the suspension of dealing. Further information can be found in our Russia Fund Suspension Q&A: [www.liontrust.co.uk/funds/russia-fund](http://www.liontrust.co.uk/funds/russia-fund).

For the 2023 Assessment of Value of this Fund, Liontrust has assessed four of the seven criteria set out by the FCA: Quality of service, AFM costs, Economies of scale and Classes of units. Please visit the Liontrust Russia Fund Summary on pages 160–161.

## Summary of Multi-Asset changes

Previous Fund name	New Fund name	Effective date
Liontrust Multi-Asset Active Reserve Fund	Liontrust Multi-Asset Explorer 35 Fund	5 April 2023
Liontrust Multi-Asset Active Moderate-Income Fund	Liontrust Multi-Asset Explorer Income 45 Fund	5 April 2023
Liontrust Multi-Asset Active Intermediate Income Fund	Liontrust Multi-Asset Explorer Income 60 Fund	5 April 2023
Liontrust Multi-Asset Active Progressive Fund	Liontrust Multi-Asset Explorer 70 Fund	5 April 2023
Liontrust Multi-Asset Active Growth Fund	Liontrust Multi-Asset Explorer 85 Fund	5 April 2023
Liontrust Multi-Asset Active Dynamic Fund	Liontrust Multi-Asset Explorer 100 Fund	5 April 2023
Liontrust Multi-Asset Passive Moderate Fund	Liontrust Multi-Asset Dynamic Passive Moderate Fund	5 April 2023
Liontrust Multi-Asset Passive Intermediate Fund	Liontrust Multi-Asset Dynamic Passive Intermediate Fund	5 April 2023
Liontrust Multi-Asset Passive Progressive Fund	Liontrust Multi-Asset Dynamic Passive Progressive Fund	5 April 2023
Liontrust Multi-Asset Passive Reserve Fund	Liontrust Multi-Asset Dynamic Passive Reserve Fund	5 April 2023
Liontrust Multi-Asset Passive Growth Fund	Liontrust Multi-Asset Dynamic Passive Growth Fund	5 April 2023
Liontrust Multi-Asset Passive Dynamic Fund	Liontrust Multi-Asset Dynamic Passive Adventurous Fund	5 April 2023

## Multi-Asset sector changes

Fund Name	Previous IA sector	New IA sector	Effective date
Liontrust Multi-Asset Explorer Income 45 Fund	MI 0-35% Shares	MI 20-60% Shares	5 April 2023
Liontrust Multi-Asset Explorer 85 Fund	Flexible	MI 40-85% Shares	14 June 2023

## Multi-Asset benchmark additions

Fund name	New benchmark	Effective date
Liontrust Multi-Asset Explorer 35 Fund	IA MI 0-35% Shares	5 April 2023
Liontrust Multi-Asset Explorer Income 45 Fund	IA MI 20-60% Shares	5 April 2023
Liontrust Multi-Asset Explorer Income 60 Fund	IA MI 20-60% Shares	5 April 2023
Liontrust Multi-Asset Explorer 70 Fund	IA MI 40-85% Shares	5 April 2023
Liontrust Multi-Asset Explorer 85 Fund	IA MI 40-85% Shares	5 April 2023
Liontrust Multi-Asset Explorer 100 Fund	IA Flexible	5 April 2023

# How Liontrust adds value for investors

Liontrust's purpose is to enable investors to enjoy a better financial future. This is at the heart of everything Liontrust does day in day out. There are a number of key ways in which Liontrust seeks to achieve this purpose and add value for investors.

## 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 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 is 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.

## Responsible Capitalism

The Responsible Capitalism team at Liontrust works with the investment teams to help evidence where ESG integration takes place, as required, as part of the teams' investment processes and engages with companies held by Liontrust funds.



Where material issues (as defined by each investment team's process) arise, the teams may engage on these topics and take that engagement into consideration when making investment decisions. Engagement may also play a part in proxy voting decisions. Liontrust votes all its proxies where permitted by client / fund agreement.

As a public listed Company, Liontrust Asset Management Plc takes account of the exposures that it faces and works to manage these effectively. To help manage its carbon exposures in its investments and its own operations, Liontrust joined the Net Zero Asset Managers' (NZAM) initiative in May 2022. Liontrust submitted its first report to NZAM in May 2023, with interim targets for 2025 and 2030.

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.

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>

### 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 Consumer Duty.

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 the progress of the business as a whole.

Liontrust's website is home to insights, views and updates from the Liontrust investment teams and funds. These enable investors to understand the drivers of performance, the latest positioning of the funds and portfolios and the outlook of

the investment teams. The website hosts a preference centre, through which investors are able to select which investment teams and funds they wish to receive updates from via emails ([liontrust.co.uk/my-preferences](https://www.liontrust.co.uk/my-preferences)).

The Learning section on the website provides educational content for investors, from beginners to more experienced.

The website has accessibility tools that cater for visitors with vulnerabilities.



# 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 are 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. 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.

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



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

**Assessment of funds (pages 28 to 161)**  
Overall value assessments are evaluated using a traffic light colouring system

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



## What do the icons show?

We have used icons to instantly show you the result of the evaluation of the seven criteria for each fund and the overall assessment of value for all the funds. We have used a RAG (Red, Amber, Green) rating to evaluate both the seven criteria and all funds. The RAG and icons are shown on pages 8–11. The criteria are explained in detail on pages 18–23.



## Where can I get more information?

Please visit the Liontrust website: [liontrust.co.uk](http://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.

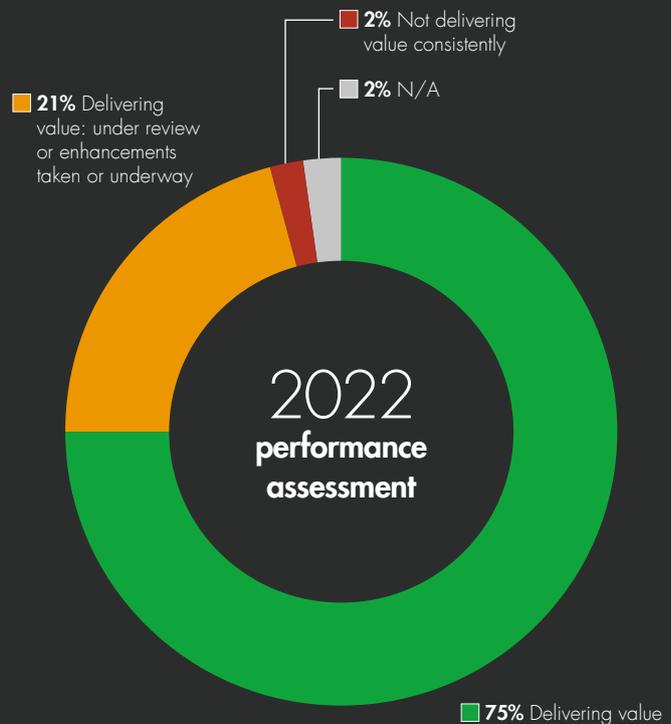
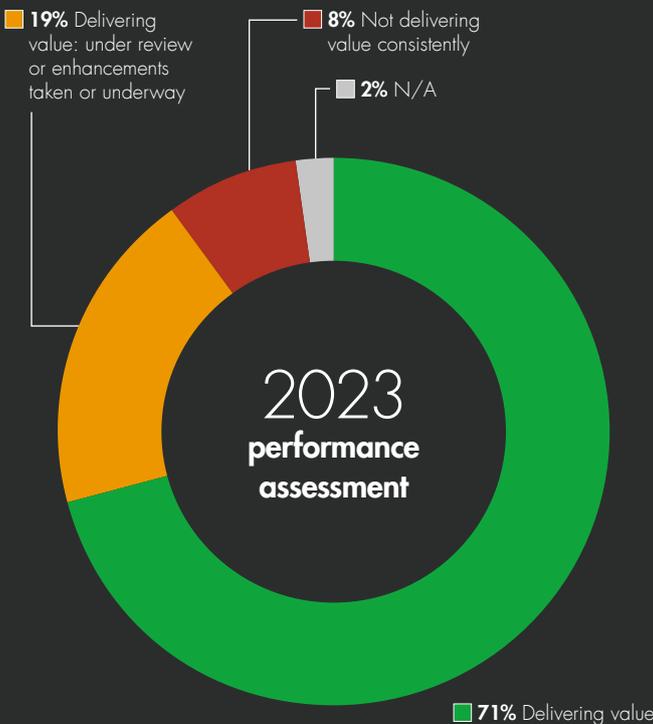
The Liontrust Multi-Asset Blended and Dynamic Passive fund ranges are target risk funds, i.e. each fund is targeting a certain range of expected risk over its investment horizon: some funds take more risk than others and all funds have maximum upper and lower risk bands. We looked at whether each fund 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, 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 review whether the income objective has been achieved. For funds which have a volatility level in their investment objective, we consider whether the fund has performed as expected, and has been managed in line with the stated volatility level. For funds which have a sustainability focus or incorporate sustainability elements into their investment objective and policy, we consider whether these aspects have performed as expected, and are in line with the sustainability framework.

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

**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 58 funds, 41 have performed in line with expectations over the appropriate time period. For the remaining funds, 11 scored an Amber rating, and five scored a Red rating, of which one has closed and one has merged, while the Russia Fund has not received a Performance score for the second year in a row because it has been suspended. We are keeping the funds that scored an Amber or Red under close review.



\*Class I for Economic Advantage and Cashflow, Class 2 for Sustainable Future with the exception of SF 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 Fund where class A is used. Class C for Global Innovation and Global Fundamental with the exception of Global Equity, Global Focus, UK Equity, UK Equity Income and UK Focus funds where class X is used.



## 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.

- **Client servicing, 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 professional advisers and personal investors 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 development 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 funds are reasonable and offer 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, which is not applied to all Liontrust funds, 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 a 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 the Morningstar category where the IA sector is not deemed to be an appropriate peer group.

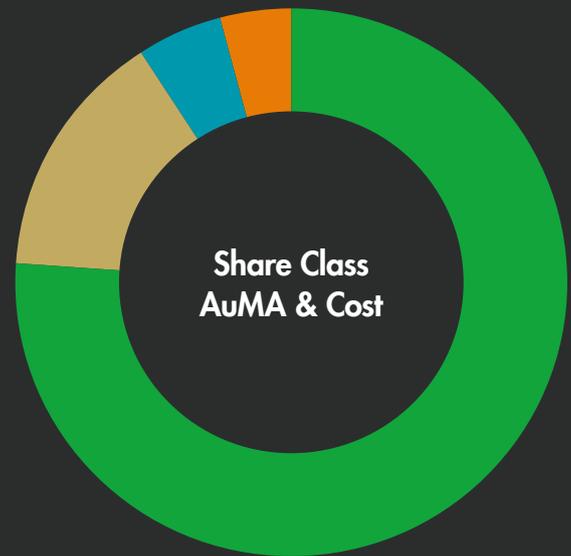
We have reviewed the levels of our AMC, Administration Fee where relevant and OCF relative to the comparable share class in the peer group, and focused on the OCF to drive the outcome of the assessment.

Based on their charges, various 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 a financial adviser, investment platform or direct from Liontrust. 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 a 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 45 of our funds appear lower than, or in line with, comparable funds. For 12 funds, the costs appeared higher than the comparable funds in the peer group while the Russia Fund has not received a score for the second year in a row because it has been suspended. 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

75% of total AuMA

Average OCF: 0.81%

Average AuMA per shareholder:

£1.92m

### Direct retail

5% of total AuMA

Average OCF: 1.00%

Average AuMA per shareholder:

£0.04m

### Institutional

16% of total AuMA

Average OCF: 0.59%

Average AuMA per shareholder:

£11.76m

### Legacy Retail

3% of total AuMA

Average OCF: 1.67%

Average AuMA per shareholder:

£0.54m

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 24–25. 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

In our assessment of Economies of Scale, one of the considerations is whether each fund has grown or contracted in size. 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. 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 investors. Diseconomies of scale may occur if funds contract in size.

The majority of our funds in scope for this Assessment of Value operate a fixed Administration Fee model. This provides 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. 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 46 funds. Throughout the reference period, 13 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 assessed 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

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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 an 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 third 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.	
Global Fundamental	B	C / X	A	D	B
Economic Advantage	B / A***	I	R	S	M
Cashflow Solution	B / A	I	R	S	N/A
Sustainable Investment Fixed Income	B / P	2 / 6	N/A	3	N/A
Global Fixed Income	B	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
Global Innovation	B	C	N/A	N/A	N/A

### Client servicing costs

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

### Fund management costs

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

### Administration fees

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

### Operational costs

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

### Underlying fund fee

For funds which invest in other funds, these are the associated ongoing costs. Synthetic costs are another term for underlying fund fees. Since June 2022, Liontrust includes all applicable open ended and closed ended vehicles in the calculation of synthetic costs, in line with IA guidance.

### 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.

For the UK domiciled funds acquired from Majedie Asset Management, the Ongoing Charges Figure ("OCF") shall be limited to the rate of the Annual Management Charge as specified in the Prospectus.

# 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 two 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.

## 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.

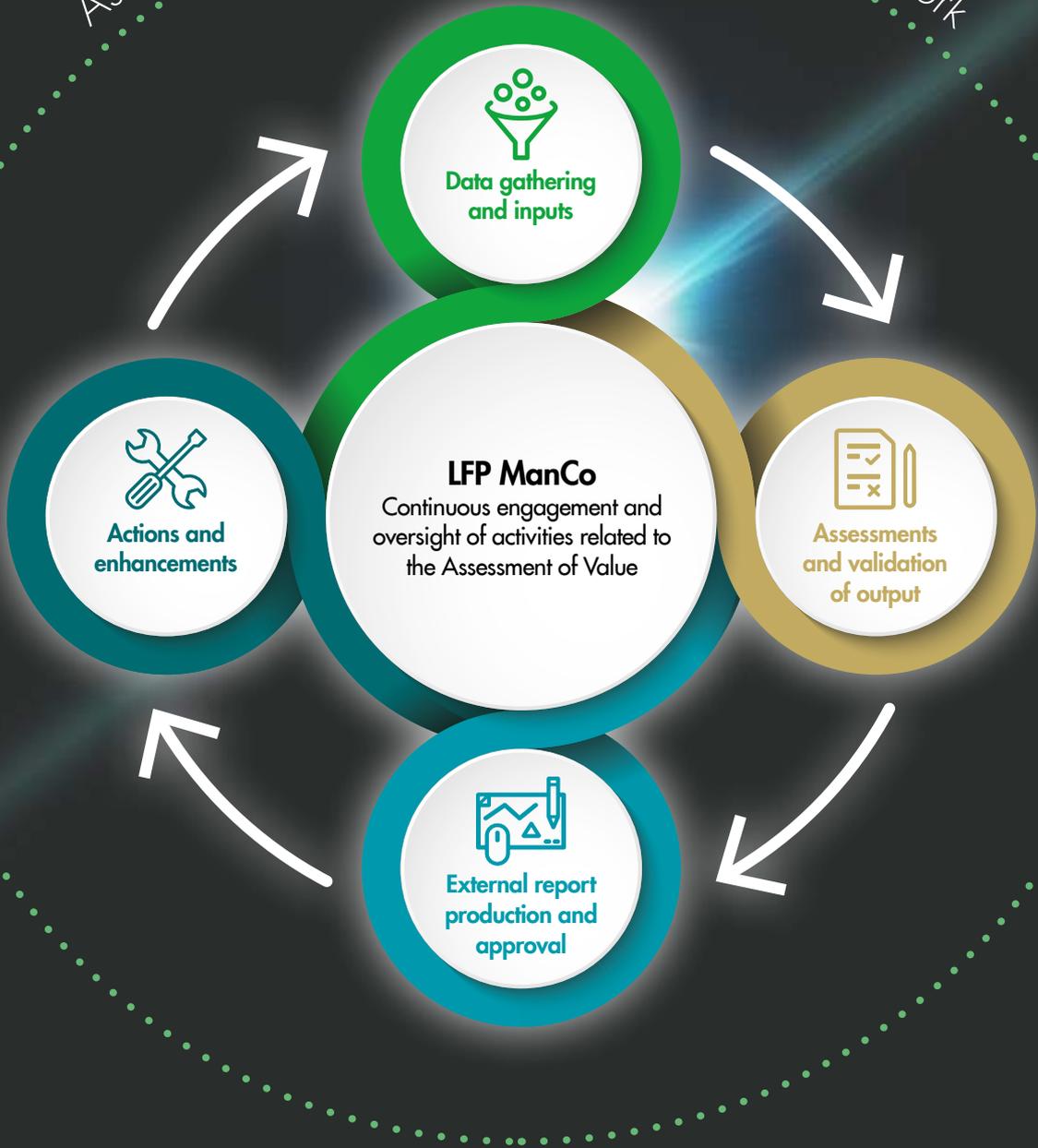
### External Report production and approval

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



# ASSESSMENT OF FUNDS

ECONOMIC ADVANTAGE TEAM



## Economic Advantage team

The award-winning Economic Advantage team is headed by Anthony Cross, who moved to 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 co-managers Julian Fosh in 2008 and Victoria Stevens and Matt Tonge in 2023. The Fund aims to deliver capital growth over the long term (five 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 United Kingdom (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					
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Special Situations Fund returned 16.3% over the five years to 30 June 2023 broadly in line with the FTSE All Share Index return of 16.5% and beating the IA UK All Companies sector average return of 8.0% (both comparator benchmarks).\*\* The lowest fee class did outperform the index, suggesting that the main driver of the underperformance of the higher fee classes versus the comparator benchmark index was due to the different fee levels rather than the underlying investment decisions. All share classes outperformed the comparative sector returns and produced a positive return.

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. Their approach of seeking out companies with durable barriers to competition in the form of intangible assets has served the Fund well over the last five years.

Due to the investment process's focus on stock selection, the Fund's five-year performance is best viewed at this level. 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. Over five years, its small cap investments have contributed strongly to returns. The return from stock selection has been best in the consumer 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 30.06.23, total return, bid-to-bid, net of fees, income reinvested.



Rapidly rising interest rate expectations since the start of 2022 led to lower investor appetite for stocks with high forecast earnings growth and contributed to poorer performance from smaller cap stocks. This has been a headwind to Fund performance recently. Nevertheless, over time the fund managers expect the high-quality characteristics of the Fund's companies to allow them to outperform, especially against a tough economic backdrop.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables a potential reduction in fees as the Fund increases in size. The Fund 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 third year running, as part of our annual review of share class appropriateness, we have written to investors who remain in certain older retail share classes of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. Some investors who remain in these older retail classes of the Fund may be paying a higher fee and are encouraged to review the communication sent by Liontrust to ensure that appropriate action is taken.

For an explanation of the different share classes, please go to pages 24 and 25.

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

# Liontrust UK Growth Fund

The Fund has been managed by Anthony Cross and Julian Fosh since March 2009, who were joined by Victoria Stevens and Matt Tonge in 2023. The Fund aims to deliver capital growth over the long term (five 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 United Kingdom (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**

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

\*\*Source: Financial Express, as at 30.06.23, total return, bid-to-bid, net of fees, income reinvested.

	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					
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust UK Growth Fund returned 16.9% over the five years to 30 June 2023 versus the FTSE All Share Index return of 16.5% and the IA UK All Companies sector average return of 8.0% (both comparator benchmarks). \*\* The higher fee classes did underperform the index, suggesting that the main driver of the underperformance of the higher fee classes versus the comparator benchmark index was the different fee levels rather than the underlying investment decisions. All share classes outperformed the comparative sector returns and produced a positive return.

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. Their approach of seeking out companies with durable barriers to competition in the form of intangible assets has served the Fund well over the last five years.

Due to the investment process's focus on stock selection, the Fund's five-year performance is best viewed at this level. Companies such as AstraZeneca, Spirax-Sarco Engineering and Halma rank among the Fund's largest contributors over the period.

The Fund operates a benchmark-plus stock weighting process and the majority of its assets (around 70%) are invested in FTSE100 stocks, with almost 20% in mid cap and under 10% in smaller companies. The stockmarket environment since the beginning of 2022 has favoured larger companies, which are perceived to exhibit greater resilience to challenging macroeconomic conditions, and have not suffered as much as their high-growth smaller company counterparts from rapidly rising interest rates.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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%. 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 re-investment 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 third year running, as part of our annual review of share class appropriateness, we have written to investors who remain in certain older retail share classes of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. Some investors who remain in these older retail classes of the Fund may be paying a higher fee and are encouraged to review the communication sent by Liontrust to ensure that appropriate action is taken.

For an explanation of the different share classes, please go to pages 24 and 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 his co-managers 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 (five 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. 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 United Kingdom (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		
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust UK Smaller Companies Fund returned 18.3% over the five years to 30 June 2023 versus the FTSE Small Cap (excluding investment trusts) Index return of 12.6% and the IA UK Smaller Companies sector average return of -1.2% (both comparator benchmarks). \*\*

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.

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

Due to the investment process's focus on stock selection, the Fund's five-year performance is best viewed at this level. On this basis, the top contributors to performance over five years include YouGov, Kainos Group, Gamma Communications, Judges Scientific and Clipper Logistics.

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

\*\*Source: Financial Express, as at 30.06.23, 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 ongoing charges figure (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 share 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 provides clarity of Fund costs to investors and enables 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%. 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 re-investment 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, managed by Anthony Cross, Julian Fosh, Victoria Stevens, Matt Tonge and Alex Wedge, launched in March 2016 and aims to deliver capital growth over the long term (five 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. 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 United Kingdom (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
	Wholesale
Performance	
Quality of service	
AFM costs	
Comparable market rates	
Economies of scale	
Comparable services	
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust UK Micro Cap Fund returned 39.2% over the five years to 30 June 2023 versus the FTSE Small Cap (excluding investment trusts) Index of 12.6%, the FTSE AIM All Share Index return of -25.9% and the IA UK Smaller Companies sector average return of -1.2% (all comparator benchmarks).\*

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.

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

Share price growth in micro caps can come both as companies successfully deliver on their growth plans and, in many cases, as increased market capitalisation opens up the shares to a bigger pool of investors. More investors waking up to the merits of a company can often drive a re-rating of the shares.

Due to the investment process's focus on stock selection, the Fund's performance is best viewed at this level. Of the Fund's current holdings, the largest contributors to five-year performance include EKF Diagnostics, Solid State, Totally, Kitwave and Fonix. The Fund looks to gradually exit holdings when they exceed the £275 million market cap threshold. As a result, many of the Fund's successful stock picks will naturally outgrow the micro cap universe. Over the last five

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\*Source: Financial Express, as at 30.06.23, total return, bid-to-bid, net of fees, income reinvested.



years, key positive contributors to Fund performance to have exceeded the market cap range include Cerillion, AB Dynamics, FRP Advisory and Judges Scientific.



### 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 ongoing charges figure (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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 16-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 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 SF 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. The Fixed Income funds are managed by Kenny Watson (formerly at Ignis Asset Management), Aitken Ross and Jack Willis, with the latter two starting 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 topdown 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 (five 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. All investments will be expected to conform to the team's ESG criteria.



## 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 2	Class 3
	Wholesale*	Institutional
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Sustainable Future Cautious Managed Fund returned 16.7% over the five years to 30 June 2023 versus the IA Mixed Investment 40-85% Shares sector average return of 16.4% (the comparator benchmark).\*\*

Over time, the team believes economies will 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. Their 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.

Asset allocation has had a positive impact. For much of the period the Fund has been overweight equities and corporate bonds and underweight government bonds and cash. The equity exposure has driven the Fund's gains while bonds and infrastructure have been a small drag on performance. More recently, the Fund moved neutral on equities and increased bond exposure as yields rose.

While the Fund has a strong long-term track record, rising interest rates over the last two years have presented a performance headwind. Investors have applied higher discount rates which have affected the Fund's equity exposure due to its growth bias and long time horizon.

The Fund's strongest contributors to five-year performance include semiconductor chip designer Cadence Design Systems, cyber security specialist Palo Alto Networks, and ASML, the manufacturer of lithography machines used in semiconductor production.

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

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

\*\*Source: Financial Express, as at 30.06.23, 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 ongoing charges figure (OCF) is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis.

The Sustainable investment team utilises an array of asset classes in order to achieve the Fund's investment objective, which may include investment vehicles such as Exchange Traded Funds (ETFs) and Investment Trusts. The costs of these investment vehicles are included in the charges of the Fund and, based on the Fund's investment objective and strategy, the fees charged for the level of service and type of investments are considered to be reasonable.

Additionally, we assessed the other share 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 provides clarity of Fund costs to investors and enables 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%. 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

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

# Liontrust SF Defensive Managed Fund

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

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



## Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received an Amber for Comparable market rates, we have concluded that the Fund has performed in line with expectations 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
	Wholesale*	Institutional
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Sustainable Future Defensive Managed Fund returned 9.3% over the five years to 30 June 2023 versus the IA Mixed Investment 20-60% Shares sector average return of 8.4% (the comparator benchmark). \*\*

Over time, the 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. Their 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.

Asset allocation has had a positive impact. For much of the period, the Fund has been overweight equities and corporate bonds and underweight government bonds and cash. The equity exposure has driven the Fund's gains while bonds and infrastructure have been a small drag on performance. More recently, the Fund moved neutral on equities and increased bond exposure as yields rose.

While the Fund has a strong long-term track record, rising interest rates over the last two years have presented a performance headwind. Investors have applied higher discount rates which have affected the Fund's equity exposure due to its growth bias and long time horizon.

The Fund's strongest contributors to five-year performance include semiconductor chip designer Cadence Design Systems, cyber security specialist Palo Alto Networks and private equity investment manager 3i.

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.

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

\*\*Source: Financial Express, as at 30.06.23, 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 ongoing charges figure (OCF) is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis.

The Sustainable investment team utilises an array of asset classes in order to achieve the Fund's investment objective, which may include investment vehicles such as Exchange Traded Funds (ETFs) and Investment Trusts. The costs of these investment vehicles are included in the charges of the Fund and, based on the Fund's investment objective and strategy, the fees charged for the level of service and type of investments are considered to be reasonable.

Additionally, we assessed the other share 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 provides clarity of Fund costs to investors and enables 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%. 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

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

# Liontrust SF European Growth Fund

The Fund, which is managed by Peter Michaelis and Martyn Jones, aims to deliver capital growth over the long term (five 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. All investments will be expected to conform to the team's ESG criteria.



## 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.



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

\*\*Source: Financial Express, as at 30.06.23, total return.

	Class 2	Class 3	Class 6
	Wholesale*	Institutional	Wholesale
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Sustainable Future European Growth Fund returned 13.2% over the five years to 30 June 2023 versus the MSCI Europe ex UK Index return of 39.0% and the IA Europe ex-UK sector average return of 33.4% (both comparator benchmarks). \*\*

Over time, the 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. Their 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.

While the Fund has a strong long-term track record, it has faced performance headwinds in recent years in the form of rising interest rates. Investors have applied higher discount rates to companies' future expected earnings, their present valuation has fallen – a pattern which has affected the Fund due to its growth bias and long time horizon.

The Fund's strongest contributors to five-year performance include ASML, the manufacturer of lithography machines used in semiconductor production, Cellnex, the Spanish telecoms operator, and Roche, the Swiss pharmaceutical giant. These gains have been offset by negative returns for investments such as Danish hearing aid maker GN Store, German online pharmacy DocMorris and Belgian financial software-as-a-service group Unifiedpost.

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.

The European Growth Fund has provided investors with positive capital returns but less than the sector and the index. The Fund has underperformed significantly in the rising interest rate environment, 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 from large and small cap stocks over 18 months. The Fund has provided a positive return and met its sustainable investment objective, but due to the relative underperformance versus the index and sector over the last year the Fund has been marked Amber for performance 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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% for certain classes. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

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

	Class 2	Class 3
	Wholesale*	Institutional
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Sustainable Future Global Growth Fund returned 61.6% over the five years to 30 June 2023 versus the MSCI World Index return of 60.3% and the IA Global sector average return of 44.1% (both comparator benchmarks). \*\*

Over time, the 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. Their 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.

While the Fund has a strong long-term track record, rising interest rates over the last two years have presented a performance headwind. Investors have applied higher discount rates which have affected the Fund due to its growth bias and long time horizon.

The Fund's strongest contributors to five-year performance include semiconductor chip designer Cadence Design Systems, cyber security specialist Palo Alto Networks and outsourced clinical trials provider IQVIA.

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.



[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 30.06.23, 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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% 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 re-investment 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 (five 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. All investments will be expected to conform to the team's 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.

	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				
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Sustainable Future Managed Fund returned 35.3% over the five years to 30 June 2023 versus the IA Mixed Investment 40-85% Shares sector average return of 16.4% (the comparator benchmark). \*\*

Over time, the 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. Their 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.

Asset allocation has had a positive impact. For much of the period, the Fund has been overweight equities and corporate bonds and underweight government bonds and cash. The equity exposure has driven the Fund's gains while bonds have been a small drag on performance. More recently, the Fund moved neutral on equities and increased bond exposure as yields rose.

While the Fund has a strong long-term track record, rising interest rates over the last two years have presented a performance headwind. Investors have applied higher discount rates which have affected the Fund's equity exposure due to its growth bias and long time horizon.

The Fund's strongest contributors to five-year performance include semiconductor chip designer Cadence Design Systems, cyber security specialist Palo Alto Networks and outsourced clinical trials provider IQVIA.

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.



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\*\*Source: Financial Express, as at 30.06.23, 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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% 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 (five 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. All investments will be expected to conform to the team's 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.

	Class 2	Class 3
	Wholesale*	Institutional
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Sustainable Future Managed Growth Fund returned 59.7% over the five years to 30 June 2023 versus the IA Flexible Investment sector average return of 18.4% (the comparator benchmarks). \*\*

Over time, the 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. Their 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.

While the Fund has a strong long-term track record, rising interest rates over the last two years have presented a performance headwind. Investors have applied higher discount rates which have affected the Fund due to its growth bias and long time horizon.

The Fund's strongest contributors to five-year performance include Cadence Design Systems, the semiconductor chip designer, IQVIA, a provider of outsourced clinical trials provider, and ASML, the manufacturer of lithography machines used in semiconductor production.

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.



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

\*\*Source: Financial Express, as at 30.06.23, 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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% 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 (five 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 United Kingdom (UK). All investments will be expected to conform to the team's 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 are closely monitoring the Performance of the Fund, as a result of the Amber outcome for this criterion. 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, but we will be monitoring it carefully over the next year.



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\*\*Source: Financial Express, as at 30.06.23, total return.

	Class 2	Class 3
	Wholesale*	Institutional
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust UK Ethical Fund returned 0.7% over the five years to 30 June 2023 versus the MSCI United Kingdom Index return of 19.4% and the IA UK All Companies sector average return of 8.0% (both comparator benchmarks).\*\*

Over time, the 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. Their 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.

While the Fund has a strong long-term track record, it has faced performance headwinds in recent years, particularly due to rising interest rates. Investors have applied higher discount rates which have affected the Fund due to its growth bias and long time horizon.

The Fund's strongest contributors to five-year performance include Softcat, the UK's leading value-added reseller of IT software and equipment serving the fragmented SME market, Kingspan, the high performance insulation and building envelope specialist, and London Stock Exchange. These gains have been offset by negative returns for investments such as Mobico Group (formerly National Express), Cineworld and the Gym Group.

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.



The Fund has provided investors with positive capital returns but less than the index and sector. The Fund outperformed over the initial three years, but has underperformed significantly in the last two years bringing down its good longer term numbers. This is due to the temporary factors of the significant divergence between the returns from large value and small growth stocks and the relative weakness of ethical stocks. 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 ethical criteria of the investment process. As expected, at times when those companies that do not meet these criteria thrive, the Fund is likely to underperform and this is what has happened over the past two years.



### 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 ongoing charges figure (OCF) is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis.

The Sustainable investment team utilises an array of asset classes in order to achieve the Fund's investment objective, which may include investment vehicles such as Exchange Traded Funds (ETFs) and Investment Trusts. The costs of these investment vehicles are included in the charges of the Fund and, based on the Fund's investment objective and strategy, the fees charged for the level of service and type of investments are considered to be reasonable.

Additionally, we assessed the other share 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 provides clarity of Fund costs to investors and enables 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% 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

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

# Liontrust SF UK Growth Fund

The Fund, which is managed by Peter Michaelis and Martyn Jones, aims to deliver capital growth over the long term (five years or more) using the Sustainable Future investment process to invest in companies incorporated, domiciled or which conduct significant business in the United Kingdom (UK). 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. All investments will be expected to conform to the team's 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 are closely monitoring the Performance of the Fund, as a result of the Amber outcome for this criterion. 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, but we will be monitoring it carefully over the next year.



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

\*\*Source: Financial Express, as at 30.06.23, 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				
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Sustainable Future UK Growth Fund returned 0.8% over the five years to 30 June 2023 versus the MSCI United Kingdom Index return of 19.4% and the IA UK All Companies sector average return of 8.0% (both comparator benchmarks).\*\*

Over time, the 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. Their 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.

While the Fund has a strong long-term track record, it has faced performance headwinds in recent years in the form of rising interest rates. Investors have applied higher discount rates to companies' future expected earnings, their present valuation has fallen – a pattern which has affected the Fund due to its growth bias and long time horizon.

The Fund's strongest contributors to five-year performance include Softcat, the UK's leading value-added reseller of IT software and equipment serving the fragmented SME market, Kingspan, the high performance insulation and building envelope specialist, and 3i, the private equity investment manager. These gains have been offset by negative returns for investments such as Mobico Group (formerly National Express), Cineworld and the Gym Group.

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.

The SF UK Growth Fund has provided investors with positive capital returns but less than the index and sector. The Fund outperformed over the initial three years, but has underperformed significantly in the last two years bringing down its good longer term numbers. This is due to the temporary factors of the significant divergence between the returns from large value and small growth stocks and the relative weakness of sustainable stocks. 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 investment process. As expected, at times when those companies that do not meet these criteria thrive, the Fund is likely to underperform and this is what has happened over the past two years.



### 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 ongoing charges figure (OCF) is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis.

The Sustainable investment team utilises an array of asset classes in order to achieve the Fund's investment objective, which may include investment vehicles such as Exchange Traded Funds (ETFs) and Investment Trusts. The costs of these investment vehicles are included in the charges of the Fund and, based on the Fund's investment objective and strategy, the fees charged for the level of service and type of investments are considered to be reasonable.

Additionally, we assessed the other share 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 provides clarity of Fund costs to investors and enables 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% 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 Corporate Bond Fund

The Fund, which is managed by Aitken Ross, Kenny Watson and Jack Willis, aims to deliver income with capital growth over the long term (five 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. All investments will be expected to conform to our 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.

	Class 2	Class 3	Class 6
	Wholesale*	Institutional	Wholesale
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Sustainable Future Corporate Bond Fund returned -6.5% over the five years to 30 June 2023 versus the iBoxx UK Sterling Corporate All Maturities Index return of -6.1% and the IA Sterling Corporate Bond sector average return of -4.2% (both comparator benchmarks). \*\* The Fund has also consistently yielded more than the index meeting its income objective. The lowest fee share class did outperform the index.

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

Key drivers of returns over recent years have been exposure to and stockpicking within insurance, telecoms and banking sectors. On top of a core high-quality core credit portfolio, the fund managers believe a flexible approach to managing interest rate risk can enhance returns.

For the vast majority of the five-year period, the Fund has been short duration relative to the Index as the managers believed that government bond yields were overvalued, as well as due to the threat of reflation risks. Following a sharp rise in gilt yields during 2022, the fund managers believed UK government bond yields were above fair value, and closed off the long-standing short duration position. The Fund then moved to a long duration position in 2023 as yields offered compelling value.



[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 30.06.23, total return.



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.

The Fund met its income target over the period, but the Fund failed to provide a positive return over the last five years in line with the negative returns of the benchmark and sector. The Fund has outperformed the index over one and three years and the lowest fee class of the Fund did outperform the index over five years, 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.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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% 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 Kenny Watson, Aitken Ross and Jack Willis, is to produce monthly income payments together with capital growth using the Sustainable Future investment process and 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 will be expected to conform to our 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.

	Class B	Class P	Class Z
	Direct Retail*	Direct Retail	Internal
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Sustainable Future Monthly Income Fund returned -4.8% over the five years to 30 June 2023 versus the iBoxx Sterling Corporates 5-15 Years Index (the target benchmark) return of -7.3% and the IA Sterling Corporate Bond sector (the comparator benchmark) average return of -4.2%.\*\* The Fund has also consistently yielded more than the Index, and paid out a monthly distribution meeting its income objective. The lowest fee share class did outperform the sector.

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

Key drivers of returns over recent years have been exposure to and stockpicking within insurance, telecoms and banking sectors. On top of a core high-quality core credit portfolio, the fund managers believe a flexible approach to managing interest rate risk can enhance returns.

For the vast majority of the five-year period, the Fund has been short duration relative to the Index as the managers believed that government bond yields were overvalued, as well as due to the threat of reflation risks. Following a sharp rise in gilt yields during 2022, the fund managers believed UK government bond yields were above fair value, and closed off the long-standing short duration position. The Fund then moved to a long duration position in 2023 as yields offered compelling value.



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

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\*\*Source: Financial Express, as at 30.06.23, total return.



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.

The Fund met its income target and outperformed the Index but most classes were behind the sector and did not provide a positive capital return over the last five years. Considering that the reference bond benchmark and sector also failed to provide positive returns and the Fund outperformed the benchmark, the Fund is considered to have met its performance objectives.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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% 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 re-investment in the business.



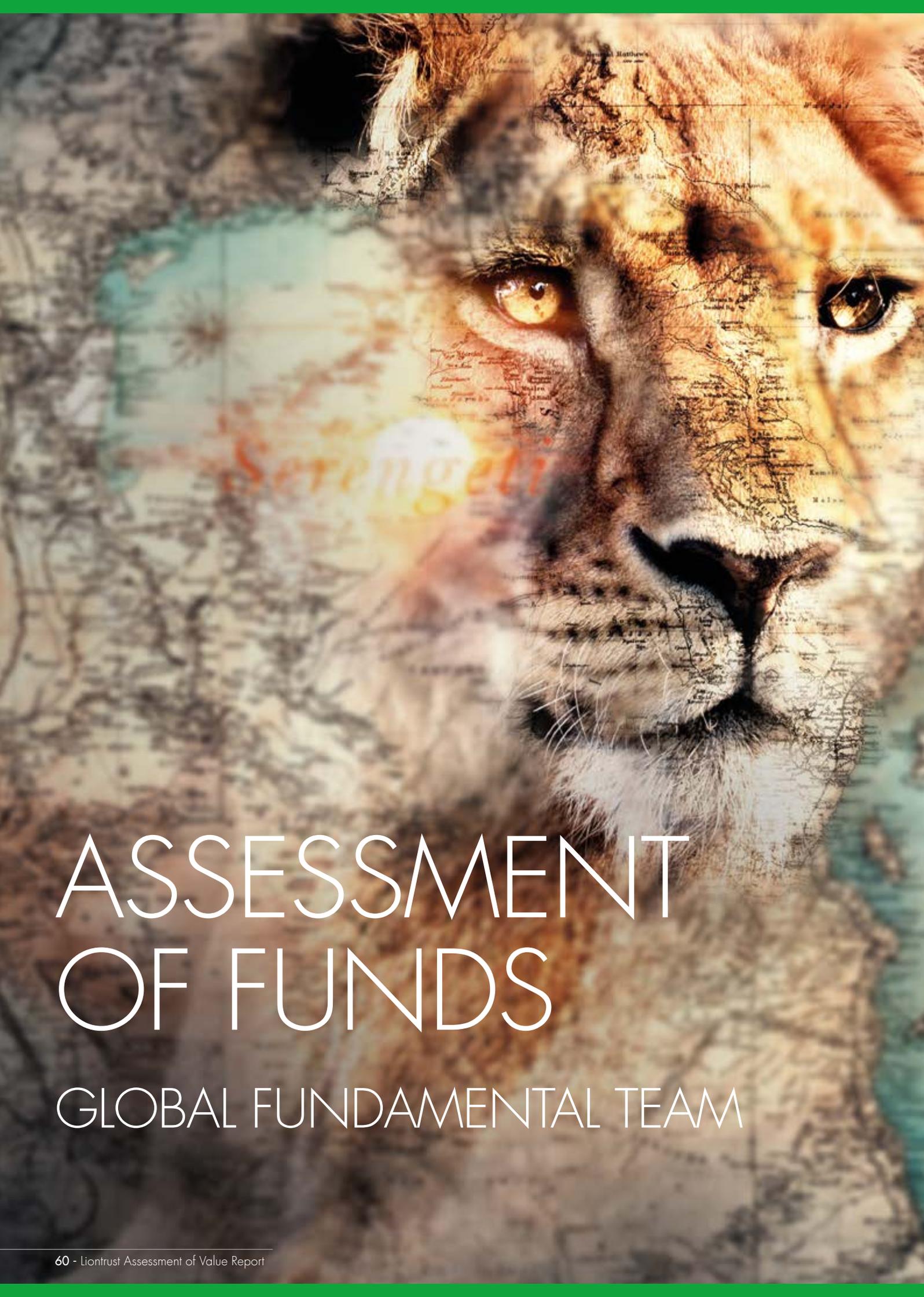
### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

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



## Global Fundamental team

Headed by James de Uphaugh, the Global Fundamental team's offering initially focused on UK equities but expanded in 2014 to include US, Global and International equities strategies. Global and emerging market funds have been added to the team's range more recently. James de Uphaugh was appointed lead manager of the Edinburgh Investment Trust in 2020.

### 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 managers look for distinct inflection points and drivers of returns for the different funds. How they apply this approach differs from fund to fund.

### Global equity funds

This process is based on the philosophy that where multiple changes coincide, opportunities open up for investors. For these funds, the team looks for companies that are exploiting change to become stronger, better and more highly valued in the future. The changes that the companies within the funds seek to exploit sit along a range.

At one end is External Change. The catalysts for External Change are wide ranging and may include the arrival of a new technology that is transforming an industry, environmental change or a socio-economic or demographic change that may take years to work through.

At the other end of the range is Internal Change. These changes enable a company to re-engineer itself so that its future is very different from its past. Often these are contrarian investments where the team has confidence that management will rebuild a company after a tough recent past. Internal Change catalysts include restructuring, closing business lines, or pivoting to new business models and products.

The team seeks to identify companies that can exploit multiple change catalysts as they believe this is often when change is most pronounced and the potential opportunity most advantageous.

### UK equity income funds

The fund managers invest in high-quality dividend paying companies with competitor powers. Their building blocks of quality include strong and improving returns on capital, clean cash-generative financial models, prudent balance sheets, attractive underlying markets, and skilled and motivated management. Companies with at least one of seven competitor powers have strong strategic traits that underpin persistent and predictable profitability.

### Emerging Markets strategies

For these funds, the team focuses on emerging leaders, which are companies that are well positioned to prosper in a world of rapid change. 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, emerging leaders alone have the resources and capabilities to survive and prosper given the huge levels of disruption seen across the whole economy. 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).

### UK Equity funds

The Funds have focused, bottom-up stock picking strategies that apply a flexible investment process which avoids inbuilt style biases. The funds focus on companies that the team believes offer the best risk/reward profiles while ensuring the portfolios are well balanced and risk is carefully targeted.

### Funds

- Liontrust Balanced Fund
- Liontrust China Fund
- Liontrust Emerging Markets Fund
- Liontrust Global Alpha Fund
- Liontrust Global Smaller Companies Fund
- Liontrust Income Fund
- Liontrust India Fund
- Liontrust Japan Equity Fund
- Liontrust Latin America Fund
- Liontrust US Opportunities Fund
- Liontrust Global Equity Fund
- Liontrust Global Focus Fund
- Liontrust UK Equity Fund
- Liontrust UK Focus Fund

# Liontrust Balanced Fund

The Liontrust Balanced Fund aims to generate capital growth over the long term (five 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 30.06.23, 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				
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Balanced Fund returned 33.6% over the five years to 30 June 2023 versus the IA Mixed Investment 40-85% Share sector average of 16.4% (the comparator benchmark). \*\*

Due to the nature of the Fund's investment process, its performance is best viewed in terms of stock selection. Historically, the Fund has been managed with a preference towards mega and large cap stocks, with a number of these 'high quality growth' stocks performing strongly over the period.

From a stock perspective, the top contributors to performance over the period were Microsoft, Amazon, Alphabet, Apple, Visa and Palo Alto Networks.

More recently, the macroeconomic conditions of 2022 created considerable headwinds for the Fund's investment approach, when central banks raised interest rates to tackle rising inflation. Companies with strong growth expectations had 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 hit the Fund hard given its bias to high quality growth.

Following a change in management of the Fund in February 2023, the portfolio now invests in a broader range of stocks. For example, the Fund's concentration in the IT sector has been reducing, having previously accounted for nearly a quarter of the portfolio. The new management team also took direct holdings in smaller companies that they found attractive. The result is a more balanced portfolio that has a high conviction, active approach to investing in companies capitalising on change.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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% for certain classes. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 third year running, as part of our annual review of share class appropriateness we have written to investors who remain in certain older retail share classes of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. Some investors who remain in these older retail classes of the Fund may be paying a higher fee and are encouraged to review the communication sent by Liontrust to ensure that appropriate action is taken.

For an explanation of the different share classes, please go to pages 24 and 25.

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

# Liontrust China Fund

The Fund, which is managed by Ewan Thompson, Thomas Smith and Ruth Chambers, aims to generate capital growth over the long term (five 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. The Fund has received a Red for Performance, we understand why and have explained the reasons for this. We are closely monitoring the performance of the Fund as a result of the Red outcome for this criterion and will consider further actions if necessary. 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. Liontrust proposed merging the Fund with the Emerging Markets Fund but this was rejected in a shareholder vote.



**Go back to the Summary of the Assessment of Value table**

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\*\*Source: Financial Express, as at 30.06.23, 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			
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust China Fund returned -24.7% over the five years to 30 June 2023 versus the MSCI China Index return of -20.8% and the IA China/Greater China sector average return of -9.8% (both comparator benchmarks). \*\*

The Covid pandemic and government regulation on a wide range of companies have buffeted the Chinese equity market. The regulatory interventions have been extremely painful for the share performance of the affected companies, with education and information technology names within the Fund hit the hardest. Moreover, economic growth has continued to disappoint against expectations due to pressures in the property market.

The Fund continues to lean on its investment process, looking for emerging leaders – companies that are well positioned in a fast-changing China. The Fund is positioned to be largely sector and style neutral, with asset allocation based on bottom-up stock picking and analytical work.

Emerging leaders must have an attractive industry structure, and the management vision and financial resources to generate outsized economic returns. They can be either 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).

The Chinese benchmark returns over the period was dominated by two large technology stocks – Alibaba and Tencent – that make up a significant proportion



of the benchmark. 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 over the five years. Similarly, the Fund has only recently been able to invest in the better performing A shares.

Due to the underperformance the Fund has been marked as Red.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 third year running, as part of our annual review of share class appropriateness we have written to investors who remain in certain older retail share classes of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. Some investors who remain in these older retail classes of the Fund may be paying a higher fee and are encouraged to review the communication sent by Liontrust to ensure that appropriate action is taken.

For an explanation of the different share classes, please go to pages 24 and 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, which is managed by Ewan Thompson, Thomas Smith and Ruth Chambers, aims to generate capital growth over the long term (five 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. The Fund has received a Red for Performance, we understand why and have explained the reasons for this. We are closely monitoring the performance of the Fund as a result of the Red outcome for this criterion and will consider further actions if necessary. 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.



**Go back to the Summary of the Assessment of Value table**

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\*Source: Financial Express, as at 30.06.23, total return, net of fees, income reinvested.

	Class C
	Wholesale
Performance	
Quality of service	
AFM costs	
Comparable market rates	
Economies of scale	
Comparable services	
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Emerging Markets Fund returned -3.7% over the five years to 30 June 2023 versus the MSCI Emerging Markets Index return of 8.8% and the IA Global Emerging Markets sector average return of 8.7% (both comparator benchmarks).\*

The Liontrust Emerging Markets Fund focuses on Emerging Leaders, which are companies well positioned to prosper in a world of rapid change. Emerging Leaders must have an attractive industry structure, and the management vision and financial resources to generate outsized economic returns. The last five years have seen considerable volatility in emerging markets, with the asset class broadly underperforming developed market indices. 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.

During this period, the most significant period of underperformance came during the major shift upwards in bond yields that occurred during 2021 and early 2022. Over these months, the aggressive rotation towards the value style and commodities worked against the Fund's positioning. In particular, overweight positions in large-cap technology shares such as Samsung Electronics and SK Hynix were costly as the semiconductor cycle downturn proved weaker than expected. In addition, Brazil dragged on performance as the fund managers' expectations of recovery proved initially overly optimistic – though over the last year Brazil's recovery has led to a positive performance contribution from the country.

The last year of the period in question has seen improved performance, with significant positive contributions coming from stock selection in India, Indonesia, South Korea and the Philippines., albeit partly offset by China, where financials holdings performed poorly as sentiment regarding the property market deteriorated further.



Despite the more recent improvement in performance, investors in the Fund have not benefited from capital growth over the five-year period and underperformed both the index and the sector. Emerging markets is a volatile asset class and there is a large diversion of returns within the comparative sector. In 2021, a number of changes were made to the investment process and team. Following these changes, the performance of the Fund has still been mixed, although better than the five-year returns. The Fund will be monitored to see whether the performance continues to improve 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 ongoing charges figure (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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 Liontrust Global Alpha Fund aims to generate capital growth over the long term (five 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. 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.



[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 30.06.23, 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			
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Global Alpha Fund returned 39.4% over the five years to 30 June 2023 versus the MSCI All-Country World Index return of 53.3% and the IA Flexible sector average return of 18.4% (both comparator benchmarks). \*\*

Much of the Fund's longer term performance can be attributed to a preference for 'high quality growth' stocks within the mid-cap area of the market, which made strong gains over the past five years. Due to the nature of the Fund's investment process, its performance is best viewed in terms of individual stock selection. In this regard, the top contributors to performance over the period were Twilio, RingCentral, Amazon, Nvidia and Horizon Therapeutics.

More recently, the macroeconomic conditions of 2022 created considerable headwinds for the Fund's investment approach, as central banks around the world raised 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 hit the Fund hard given its bias to high-quality growth and the fund underperformed significantly.

Following a change in management of the Fund in February 2023, the portfolio now invests in a broader range of stocks – for example the Fund's concentration in the IT sector has been reduced, having previously accounted for nearly a quarter of the portfolio. The new management team also took direct holdings in smaller companies that they found attractive. The result is a more balanced portfolio that has a high conviction, active approach to investing in companies capitalising on change. Since this change, the Fund has outperformed the index and sector.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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% for certain classes. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 third year running, as part of our annual review of share class appropriateness we have written to investors who remain in certain older retail share classes of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. Some investors who remain in these older retail classes of the Fund may be paying a higher fee and are encouraged to review the communication sent by Liontrust to ensure that appropriate action is taken.

For an explanation of the different share classes, please go to pages 24 and 25.

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

# Liontrust Global Smaller Companies Fund

The Liontrust Global Smaller Companies Fund aims to generate capital growth over the long term (five 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.

	Class C
	Wholesale
Performance	
Quality of service	
AFM costs	
Comparable market rates	
Economies of scale	
Comparable services	
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Global Smaller Companies Fund returned 41.0% over the five years to 30 June 2023 versus the MSCI ACWI Small Cap Index return of 29.6% and the IA Global sector average return of 44.1% (both comparator benchmarks).\*

Due to the 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.

More recently, the macroeconomic conditions of 2022 created considerable headwinds for the Fund's investment approach, as central banks around the world raised interest rates to tackle rising inflation. Companies with strong growth expectations had 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 hard given its bias to high growth.

Following a change in management of the Fund in February 2023, the portfolio now invests in a broader range of stocks – for example the Fund's concentration in the IT sector has been reduced, having previously accounted for nearly half the portfolio. The result is a more balanced portfolio that has a high conviction, active approach to investing in companies capitalising on change.

The Fund has significantly outperformed the comparable index over five years and both the index and sector over the last year. The IA Global sector is broad and includes funds that can invest in larger companies unlike the Global Smaller Companies Fund. Since March 2021, larger companies significantly outperformed smaller companies which resulted in the Fund struggling to match the performance of the wider sector despite outperforming the smaller companies index.



[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 30.06.23, 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 ongoing charges figure (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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

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

# Liontrust Income Fund

The Fund 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 (five years or more) capital growth. The Fund is constructed using a distinctive, flexible style encompassing elements of

Growth and Value investing. This helps mitigate style bias and produces balanced portfolios, with a potential to perform across different market and economic cycles.



## 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
	Legacy Retail	Direct Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Income Fund returned 21.4% over the five years to 30 June 2023 versus the FTSE All-Share Index return of 16.5% and the IA UK Equity Income sector average return of 9.9% (both comparator benchmarks). \*\* All share classes have also met their income objective.

Following a change in management of the portfolio in July 2022, the Fund's stated investment process was changed to focus on investing in durable 'quality' dividend stocks, evidenced through competitive powers, and balanced across two complementary investment silos: i) dividend Growth At Reasonable Price, and ii) repeatable cashflow.

The fund managers believe their high-quality, dividend strategy is a logical proposition for investors seeking attractive and resilient income today, with potential for above average future growth. They believe their investment process, identifying dividend paying companies with competitive powers, gives them a framework to capture superior risk-adjusted returns.

With regard to drivers of performance over the past five years, Apple and Microsoft were among the main contributors – these two US-listed stocks were held under previous management and have subsequently been sold, along with all other US stocks following the Fund's change in process. Other notable performance over the period under review included AstraZeneca, Anglo American and Rio Tinto.

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\*\*Source: Financial Express, as at 30.06.23, 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 third year running, as part of our annual review of share class appropriateness we have written to investors who remain in certain older retail share classes of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. Some investors who remain in these older retail classes of the Fund may be paying a higher fee and are encouraged to review the communication sent by Liontrust to ensure that appropriate action is taken.

For an explanation of the different share classes, please go to pages 24 and 25.

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, Thomas Smith and Ruth Chambers. It aims to generate capital growth over the long term (five 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.



**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 30.06.23, total return, net of fees, income reinvested.

	Class C
	Wholesale
Performance	
Quality of service	
AFM costs	
Comparable market rates	
Economies of scale	
Comparable services	
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust India Fund returned 40.8% over the five years to 30 June 2023 versus the MSCI India Index return of 58.0% and the IA India sector average return of 45.8% (both comparator benchmarks).\*

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 versus both the sector and index over three years. The Liontrust India Fund underperformed over the five-year period primarily due to two years of under-performance at the beginning of this period, after which period the management of the Fund changed.

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 as more vulnerable to the credit problems affecting the economy at the time. However, given the attractive long-term outlook for both the market and economy, a number of the long-term holdings were kept due to the attractive risk-reward profile apparent after such a significant derating.

Indeed, this focus has been rewarded significantly over the last three years as the Fund has outperformed significantly due to its exposure to not only the post-Covid recovery in the Indian economy, but also the positive resolution of the asset-quality issues affecting sentiment towards the wider market and in particular stocks tied into the now-apparent economic revival. The investment cycle that was envisaged has now materialised, having been delayed firstly by the credit problems mentioned above, and then more recently due to the global pandemic.



### 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 ongoing charges figure (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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 Thomas Smith. It aims to generate capital growth over the long term (five 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.



**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 30.06.23, total return, net of fees, income reinvested.

	Class B	Class C
	Direct Retail	Wholesale*
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Japan Equity Fund returned 20.9% over the five years to 30 June 2023 versus the TSE TOPIX Index return of 16.6% and the IA Japan sector average return of 17.7% (both comparator benchmarks). \*\*

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

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.

By contrast, the more value-orientated stocks held by the Fund then came into their own, partly due to their lowly rating, so less affected by rate moves, and also having been largely ignored for two to three years, meaning 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 suppliers being able to pass on costs and often exploit their position as one of the few remaining global providers of such items in shrunken industries with few competitors.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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, Ewan Thompson and Ruth Chambers. It aims to generate capital growth over the long term (five 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. The Fund has received a Red for Performance, we understand why and have explained the reasons for this. We are closely monitoring the performance of the Fund as a result of the Red outcome for this criterion and will consider further actions if necessary. 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.



**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 30.06.23, total return, net of fees, income reinvested.

	Class C
	Wholesale
Performance	
Quality of service	
AFM costs	
Comparable market rates	
Economies of scale	
Comparable services	
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Latin America Fund returned 16.7% over five years to 30 June 2023 versus the MSCI EM Latin America Index (comparator benchmark) return of 31.2% and IA Latin America sector average return of 23.5% (both comparator benchmarks).\*

The Liontrust Latin America Fund focuses on Emerging Leaders, which are companies well positioned to prosper in a world of rapid change. Emerging Leaders must have an attractive industry structure, and the management vision and financial resources to generate outsized economic returns.

Over time, stock selection rather than factor exposure has driven the performance of the fund. The team has often found underappreciated Emerging Leaders by looking down the market cap spectrum. Historically, these small and mid-caps have contributed positively to fund performance. Brazil's contribution to performance was modestly positive over the five-year period, but this masks a shorter period of sharp underperformance from 2021 into 2022.

As interest rates in Brazil rose sharply through 2021 and 2022, equity funds in Brazil saw material outflows as money went into fixed income assets, and small and mid-cap companies were disproportionately impacted by the selling pressure. The Fund's holdings in Brazil contributed nearly 9% to relative underperformance during this time, and most of this came from small and mid-cap holdings. Inflation is now back within the central bank's target range which has allowed them to start cutting interest rates. At the same time, investments have begun to flow from fixed income assets back into equities and this has helped the relative performance of the fund in recent months.



Investors in the Fund have benefited from capital growth, but underperformed the index and the sector over the five year period. There has been a significant impact from the Brazilian interest rates and the exposure to smaller companies. Due to the underperformance, the Fund has been marked as Red. However, following a review, it is believed that the fund is now well positioned to benefit from the expected market environment and will be monitored carefully over the next year to ensure it returns to outperformance.



### 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 ongoing charges figure (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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 US Opportunities Fund

The Fund, which is managed by Hong Yi Chen, aims to generate capital growth over the long term (five years or more). The Fund invests at least 80% in shares of US companies. These are companies which, at the time of purchase, are incorporated, domiciled, listed or conduct significant business in the US.



## Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. While the Fund has received 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.



[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				
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust US Opportunities Fund returned 64.8% over the five years to 30 June 2023 versus the S&P 500 Index return of 80.7% and the IA North America sector average return of 66.4% (both comparator benchmarks).\*\*

The Fund's performance is best viewed in terms of stock selection. In this regard, the top contributors to performance over the period include Microsoft, Apple, Horizon Therapeutics and Apple.

Although investors in the Fund have benefited from a positive total return over the five year period, it is less than the index or the sector. The Fund underperformed between June 2021 and June 2023 bringing down its previously good longer term numbers – since inception the fund has performed well. Management of the Fund changed in July 2023, with its investment process changing as well, to focus on identifying companies with the potential to exploit change (internal and external) with catalysts to realise the upside case. As the fund has not delivered as expected for clients over the historic five year holding period, it has been marked as Amber until it demonstrates that clients are consistently benefiting from the changes.

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

\*\*Source: Financial Express, as at 30.06.23, 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 third year running, as part of our annual review of share class appropriateness, we have written to investors who remain in certain older retail share classes of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. Some investors who remain in these older retail classes of the Fund may be paying a higher fee and are encouraged to review the communication sent by Liontrust to ensure that appropriate action is taken.

For an explanation of the different share classes, please go to pages 24 and 25.

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

# Liontrust Global Equity Fund

Launched in 2014, the Fund aims to deliver a total return after costs and charges, combining income and capital growth, in excess of the benchmark over any five-year period.



## 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 X	Class B
	Wholesale*	Internal
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund has delivered a return of 57.6% over the last five years, outperforming the MSCI All Country World Index benchmark and the IA Global sector, which delivered 53.3% and 44.1% respectively. \*\*

Much of the Fund's performance is attributed to a wide variety of different stocks in a range of sectors that have made strong gains over the past five years. These include the Latin American ecommerce and fintech business MercadoLibre, container shipper AP Moller Maersk; the mobile office provider WillScot Mobile Mini; Novo Nordisk, the global healthcare company; and Taiwan Semiconductor Manufacturing Company. An emphasis on a broad range of drivers for performance has guided the Fund towards companies that the managers believe have the potential for exceptional returns.

However, having zero exposure to Apple, the US technology giant, and overweights in Tullow Oil and New Oriental Education & Technology detracted the most from the Fund's performance.

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

\*\*Source: Financial Express, as at 30.06.23, bid-to-bid basis, cumulative net of fee returns, in GBP.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 on to our investors. The OCF of the Fund is limited to the rate of the annual management charge (AMC) out of which the fund expenses are paid on behalf of investors.



### 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 Global Focus Fund

Launched in 2014, the Fund is a concentrated global equities portfolio and aims to deliver a total return after costs and charges, combining income and capital growth, in excess of the benchmark over any five-year period.



## 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 X
	Wholesale
Performance	
Quality of service	
AFM costs	
Comparable market rates	
Economies of scale	
Comparable services	
Classes 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 delivered a return of 52.6% over the last five years, underperforming the MSCI All Country World Index which returned 53.3% over the same period but outperforming the IA Global sector, which delivered 44.1%. \*

Much of the Fund's performance is attributed to a wide variety of different stocks in a range of sectors that have made strong gains over the past five years. These include container shipper AP Moller Maersk; Taiwan Semiconductor Manufacturing Company; Novo Nordisk, the global healthcare company; MercadoLibre, the Latin American ecommerce and fintech business; and mining company Barrick Gold.

However, having zero exposure to Apple, the US technology giant, and overweights in Tullow Oil, the oil and gas exploration company multinational; and New Oriental Education & Technology, the private educational services provider in China, detracted the most from the Fund's performance.

The Global Focus Fund has provided investors with positive capital returns ahead of the sector but slightly less than the index over five years. The Fund has outperformed both over one and three years. The main driver for the underperformance versus the index over five years has been the cost and charges; the gross returns of the Fund would have outperformed the index. The investment team deliberately positions the Fund away from the index to provide investors with a complementary fund. The Fund will tend to be invested outside of the largest companies and therefore when the largest businesses outperform, the fund is likely to underperform.

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

\*Source: Financial Express, as at 30.06.23, bid-to-bid basis, cumulative net of fee returns, in GBP.



### 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 ongoing charges figure (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 on to our investors. The OCF of the Fund is limited to the rate of the annual management charge (AMC) out of which the fund expenses are paid on behalf of investors.



### 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 UK Equity Fund

The Liontrust UK Equity Fund invests primarily in FTSE 350 stocks. The team has the ability to invest up to 20% of the Fund in overseas equities. The Fund aims to deliver a total return after costs and charges, combining income and capital growth, in excess of its benchmark over any five-year period.



## 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.



**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 30.06.23, bid-to-bid basis, cumulative net of fee returns, in GBP.

	Class X	Class B
	Wholesale*	Internal
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund has delivered a return of 4.5% over the five years to 30 June 2023, underperforming the FTSE All Share Index and the IA UK All Companies sector, which delivered 16.5% and 8.0% respectively.\*\*

For much of the last five years the Fund has reflected the convictions of several fund managers' different yet complementary bottom-up investment styles. Four portfolio managers managed portions of the Fund. The allocation to smaller companies over the period has consistently detracted from the performance of the Fund and the decision was made to remove this allocation this year.

At the core of the team's investment approach is deep, fundamental research to find share price inflection points that can drive long-term performance. Ideas are generated from a range of sources, blending company-specific and economic analysis. ESG materiality assessments, resiliency scoring and engagement are important elements of the investment process. Holding periods for stocks are typically expected to be three to five years.

Much of the Fund's performance is attributed to a wide variety of different stocks in a range of sectors that have made strong gains over the past five years. These include leading performers Barrick Gold, the mining company; Etsy, the US ecommerce platform; Rentokil Initial, the business services group; 3i, the UK private equity company; and Ashtead, the international industrial equipment rental company. An emphasis on a broad range of drivers for performance has guided the Fund towards companies that the managers believe have the potential for exceptional returns.



Although investors in the Fund have benefited from a positive total return over the five-year period, it is less than the index or the sector. The Fund underperformed significantly in between 2021 and June 2022, bringing down its previously good longer term numbers – since inception the Fund has performed well. This was mainly due to competing against a defensively focused, value oriented, large cap index, especially with the significant divergence between the returns from large and small cap stocks over that period.

The last year has seen improved performance, beating the index and the sector. However, due to the relative underperformance versus the index and sector over the five years, the Fund will continue to be monitored carefully to ensure the investment process reverts to long-term outperformance.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 on to our investors. The OCF of the Fund is limited to the rate of the annual management charge (AMC) out of which the fund expenses are paid on behalf of investors.



### 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 Focus Fund

The Liontrust UK Focus Fund is a concentrated, high conviction fund managed by Imran Sattar. The manager invests primarily in FTSE 350 stocks with the ability to invest up to 20% in overseas equities.

The Fund aims to deliver a total return after costs and charges, combining income and capital growth, in excess of its benchmark over any five-year period.



## 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.



**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 30.06.23, bid-to-bid basis, cumulative net of fee returns, in GBP.

	Class X Wholesale*	Class B Internal
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund has delivered a return of 1.3% over the last five years, underperforming the FTSE All Share Index and the IA UK All Companies sector, which delivered 16.5% and 8.0% respectively. \*\*

At the core of the team's investment approach is deep, fundamental research to find share price inflection points that can drive long-term performance. Ideas were generated from a range of sources, blending company-specific and economic analysis. For much of the five-year period, the Fund reflected the convictions of multiple fund managers' different yet complementary bottom-up investment styles. It has become more concentrated, with the number of individual manager sleeves reducing from four to three in May 2021 and to one single portfolio in 2023, with the number of holdings falling in tandem. These changes refocus the fund to better meet the overall ethos which is to offer investors a high-conviction, concentrated predominately UK portfolio comprised of idiosyncratic alpha opportunities spread across a range of economic drivers.

Investors have had some capital growth over the five-year period but all classes underperformed the index and the sector over five years. With a high active share, the Fund's performance is expected to deviate from the benchmark, but it underperformed as the investment process struggled in a macro-driven, risk off environment prevalent in 2021/2022 bringing down its previously good longer term numbers. This was mainly due to exposures to growth and smaller companies against a defensively biased, value oriented, large cap index.



The Fund was refocused in 2023 with a single lead manager and a more concentrated portfolio. These changes are designed to improve the performance over the next five years and the Fund has outperformed the index and the sector over the last year. However, as the Fund has not delivered as expected over the historic five year holding period it has been marked as Amber until it demonstrates that investors are consistently benefiting from the changes.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 on to our investors. The OCF of the Fund is limited to the rate of the annual management charge (AMC) out of which the fund expenses are paid on behalf of investors.



### 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 INNOVATION TEAM

## Global Innovation team

The Global Innovation team is co-headed by James Dowey and Storm Uru, who are supported by Clare Pleydell-Bouverie and James O'Connor. James Dowey and Storm Uru jointly founded the Global Innovation investment process and are the lead managers of the Liontrust Global Innovation, Liontrust Global Dividend and Liontrust Global Technology funds. The four managers joined Liontrust as part of the acquisition of Neptune Investment Management in October 2019. James Dowey has 18 years of industry experience and holds degrees in economics from Edinburgh University and Cambridge University and a PhD from the London School of Economics, Storm Uru has 12 years' industry experience and holds a degree in finance from Massey University and an MBA from Oxford University, Clare Pleydell-Bouverie has seven years of industry experience and holds a degree in history from Oxford University and James O'Connor has seven years of industry experience and holds a degree in psychology and economics from Harvard University and a degree in education research from Oxford university.

### 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 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

- Global Dividend
- Global Innovation
- Global Technology

# Liontrust Global Dividend Fund

The Fund has been managed by James Dowey since July 2019 and Storm Uru since February 2021. They have been supported by Clare Pleydell-Bouverie and James O'Connor as fund managers since May 2023. The team manages the Fund using the Global Innovation investment process, investing the Fund in high-quality innovative companies around the world in any sector of the market.

The Fund has a formal objective of delivering a target net yield of at least the net yield of the MSCI World Index each year while delivering strong long-term (five years or more) capital growth. The team also seeks to deliver strong dividend growth.



## 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			
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Global Dividend Fund returned 68.5% over the five years to 30 June 2023 versus the MSCI World Index return of 60.3% and the IA Global Equity Income sector average return of 41.0% (both comparator benchmarks). The Fund met the IA Global Equity Sector criteria for yield as at 31 December 2022, achieving a historic yield on the distributable income in excess of 100% of the MSCI World Index yield at the fund's year end on a three year rolling basis and 90% on an annual basis. \*\*

The fund managers invest in innovative companies for both capital growth and income, believing these types of companies represent the best long-term investments to meet either of these objectives. Furthermore, 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.

The Fund has outperformed its MSCI World comparator benchmark and also vastly outperformed its more representative average peer in the IA Global Equity Income sector. Due to the 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, Visa and Intuit.

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

\*\*Source: Financial Express, as at 30.06.23, 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 has been lead managed by James Dowey since July 2019 and Storm Uru since February 2021. They have been supported by Clare Pleydell-Bouverie and James O'Connor as fund managers since May 2023. The team manages the Fund using the Global Innovation investment process, investing the Fund in high-quality innovative companies around the world

in any sector of the market. The Fund has a formal objective of delivering strong long-term (five years or more) capital growth, which the team seeks to deliver through the powerful fundamentals of the innovative companies in which it invests, namely strong growth, strong barriers to competition and resilience and adaptability in tough times.



## 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.



**Go back to the Summary of the Assessment of Value table**

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\*\*Source: Financial Express, as at 30.06.23, 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			
Classes 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 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.

Since the current managers took over the Fund on the 30 June 2019 to 30 June 2023, the Fund has returned 33.6% versus the MSCI All-Country World Index 39.8% and approximately in line with the IA Global Equity sector at 34.1%. \*\*

The Global Innovation team believes innovation is the biggest driver of stock returns and that innovative companies achieve higher returns than the market as has been demonstrated by rigorous academic evidence and borne out in the team's own extensive experience. This is because innovative companies have better fundamentals, namely: better growth, better barriers to competition, and are more resilient and adaptable in tough times.

The Fund lagged its benchmark and sector peers in the first half of 2022 due to volatility caused by extremely sharp increases in interest rates. During periods of relative macroeconomic stability, the Fund has outperformed its benchmark and peers due to innovation driving strong fundamentals.

Due to the 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 Nvidia, Microsoft, Apple, Alphabet and Amazon.

The initial performance following the change of manager/investment process was strong, but in 2022 the Fund suffered very poor relative performance. All share classes had a positive return overall but given the large relative underperformance of the Fund in that year, it was marked as Amber and closely monitored. In the last year, the Fund has been first quartile in its Investment Association sector and performance has been strong, although not yet ahead of the index since the manager change. Performance will be reviewed once the fund reaches its recommended holding period of five years.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 third year running, as part of our annual review of share class appropriateness, we have written to investors who remain in certain older retail share classes of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. Some investors who remain in these older retail classes of the Fund may be paying a higher fee and are encouraged to review the communication sent by Liontrust to ensure that appropriate action is taken.

For an explanation of the different share classes, please go to pages 24 and 25.

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

# Liontrust Global Technology Fund

The Global Technology Fund has been lead managed by Storm Uru and James Dowey since February 2023. They have been supported by Clare Pleydell-Bouverie and James O'Connor as fund managers since May 2023. The team manages the Fund using the Global Innovation investment process, investing the Fund in high quality technology companies around the world. The

Fund has a formal objective of delivering strong long-term (five years or more) capital growth, which the team seeks to deliver through the powerful fundamentals of the innovative technology companies in which it invests, namely strong growth, strong barriers to competition and resilience and adaptability in tough times.



## 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 C
	Wholesale
Performance	
Quality of service	
AFM costs	
Comparable market rates	
Economies of scale	
Comparable services	
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Global Technology Fund returned 96.9% over the five years to 30 June 2023 versus the MSCI World Information Technology Index return of 144.7% and the IA Technology & Telecommunications sector average return of 87.7% (both comparator benchmarks).\*

The Fund's investment process changed in 2023 with the adoption of the Global Innovation process. The managers believe that innovation is the biggest driver of stock returns and that innovative companies achieve higher returns than the market. They invest the Fund in the most innovative global technology companies.

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 occupy around 35% of the Index and are the two stocks that have contributed most to the performance of the Index over the period. The Fund is limited to a maximum of holding 10% in any one position and thus has historically allocated a combined 14% total weighting in these two stocks. The Fund has delivered a positive total return and outperformed its sector over the period.

Due to the nature of the investment process, the Fund's performance is best viewed in terms of stock selection, with holdings in Microsoft, Nvidia, Apple, Fortinet and ServiceNow among the top contributors over the period.

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

\*Source: Financial Express, as at 30.06.23, 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 ongoing charges figure (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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

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

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 Tortoise Fund (the Cashflow Solution team took over the management of the Fund after the end of the assessment period)

# 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 (five 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.

	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				
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust European Dynamic Fund returned 69.6% over the five years to 30 June 2023 versus the MSCI Europe ex-UK Index return of 39.0% and the IA Europe ex-UK sector average return of 33.4% (both comparator benchmarks). \*\*

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 after the Covid-19 pandemic rocked markets in early 2020.

Prior to this, the Fund was invested in quality growth stocks that 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, financial were hit hardest due to their very uncertain trading outlook.

Stockmarkets had slipped to very cheap territory and investor anxiety had surged. Rather than fleeing the value space, the investment process led the fund managers to embrace the risk found in these much-maligned stocks. They invested in 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 worked very well as the market subsequently rallied from its post-Covid lows. Over time, the managers evolved the Fund's focus away from contrarian value picks to instead emphasised recovering value stocks. More recently, they added some companies with inexpensive defensive and quality characteristics.



[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 30.06.23, 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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% 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 third year running, as part of our annual review of share class appropriateness, we have written to investors who remain in certain older retail share classes of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. Some investors who remain in these older retail classes of the Fund may be paying a higher fee and are encouraged to review the communication sent by Liontrust to ensure that appropriate action is taken.

For an explanation of the different share classes, please go to pages 24 and 25.

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

# Liontrust Tortoise Fund

The Liontrust Tortoise Fund is a long/short global equity fund, managed by James Inglis-Jones and Samantha Gleave. The Cashflow Solution team took over the management of the Fund after the end of the assessment period.



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



## Performance

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

The Fund delivered a return of 47.6% over the last five years. The Fund does not have a benchmark or a sector, but its performance is measured against the sterling overnight index average (SONIA). The Fund significantly outperformed SONIA over the five year period.\*

Over the five years to the end of June 2023, the core of the management team's investment approach was deep, fundamental research to find share price inflection points that can drive long-term performance. The Fund reflected the convictions of the fund managers' different yet complementary bottom-up investment styles. Ideas were generated from a range of sources, blending company-specific and economic analysis. The Fund can also take short positions in stocks.

The resignation of the previous managers of the Fund was announced in June 2023 after which the Cashflow Solution took over the management of the Fund.

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

\*Source: Financial Express, as at 30.06.23, bid-to-bid basis, cumulative net of fee returns, in GBP.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

The Fund has a performance fee of 20% based on out-performance of the relevant benchmark. Our assessment has concluded that the performance fee rate remains appropriate.

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 on to our investors. The OCF of the Fund is limited to the rate of the annual management charge (AMC) out of which the fund expenses are paid on behalf of investors.



### 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. 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 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 Strategic Bond 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 (five 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.

	Class B	Class M
	Direct retail*	Institutional
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under and its investment philosophy, strategy and process.

The Liontrust Strategic Bond Fund returned 1.0% over the five years to 30 June 2023 versus the IA Sterling Strategic Bond sector average return of 4.0% (the comparator benchmark). \*\*

The fund managers have generated a solid positive return for the Fund since launch. For the majority of the period they found the levels of risk necessary to target substantially higher returns to be unacceptable. The fund managers do not believe in chasing risk for higher returns and actively managed volatility to limit losses in down markets.

For most of the period, the managers viewed government bond markets as incredibly expensive so restricted interest rate risk to less than half that of the global bond market. The Fund 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.

While they avoided exposing the Fund to beta risk (a bet on bond market direction), which they viewed as deeply unattractive, they were still able to pull other portfolio positioning levers to target positive returns. These include curve positioning strategies, market-neutral cross-market trades, asset allocation and credit selection.

Due to the sharp rise in government bond yields in 2022 – the result of rising interest rate expectations and, in the UK, a fiscal misstep from the government – the fund managers have since found sufficient value to increase duration as high as 7.5 years in June 2023, well above the Fund's neutral level of 4.5 years but retaining a little headroom below the 9-year maximum.



**Go back to the Summary of the Assessment of Value table**

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\*\*Source: Financial Express, as at 30.06.23, total return, net of fees, income reinvested.



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 in general and therefore will always struggle to compete when compared directly with those funds taking more risk. Despite this, 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment 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 Multi-Asset team comprises John Husselbee (Head of the team), James Klempster (Deputy Head), Anthony Chemla, Victor Alabrune and David Salisbury. 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. Before joining Liontrust, Anthony was at atomos (previously Sanlam Investments), where he was lead portfolio manager for the DFM portfolios and coportfolio manager of the MPS. Victor originally joined Liontrust after completing an internship in 2020 in the Portfolio & Data Insights team. David joined in 2022 from 4 Shires Asset Management where he had been an investment manager looking after private client portfolios

### Diversified Real Assets Fund

Before joining Liontrust in 2020 as part of the acquisition of the Architas UK investment business, Mayank Markanday was Senior Investment Manager at Architas and was a voting member of the tactical asset management committee. He had research coverage for macro, fixed income and alternatives. Prior to this, he was a portfolio manager and analyst at Russell Investments, joining in 2007. He managed the Russell Real Assets Fund, was deputy on the flagship Russell Multi-Asset Growth Fund and had responsibility for liability-driven investment (LDI) portfolio management for Russell's fiduciary clients. Mayank began his investment career as an investment consultant working with large corporate pension schemes in the Russell Investments office in Sydney, Australia.

### Investment process for MA Blended, Dynamic Passive and Explorer fund ranges and MA Monthly High Income and MA UK Equity funds

The Liontrust Multi-Asset investment process is based on a number of core beliefs. These beliefs have been accumulated over the long combined careers of the Liontrust Multi-Asset team and have developed over many years. Among these beliefs are:

- Investment markets are inefficient
- Sentiment can cause market prices to move away from their fundamental value over the short term
- Over the long term, markets tend to revert towards levels justified by their fundamentals
- Active management of asset allocation can add value through exploiting mispricing and their subsequent return to normal
- We believe that equity markets remain the key driver of long term real returns
- Within equity markets, factors such as value, growth, quality and size have inherent tailwinds due to either behavioural or market structure inefficiencies
- Each of these factors in isolation can be volatile but a combination of these factors should outperform the broader index over time
- Asset allocation is the means by which we combine complementary asset classes together to create a risk and return profile that is appropriate for different investor cohorts
- We believe that an appropriate time horizon is essential and as a result, a long term, disciplined, robust and repeatable process will give investors the best chance of long-term outperformance

There are five parts to the Multi-Asset investment process:

- Strategic Asset Allocation (SAA)
- Tactical Asset Allocation (TAA)
- Portfolio construction
- Manager selection
- Implementation

### Investment process for Diversified Real Assets Fund

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 Fund 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 which benefit from sector 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 companies

The Fund aims to ensure there is no single risk or factor that dominates the overall risk of the portfolio. The portfolio is constructed 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 ranges

- MA Explorer
- MA Blended
- MA Dynamic Passive

### Funds

- MA Monthly High Income
- MA UK Equity Fund
- Diversified Real Assets

# Liontrust MA Explorer 35 Fund

The Fund aims to generate capital growth and income over the long term (five years or more). The Fund typically has a lower exposure to higher risk assets and a greater exposure to lower risk assets than other funds in the Liontrust MA Explorer Funds range that have a higher risk profile.



## 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.



**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 30.06.23, 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			
Classes 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 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 was formerly known as the MA Active Reserve Fund, but earlier in 2023, it was renamed the MA Explorer 35 Fund. The investment objective of the funds in the Active range changed from a focus on staying within certain risk (volatility) bands to prioritising investment returns. This was to differentiate them from the Liontrust MA Blended and Dynamic Passive fund ranges, which retained the reference to risk in their objectives. These proposed changes were voted upon by the shareholders of the Fund in March and resoundingly supported in a high participation vote.

A new Strategic Asset Allocation (SAA) was also adopted for the MA Explorer range to reflect the change in objective, investment policy and the addition of the IA Mixed Investments Sectors as comparator benchmarks. The funds' primary objective becomes focused on generating capital growth and income over the long term with the level of risk being a secondary consideration.

The Fund has delivered a return of -10.5% over the last five years, underperforming the IA Mixed Investment 0-35% Shares sector which returned 1.3% over the same period. \*\*

Prior to the above changes, the Fund's objective had been 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. Having reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year, we can confirm that prior to the changes, the Fund stayed within its targeted risk band.



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.

Many of the Fund's holdings were in negative territory over the period. It was held back by its allocation exposure to fixed income, which has been hit hard by the rising interest rate environment, which began in 2022 but has continued into this year, as central banks sought to tackle soaring inflation. The Fund's exposure to medium gilts was the most significant detractor from performance but holdings in corporate, global government and asset backed securities also weighed on performance.

The Fund met its risk targets but had a negative absolute return over the last five years, and underperformed the sector. The recent performance since the changes in SAA have been better, outperforming the sector. The Fund will continue to be monitored over the next year and we would expect performance to continue to improve as a result of the changes to the portfolio.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 Explorer Income 45 Fund

The Fund aims to generate income with the potential for capital growth over the long term (five years or more). The Fund typically has a balanced exposure to higher risk assets and lower risk assets compared to other funds in the Liontrust MA Explorer Funds range that have a higher or lower risk profile.



## 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.



[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 30.06.23, 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			
Classes 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 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 was formerly known as the MA Active Moderate Income Fund, but earlier in 2023, it was renamed the MA Explorer Income 45 Fund. The investment objective of the funds in the MA Active range changed from a focus on staying within certain risk (volatility) bands to prioritising investment returns. This was to differentiate them from the Liontrust MA Blended and Dynamic Passive fund ranges, which retained the reference to risk in their objectives. These proposed changes were voted upon by the shareholders of the Fund in March and resoundingly supported in a high participation vote.

A new Strategic Asset Allocation (SAA) was also adopted for the MA Explorer range to reflect the change in objective, investment policy and the addition of the IA Mixed Investments Sectors as comparator benchmarks. The funds' primary objective becomes focused on generating capital growth and income over the long term with the level of risk being a secondary consideration.

The fund has delivered a return of -2.9% over the last five years versus the IA Mixed Investment 20-60% Shares sector which returned 8.4% over the same period. The Fund generated an income yield of 1.65%. \*\*

Prior to the above changes, the Fund's objective had been to target a specific level of long-term (15 years) volatility while providing income to the investor. Having reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year, we can confirm that prior to the changes, the Fund stayed within its targeted risk band.

Exposure to higher risk assets provided the main positive contribution to the Fund's performance, including North American, UK, Developed Asia and



emerging market equities as well as high yield debt and convertibles. Their contributions were weighed down however by UK gilts, as well as holdings in emerging market debt and global government bonds. Holdings in alternatives and asset backed securities also detracted from performance.

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 have been 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. However, we 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.

Over the last five years, the Fund has underperformed the IA Mixed Investment 20-60% Shares sector average on a cumulative basis. The recent performance since the changes in SAA have been better, outperforming the sector. The Fund will continue to be monitored over the next year and we would expect performance to continue to improve as a result of the changes to the portfolio.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 Explorer Income 60 Fund

The Fund aims to generate capital growth and income over the long term (five years or more). The Fund typically has a balanced exposure to higher risk assets and lower risk assets compared to other funds in the Liontrust MA Explorer Funds range that have a higher or lower risk profile.



## 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			
Classes 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 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 was formerly known as the MA Active Intermediate Income Fund, but earlier in 2023, it was renamed the MA Explorer Income 60 Fund. The investment objective of the funds in the MA Active range changed from a focus on staying within certain risk (volatility) bands to prioritising investment returns. This was to differentiate them from the Liontrust MA Blended and Dynamic Passive fund ranges, which retained the reference to risk in their objectives. These proposed changes were voted upon by the shareholders of the Fund in March and resoundingly supported in a high participation vote.

A new Strategic Asset Allocation (SAA) was also adopted for the MA Explorer range to reflect the change in objective, investment policy and the addition of the IA Mixed Investments Sectors as comparator benchmarks. The funds' primary objective becomes focused on generating capital growth and income over the long term with the level of risk being a secondary consideration.

The fund has delivered a return of 11.4% over the last five years versus the IA Mixed Investment 20-60% Shares sector which returned 8.4% over the same period. The Fund generated an income yield of over 2%. \*\*

Prior to the above changes, the Fund's objective had been to target a specific level of long-term (15 years) volatility while providing income to the investor. Having reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year, we can confirm that prior to the changes, the Fund stayed within its targeted risk band.

The diversified exposure of the Fund, including bonds, equities, and alternative assets, has helped to deliver positive returns while limiting its volatility over the

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\*\*Source: Financial Express, as at 30.06.23, total return.



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 was supportive. Two of the biggest holdings – UK and US equities – delivered the most significant returns, with further contributions from European equities, Developed Asia and Japan, as well as high yield debt.

The most significant detractors from performance were holdings in UK gilts and global government bonds. Alternatives and emerging market equities 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.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 Explorer 70 Fund

The Fund aims to generate income with the potential for capital growth over the long term (five years or more). The Fund typically has greater exposure to higher risk assets than other funds in the Liontrust MA Explorer Funds range that have a lower risk profile.



## 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			
Classes 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 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 was formerly known as the MA Active Progressive Fund, but earlier in 2023, it was renamed the MA Explorer 70 Fund. The investment objective of the funds in the Active range changed from a focus on staying within certain risk (volatility) bands to prioritising investment returns. This was to differentiate them from the Liontrust MA Blended and Dynamic Passive fund ranges, which retained the reference to risk in their objectives. These proposed changes were voted upon by the shareholders of the Fund in March and resoundingly supported in a high participation vote.

A new Strategic Asset Allocation (SAA) was also adopted for the MA Explorer range to reflect the change in objective, investment policy and the addition of the IA Mixed Investments Sectors as comparator benchmarks. The funds' primary objective becomes focused on generating capital growth and income over the long term with the level of risk being a secondary consideration.

The fund has delivered a return of 16.2% over the last five years in line with the IA Mixed Investment 40-85% Shares sector which returned 16.4% over the same period. \*\*

Prior to the above changes, the Fund's objective had been 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. Having reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year, we can confirm that prior to the changes, the Fund stayed within its targeted risk band.

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 has supported its performance. The biggest

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\*\*Source: Financial Express, as at 30.06.23, total return.



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, as well as global government bonds. but other fixed income holdings, including high yield debt, did provide marginal support. Holdings in alternatives also detracted from performance.

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

Over the last five years, the Fund has performed in line with the IA Mixed Investment 40-85% Shares sector average on a cumulative basis. The Fund has performed well since the changes to the SAA were made, outperforming the sector.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 third year running, as part of our annual review of share class appropriateness, we have written to investors who remain in certain older retail share classes of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. Some investors who remain in these older retail classes of the Fund may be paying a higher fee and are encouraged to review the communication sent by Liontrust to ensure that appropriate action is taken.

For an explanation of the different share classes, please go to pages 24 and 25.

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

# Liontrust MA Explorer 85 Fund

The Fund aims to generate capital growth and income over the long term (five years or more). The Fund typically has greater exposure to higher risk assets than other funds in the Liontrust MA Explorer Funds range that have a lower risk profile.



## 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 A	Class R	Class S
	Direct Retail	Legacy Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Classes 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 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 was formerly known as the MA Active Growth Fund, but earlier in 2023, it was renamed the MA Explorer 85 Fund. The investment objective of the funds in the Active range changed from a focus on staying within certain risk (volatility) bands to prioritising investment returns. This was to differentiate them from the Liontrust MA Blended and Dynamic Passive fund ranges, which retained the reference to risk in their objectives. These proposed changes were voted upon by the shareholders of the Fund in March and resoundingly supported in a high participation vote.

A new Strategic Asset Allocation (SAA) was also adopted for the MA Explorer range to reflect the change in objective, investment policy and the addition of the IA Mixed Investments Sectors as comparator benchmarks. The funds' primary objective becomes focused on generating capital growth and income over the long term with the level of risk being a secondary consideration.

The fund has delivered a return of 24.3% over the last five years versus the IA Mixed Investment 40-85% Shares sector which returned 16.4% over the same period.\*\*

Prior to the above changes, the Fund's objective had been 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. Having reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year, we can confirm that prior to the changes, the Fund stayed within its targeted risk band.

Overall, the Fund benefited from a higher allocation to equities versus lower-risk MA Explorer funds. Emerging markets was the only equities region that delivered negative performance in the Fund. US equities generated the best

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\*\*Source: Financial Express, as at 30.06.23, total return.



overall returns, followed by the UK, Europe ex UK, Japan and Developed Asia.

The Fund's fixed income holdings delivered mixed returns. High yield and global ex-UK bonds were slightly positive, short-dated gilts were flat and corporate and global government bonds were negatives. Exposure to alternatives also weighed on 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 ongoing charges figure (OCF) is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis.

The Multi-Asset investment team seeks to achieve the Fund's investment objective through investment in other funds, which may include investment in other vehicles such as Exchange Traded Funds (ETFs) and Investment Trusts. The costs of investing in other funds and investment vehicles are included in the charges of the Fund and, based on the Fund's investment objective and strategy, the fees charged for the level of service and type of investments are considered to be reasonable.

Additionally, we assessed the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 third year running, as part of our annual review of share class appropriateness, we have written to investors who remain in certain older retail share classes of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. Some investors who remain in these older retail classes of the Fund may be paying a higher fee and are encouraged to review the communication sent by Liontrust to ensure that appropriate action is taken.

For an explanation of the different share classes, please go to pages 24 and 25.

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

# Liontrust MA Explorer 100 Fund

The Fund aims to generate capital growth and income over the long term (five years or more). The Fund typically has greater exposure to higher risk assets than other funds in the Liontrust MA Explorer Funds range that have a lower risk profile.



## 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			
Classes 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 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 was formerly known as the MA Active Dynamic Fund, but earlier in 2023, it was renamed the MA Explorer 100 Fund. The investment objective of the funds in the Active range changed from a focus on staying within certain risk (volatility) bands to prioritising investment returns. This was to differentiate them from the Liontrust MA Blended and Dynamic Passive fund ranges, which retained the reference to risk in their objectives. These proposed changes were voted upon by the shareholders of the Fund in March and resoundingly supported in a high participation vote.

A new Strategic Asset Allocation (SAA) was also adopted for the MA Explorer range to reflect the change in objective, investment policy and the addition of the IA Mixed Investments Sectors as comparator benchmarks. The funds' primary objective becomes focused on generating capital growth and income over the long term with the level of risk being a secondary consideration.

The fund has delivered a return of 29.8% over the last five years versus the IA Flexible Investment sector which returned 18.4% over the same period. \*\*

Prior to the above changes, the Fund's objective had been 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. Having reviewed the positioning of the portfolio and the expected future volatility of the portfolio over the last year, we can confirm that prior to the changes, the Fund stayed within its targeted risk band.

Overall, the Fund's performance benefited from a higher allocation to equities compared to the lower-risk funds in the MA Explorer range. In terms of equities,

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\*\*Source: Financial Express, as at 30.06.23, total return.



emerging markets delivered negative returns, while the US generated the best performance contribution overall, followed by the UK, Europe ex-UK, Japan and Developed Asia. The Fund's limited exposure to emerging market debt and high yield bonds delivered slightly positive returns but exposure to alternatives weighed on 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 third year running, as part of our annual review of share class appropriateness, we have written to investors who remain in certain older retail share classes of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. Some investors who remain in these older retail classes of the Fund may be paying a higher fee and are encouraged to review the communication sent by Liontrust to ensure that appropriate action is taken.

For an explanation of the different share classes, please go to pages 24 and 25.

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

# Liontrust MA Blended Growth Fund

The Fund, which was launched in 2003 and is in the IA Volatility Managed sector, seeks to achieve capital growth and income with a moderately high level of volatility, having a risk profile of 6 in a range from 1 (lowest) to 7 (highest). The underlying funds in the portfolio invest globally (including in emerging markets) across asset classes and financial instruments. The underlying funds will

be a blend of active and passive funds. Active funds will be selected over passive funds where the investment team believes the potential returns from active funds outweigh any additional cost. The Fund typically has greater exposure to higher risk assets than other funds in the Liontrust MA Blended Funds range that have a lower risk profile.



## 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 A	Class R	Class S
	Direct Retail	Legacy Retail	Wholesale*
Performance			
Quality of service			
AFM costs			
Comparable market rates			
Economies of scale			
Comparable services			
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term (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 24.6% over the last five years. \*\*

In March 2023 the Liontrust Multi-Asset team adopted new bespoke Strategic Asset Allocations (SAAs) and a new provider for oversight of the Liontrust risk profiles. These changes are expected to enhance the investment management of the Multi-Asset funds and therefore are in the best interests of investors. There has been no change to the Liontrust risk profile of the Fund as a consequence of the new SAAs.

All equity investments delivered positive returns for the Fund over five years, with the exception of emerging markets equities which were negative. North American equities provided the strongest contribution but other equity sectors, including the UK, Japan, Developed Asia, and Europe ex-UK 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 no exposure to UK property, both of which have struggled over the last year in the face of sharply rising interest rates. Convertible bonds have delivered

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

\*\*Source: Financial Express, as at 30.06.23, total return.



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 them into shares and allows holders to benefit from rises in share prices while retaining a degree of bond-like mitigation against market falls.



### 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 ongoing charges figure (OCF) is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis.

The Multi-Asset investment team seeks to achieve the Fund's investment objective through investment in other funds, which may include investment in other vehicles such as Exchange Traded Funds (ETFs) and Investment Trusts. The costs of investing in other funds and investment vehicles are included in the charges of the Fund and, based on the Fund's investment objective and strategy, the fees charged for the level of service and type of investments are considered to be reasonable.

Additionally, we assessed the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 third year running, as part of our annual review of share class appropriateness, we have written to investors who remain in certain older retail share classes of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. Some investors who remain in these older retail classes of the Fund may be paying a higher fee and are encouraged to review the communication sent by Liontrust to ensure that appropriate action is taken.

For an explanation of the different share classes, please go to pages 24 and 25.

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

# Liontrust MA Blended Intermediate Fund

The Fund, which was launched in 2001 and is in the IA Volatility Managed sector, seeks to achieve capital growth and income with a median level of volatility, having a risk profile of 4 in a range from 1 (lowest) to 7 (highest). The underlying funds in the portfolio invest globally (including in emerging markets) across asset classes and financial instruments. The underlying funds will be a blend of

active and passive funds. Active funds will be selected over passive funds where the investment team believes the potential returns from active funds outweigh any additional cost. The Fund typically has a balanced exposure to higher risk assets and lower risk assets compared to other funds in the Liontrust MA Blended Funds range that have a higher or lower risk profile.



## 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			
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term (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 last five years.\*\*

In March 2023, the Liontrust Multi-Asset team adopted new bespoke Strategic Asset Allocations (SAAs) and a new provider for oversight of the Liontrust risk profiles. These changes are expected to enhance the investment management of the Multi-Asset funds and therefore are in the best interests of investors. There has been no change to the Liontrust risk profile of the Fund as a consequence of the new SAAs.

All equity investments, with the exception of emerging markets, 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 and Europe, performed positively, as well. The Fund benefited from its higher allocation to equities compared with other MA Blended funds with lower risk ratings.

Convertibles, high yield and inflation-linked bonds were the only fixed income sectors to deliver positive returns. Global government and corporate bonds



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\*\*Source: Financial Express, as at 30.06.23, total return.



were negative, as were medium and short gilts. Alternatives were also a negative contributor.

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 – which continued in 2023 – have been detrimental to both bonds and equities, and especially the former. However, we still believe in the diversification benefits of bonds, which provide income and inflation protection.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

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

The Fund, which was launched in 2003 and is in the IA Volatility Managed sector, seeks to achieve capital growth and income with a below median level of volatility, having a risk profile of 3 in a range from 1 (lowest) to 7 (highest). The underlying funds in the portfolio invest globally (including in emerging markets) across asset classes and financial instruments. The underlying funds will be

a blend of active and passive funds. Active funds will be selected over passive funds where the investment team believes the potential returns from active funds outweigh any additional cost. The Fund typically has a lower exposure to higher risk assets and a greater exposure to lower risk assets compared to other funds in the Liontrust MA Blended Funds range that have a higher risk profile.



## 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			
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term (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 2.2% over the last five years.\*\*

In March 2023, the Liontrust Multi-Asset team adopted new bespoke Strategic Asset Allocations (SAAs) and a new provider for oversight of the Liontrust risk profiles. These changes are expected to enhance the investment management of the Multi-Asset funds and therefore are in the best interests of investors. There has been no change to the Liontrust risk profile of the Fund as a consequence of the new SAAs.

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 alternatives were also a negative performer.

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\*\*Source: Financial Express, as at 30.06.23, total return.



Exposures to UK gilts and corporate bonds over the last year have significantly detracted from overall performance. Over the long term, bonds have served as a diversifier against equities. But the sharp rises in interest rates implemented by major central banks to control inflation in 2022, which has continued into 2023, has been detrimental to bonds. However, we still believe in the diversification benefits of bonds, which provide income and inflation protection.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 third year running, as part of our annual review of share class appropriateness, we have written to investors who remain in certain older retail share classes of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. Some investors who remain in these older retail classes of the Fund may be paying a higher fee and are encouraged to review the communication sent by Liontrust to ensure that appropriate action is taken.

For an explanation of the different share classes, please go to pages 24 and 25.

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 was launched in 2003 and is in the IA Volatility Managed sector, seeks to achieve capital growth and income with an above median level of volatility, having a risk profile of 5 in a range from 1 (lowest) to 7 (highest). The underlying funds in the portfolio invest globally (including in emerging markets) across asset classes and financial instruments. The underlying funds will

be a blend of active and passive funds. Active funds will be selected over passive funds where the investment team believes the potential returns from active funds outweigh any additional cost. The Fund typically has greater exposure to higher risk assets than other funds in the Liontrust MA Blended Funds range that have a lower risk profile.



## 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			
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term (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 14.5% over the last five years. \*\*

In March 2023, the Liontrust Multi-Asset team adopted new bespoke Strategic Asset Allocations (SAAs) and a new provider for oversight of the Liontrust risk profiles. These changes are expected to enhance the investment management of the Multi-Asset funds and therefore are in the best interests of clients. There has been no change to the Liontrust risk profile of the Fund as a consequence of the new SAAs.

All equity investments delivered positive returns for the Fund over five years, with the exception of emerging markets. North American equities provided the strongest contribution but other equity sectors, including the UK, Japan, Developed Asia and Europe, 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 global government bonds in negative territory over five years. Exposure to bonds was negative across

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\*\*Source: Financial Express, as at 30.06.23, total return.



the board over the last year because of the headwinds created by rapidly rising interest rates and inflationary concerns. We 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.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 third year running, as part of our annual review of share class appropriateness, we have written to investors who remain in certain older retail share classes of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. Some investors who remain in these older retail classes of the Fund may be paying a higher fee and are encouraged to review the communication sent by Liontrust to ensure that appropriate action is taken.

For an explanation of the different share classes, please go to pages 24 and 25.

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

# Liontrust MA Blended Reserve Fund

The Fund, which was launched in 2001 and is in the IA Volatility Managed sector, seeks to achieve capital growth and income with a low level of volatility, having a risk profile of 2 in a range from 1 (lowest) to 7 (highest). The underlying funds in the portfolio invest globally (including in emerging markets) across asset classes and financial instruments. The underlying funds will

be a blend of active and passive funds. Active funds will be selected over passive funds where the investment team believes the potential returns from active funds outweigh any additional cost. The Fund typically has a lower exposure to higher risk assets and a greater exposure to lower risk assets than other funds in the Liontrust MA Blended Funds range that have a higher risk profile.



## 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			
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term (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 -5.7% over the last five years. \*\*

In March 2023, the Liontrust Multi-Asset team adopted new bespoke Strategic Asset Allocations (SAAs) and a new provider for oversight of the Liontrust risk profiles. These changes are expected to enhance the investment management of the Multi-Asset funds and therefore are in the best interests of investors. There has been no change to the Liontrust risk profile of the Fund as a consequence of the new SAAs.

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, and Developed Asia equities also delivered positive returns. Emerging market equities were a slight detractor over the period.

Returns from bonds were less favourable: convertibles and inflation-linked bonds were positive over the period but returns from global government, UK medium- and short-term gilts and corporate bonds were negative. Alternatives were also negative.



[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 30.06.23, total return.



Exposure to bonds over the last year, and especially to UK gilts, has been the most significant detractor from overall performance. Over the long term, bonds have served as a diversifier against equities. But the sharp rises in interest rates implemented by major central banks to control inflation, which began in 2022 and continued into 2023, has been detrimental to both bonds and equities, and especially the former.

However, the team still believes in the diversification benefits of fixed income, which provide income and inflation protection.

The Fund met its risk targets but had a negative absolute return over the last five years. Considering that the lower risk assets the Fund holds, such as bonds, also failed to provide positive returns and the risk targets were met, the Fund is considered to have met its performance objectives.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 third year running, as part of our annual review of share class appropriateness, we have written to investors who remain in certain older retail share classes of the Fund, offering them the opportunity to convert into an alternative share class with a lower fee, should they wish to do so. Some investors who remain in these older retail classes of the Fund may be paying a higher fee and are encouraged to review the communication sent by Liontrust to ensure that appropriate action is taken.

For an explanation of the different share classes, please go to pages 24 and 25.

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

# Liontrust MA Dynamic Passive Adventurous Fund

The Fund, which was launched in 2011 and is in the IA Volatility Managed sector, seeks to achieve capital growth and Income with a high level of volatility, having a risk profile of 7 in a range from 1 (lowest) to 7 (highest). Overall fund returns may exhibit relatively high volatility due to the focus on equities, in particular emerging markets. In addition to investing in a combination of

global stock markets, the fund also allocates a small proportion of assets to fixed income and property to diversify investment risk. The underlying funds will, where practicably possible, be passive. The Fund typically has greater exposure to higher risk assets than other funds in the Liontrust MA Dynamic Passive Funds range that have a lower risk profile.



## 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*	Internal
Performance					
Quality of service					
AFM costs					
Comparable market rates					
Economies of scale					
Comparable services					
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term (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 34.0% over the last five years. \*\*

In March 2023, the Liontrust Multi-Asset team adopted new bespoke Strategic Asset Allocations (SAAs) and a new provider for oversight of the Liontrust risk profiles. These changes are expected to enhance the investment management of the Multi-Asset funds and therefore are in the best interests of clients. There has been no change to the Liontrust risk profile of the Fund as a consequence of the new SAAs.

The Fund is heavily weighted towards equities and has a small exposure to fixed income, which has benefited its performance compared to lower risk MA Dynamic Passive funds.

All the Fund's equity positions delivered positive performance over five years, with the most significant contribution generated from the US. Investments in UK, Europe ex UK, Japanese, emerging market and Developed Asian equities, and in alternatives, added to the positive returns.

The Fund's only fixed income exposure is to corporate bonds, which weighed slightly on performance.

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

\*\*Source: Financial Express, as at 30.06.23, 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 Dynamic Passive Growth Fund

The Fund, which was launched in 2011 and is in the IA Volatility Managed sector, seeks to achieve capital growth and income with a moderately high level of volatility, having a risk profile of 6 in a range from 1 (lowest) to 7 (highest). Overall fund returns may exhibit moderately high volatility due to the focus on equities that includes a sizeable exposure to emerging markets. In addition to investing

in a combination of global stock markets, the fund also allocates a smaller proportion of its assets to fixed income and property to diversify investment risk. The underlying funds will, where practicably possible, be passive. The Fund typically has greater exposure to higher risk assets than other funds in the Liontrust MA Dynamic Passive Funds range that have a lower risk profile.



## 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*	Internal
Performance					
Quality of service					
AFM costs					
Comparable market rates					
Economies of scale					
Comparable services					
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term (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 29.1% over the last five years. \*\*

In March 2023, the Liontrust Multi-Asset team adopted new bespoke Strategic Asset Allocations (SAAs) and a new provider for oversight of the Liontrust risk profiles. These changes are expected to enhance the investment management of the Multi-Asset funds and therefore are in the best interests of investors. There has been no change to the Liontrust risk profile of the Fund as a consequence of the new SAAs.

The Fund is heavily weighted towards equities and has a small exposure to fixed income, which has benefited its performance relative to lower risk MA Dynamic Passive funds.

All the Fund's equity positions delivered positive performance, with the lion's share coming from North America, followed by the UK, Europe ex-UK, Japan, Developed Asia and emerging markets. Exposure to alternatives also produced a slight gain.

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

\*\*Source: Financial Express, as at 30.06.23, total return.



The only negative contributions to performance were the Fund's investments in corporate and global government bonds, but these had limited impact overall. High yield bonds produced a positive return.

Generally, fixed income has struggled in 2022 and 2023 as central banks raised interest rates sharply to counter soaring inflation. However, the team still believes in the long-term diversification benefits of fixed income.



### 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 Dynamic Passive Intermediate Fund

The Fund, which was launched in 2008 and is in the IA Volatility Managed sector, seeks to achieve capital growth and income with a median level of volatility, having a risk profile of 4 in a range from 1 (lowest) to 7 (highest). The Fund allocates to UK and international equities – including emerging markets – and UK property. This is balanced by exposure to fixed income with

the objective of achieving attractive gains with average volatility. The underlying funds will, where practicably possible, be passive. The Fund typically has a balanced exposure to higher risk assets and lower risk assets compared to other funds in the Liontrust MA Dynamic Passive Funds range that have a higher or lower risk profile.



## 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*	Internal
Performance					
Quality of service					
AFM costs					
Comparable market rates					
Economies of scale					
Comparable services					
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term (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 12.3% over the last five years. \*\*

In March 2023, the Liontrust Multi-Asset team adopted new bespoke Strategic Asset Allocations (SAAs) and a new provider for oversight of the Liontrust risk profiles. These changes are expected to enhance the investment management of the Multi-Asset funds and therefore are in the best interests of investors. There has been no change to the Liontrust risk profile of the Fund as a consequence of the new SAAs.

Having most of its investments in equities proved to be beneficial for the Fund versus other MA Dynamic Passive funds in the range at the lower end of the risk scale. All the Fund's equity holdings produced positive results, with the US performing the best overall, followed by the UK, Europe ex-UK, Japan, Developed Asia and emerging markets.

Fixed income has struggled in 2022 and 2023 because of central banks raising interest rates sharply to tackle soaring inflation. Investment in medium-term gilts weighed the most on performance while global government and corporate bonds and short-term gilts were also negatives. But high yield and

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\*\*Source: Financial Express, as at 30.06.23, total return.



global ex-UK bonds performed positively. Exposure to alternatives was a negative.

Although fixed income has faced headwinds recently, the team believes it still plays a role as a diversifier versus equities over the long 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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% for certain classes. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 Dynamic Passive Moderate Fund

The Fund, which was launched in 2008 and is in the IA Volatility Managed sector, seeks to achieve capital growth and income with a below median level of volatility, having a risk profile of 3 in a range from 1 (lowest) to 7 (highest). The fund aims to generate these returns with below average volatility; and therefore a relatively large part of its strategy concentrates on a variety of fixed income markets. The fund

also allocates to growth assets, such as UK and overseas equities – including a small exposure to emerging markets – and UK property. The underlying funds will, where practicably possible, be passive. The Fund typically has a lower exposure to higher risk assets and a greater exposure to lower risk assets compared to other funds in the Liontrust MA Dynamic Passive Funds range that have a higher risk profile.



## 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](#)

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

\*\*Source: Financial Express, as at 30.06.23, total return.

	Class A	Class D	Class R	Class S	Class Z
	Direct Retail	Wholesale	Legacy Retail	Wholesale*	Internal
Performance					
Quality of service					
AFM costs					
Comparable market rates					
Economies of scale					
Comparable services					
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term (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 5.4% over the last five years. \*\*

In March 2023, the Liontrust Multi-Asset team adopted new bespoke Strategic Asset Allocations (SAAs) and a new provider for oversight of the Liontrust risk profiles. These changes are expected to enhance the investment management of the Multi-Asset funds and therefore are in the best interests of investors. There has been no change to the Liontrust risk profile of the Fund as a consequence of the new SAAs.

All the Fund's equity holdings produced positive results, led by the US and followed by the UK, Europe ex-UK, Japan, emerging markets and Developed Asia.

Significant exposure to fixed income has delivered mixed results, however. The asset class struggled in 2022 and 2023 because of central banks raising interest rates sharply to tackle soaring inflation. Investment in UK government bonds, especially medium-term gilts, was the most negative performer, while global government bonds also weighed on performance. But high yield,



corporate and global ex-UK bonds did perform positively. Exposure to alternatives was a negative.

Although fixed income has faced headwinds recently, the team believes it still plays a role as a diversifier versus equities.



### 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 ongoing charges figure (OCF) is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis.

The Multi-Asset investment team seeks to achieve the Fund's investment objective through investment in other funds, which may include investment in other vehicles such as Exchange Traded Funds (ETFs) and Investment Trusts. The costs of investing in other funds and investment vehicles are included in the charges of the Fund and, based on the Fund's investment objective and strategy, the fees charged for the level of service and type of investments are considered to be reasonable.

Additionally, we assessed the other share 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 provides clarity of Fund costs to investors and enables 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% for certain classes. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 Dynamic Passive Progressive Fund

The Fund, which was launched in 2008 and is in the IA Volatility Managed sector, seeks to achieve capital growth and income with an above median level of volatility, having a risk profile of 5 in a range from 1 (lowest) to 7 (highest). Overall fund returns may exhibit above-average volatility due to the focus on equities. In addition to investing in a combination of global stock markets

– including emerging markets – the Fund also allocates to fixed income and property to diversify investment risk. The underlying funds will, where practicably possible, be passive. The Fund typically has greater exposure to higher risk assets than other funds in the Liontrust MA Dynamic Passive Funds range that have a lower risk profile.



## 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*	Internal
Performance					
Quality of service					
AFM costs					
Comparable market rates					
Economies of scale					
Comparable services					
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term (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 19.4% over the last five years. \*\*

In March 2023, the Liontrust Multi-Asset team adopted new bespoke Strategic Asset Allocations (SAAs) and a new provider for oversight of the Liontrust risk profiles. These changes are expected to enhance the investment management of the Multi-Asset funds and therefore are in the best interests of investors. There has been no change to the Liontrust risk profile of the Fund as a consequence of the new SAAs.

Much of the Fund's positive performance came from equities, with all its holdings in the asset class producing positive returns. US equities generated the strongest contribution to overall performance, followed by the UK, Europe ex-UK, Japan, Developed Asia and emerging markets.

Exposure to fixed income delivered mixed results, with high yield and global ex-UK bonds contributing positively while corporate and global government bonds, gilts and alternatives weighed on performance.

Although fixed income has faced headwinds recently, the team believes the asset class still plays a role as a diversifier versus equities over the long term.

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

\*\*Source: Financial Express, as at 30.06.23, 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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% for certain classes. Overall, our investors have been able to benefit from the savings created and an improvement in service as a result of re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 Dynamic 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. 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](#)

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

\*\*Source: Financial Express, as at 30.06.23, total return.

	Class A	Class D	Class R	Class S	Class Z
	Direct Retail	Wholesale	Legacy Retail	Wholesale*	Internal
Performance					
Quality of service					
AFM costs					
Comparable market rates					
Economies of scale					
Comparable services					
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term (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 3.6% over the last five years. The Fund has met its stated investment objective of achieving capital growth and income in absolute terms. \*\*

In March 2023, the Liontrust Multi-Asset team adopted new bespoke Strategic Asset Allocations (SAAs) and a new provider for oversight of the Liontrust risk profiles. These changes are expected to enhance the investment management of the Multi-Asset funds and therefore are in the best interests of investors. There has been no change to the Liontrust risk profile of the Fund as a consequence of the new SAAs.

All the Fund's equity holdings delivered positive returns over the five-year period. The US region made the strongest equities contribution, followed by the UK, Europe ex-UK, Japan, Developed Asia and emerging markets.

The only fixed income holdings to produce positive returns over the period were high yield and global ex-UK bonds. Medium-term gilts delivered the poorest returns, while corporate, global government, short-dated gilts, inflation-linked bonds and alternatives also weighed on performance.



Fixed income, and especially gilts, have faced significant headwinds since central banks started to tighten monetary policy aggressively early in 2022 to combat rising inflation. Over the long term, though, bonds have been a good diversifier against equities and the team believes they will continue to be so.



### 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 ongoing charges figure (OCF) is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis.

The Multi-Asset investment team seeks to achieve the Fund's investment objective through investment in other funds, which may include investment in other vehicles such as Exchange Traded Funds (ETFs) and Investment Trusts. The costs of investing in other funds and investment vehicles are included in the charges of the Fund and, based on the Fund's investment objective and strategy, the fees charged for the level of service and type of investments are considered to be reasonable.

Additionally, we assessed the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 Dynamic Passive Reserve Fund

The Fund, which was launched in 2011 and is in the IA Volatility Managed sector, seeks to achieve capital growth and income with a low level of volatility, having a risk profile of 2 in a range from 1 (lowest) to 7 (highest). The fund aims to generate these returns with relatively low volatility by investing a significant proportion of its assets in a variety of fixed income trackers. The fund also allocates to

growth assets, such as UK and overseas equities – including a small exposure to emerging markets – and UK property. The underlying funds will, where practicably possible, be passive. The Fund typically has a lower exposure to higher risk assets and a greater exposure to lower risk assets than other funds in the Liontrust MA Dynamic Passive Funds range that have a higher risk profile.



## 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 A	Class D	Class R	Class S	Class Z
	Direct Retail	Wholesale	Legacy Retail	Wholesale*	Internal
Performance					
Quality of service					
AFM costs					
Comparable market rates					
Economies of scale					
Comparable services					
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund's objective is to target a specific level of long-term (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 0.8% over the last five years. \*\*

In March 2023, the Liontrust Multi-Asset team adopted new bespoke Strategic Asset Allocations (SAAs) and a new provider for oversight of the Liontrust risk profiles. These changes are expected to enhance the investment management of the Multi-Asset funds and therefore are in the best interests of investors. There has been no change to the Liontrust risk profile of the Fund as a consequence of the new SAAs.

The Fund's equity holdings delivered the strongest overall returns, with the US and UK contributing the most, followed by Europe ex-UK, Japan, Developed Asia and emerging markets.

On the fixed income side, high yield and global ex-UK bonds generated positive returns while medium-term gilts weighed on performance the most, followed by corporate and global government bonds and short-dated gilts. Investment in alternatives was also a negative.

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

\*\*Source: Financial Express, as at 30.06.23, total return.



Bonds, especially gilts, have faced significant headwinds since central banks started to tighten monetary policy aggressively early in 2022 to combat rising inflation. Over the long term, though, bonds have been a good diversifier against equities and the team believes they will continue to be so.



### 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 ongoing charges figure (OCF) is higher than those of comparable classes in its peer group, and we have therefore undertaken further analysis.

The Multi-Asset investment team seeks to achieve the Fund's investment objective through investment in other funds, which may include investment in other vehicles such as Exchange Traded Funds (ETFs) and Investment Trusts. The costs of investing in other funds and investment vehicles are included in the charges of the Fund and, based on the Fund's investment objective and strategy, the fees charged for the level of service and type of investments are considered to be reasonable.

Additionally, we assessed the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 Monthly High Income Fund

The Fund, which was launched in 2001, seeks to generate a monthly income. The Fund provides diversification across a global portfolio of funds, covering a wide range of countries and asset classes, including equities, corporate and government bonds, and property.



## 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			
Classes 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 of paying monthly income, as set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund has delivered a return of -4.6% over the last five years, and achieved an annual historic yield of 4.1% over the last 12 months and paid out monthly. 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 1.3%. 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 seen in 2022 and 2023 as central banks tightened monetary policy to tackle soaring inflation. Exposure to UK government bonds (gilts) and emerging market debt detracted the most from overall performance, while corporate bonds also weighed on performance. High yield, strategic and global government bonds delivered positive performances, however.

The inclusion of some equity exposure within the Fund helped performance, with the strongest overall contribution delivered by US equities followed by emerging market, European and UK equities. Global equities performed poorly, however. Holdings in alternatives delivered mixed results. Asset-backed securities, renewable energy and infrastructure contributed positively.

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

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

\*\*Source: Financial Express, as at 30.06.23, 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 ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its peer group.

Additionally, we assessed the OCF of the other share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 was launched in 2001, seeks to generate capital growth.



## 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			
Classes 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 of achieving capital growth that is set out in its prospectus. We considered whether the Fund has performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund has delivered a return of 10.9% over the last five years. Although not an official benchmark, the Fund sits in the IA UK All Companies sector, which returned 8.0% over the same period. The highest fee class did underperform the sector, suggesting that the main driver of the underperformance of the highest fee class versus the comparator sector was the different fee level rather than the underlying investment decisions. All fund classes produced a positive return. \*\*

Nearly all the Fund is invested in UK equities, which have delivered positive performance over the last five years. This meant that most of the underlying holdings in the Fund delivered positive returns over the five-year period.

Good returns were achieved from a range of fund types. The most significant positive contributions came from actively managed funds using both growth and income approaches. Exposure to small caps weighed the most on performance.

The UK stock market outperformed other developed markets in 2022, largely due to exposure to the energy sector, which benefited from price rises in oil and gas. However, this also meant that the stock market underperformed relative to many of its peers in the first half of 2023, when energy prices fell. The team believes the UK offers attractive relative valuations after being out of favour among international investors since Brexit.

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

\*\*Source: Financial Express, as at 30.06.23, 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 share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 Diversified Real Assets Fund

The Fund, which was launched in 2014 and is managed by Mayank Markanday, seeks to generate income and capital growth by combining asset classes, sectors and securities that deliver total returns above inflation over the long term. The process is unconstrained with a focus on listed private assets that can help diversify against

traditional equities and bonds. The Fund invests at least 80% of its net asset value in a diversified portfolio of real assets (including investments in infrastructure, renewables, commodities, inflation linked assets and specialist property). The Fund can only invest up to 10% of its assets in other open-ended collective investment schemes.



## Overall value assessment

We have evaluated the Fund against all seven criteria in our assessment of the value it provides to investors. We are closely monitoring the Performance of the Fund, as a result of the Amber outcome for this criterion. 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 but will continue to monitor it closely given its Amber rating.



**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 30.06.23, total return.

	Class A	Class D
	Wholesale*	Direct Retail
Performance		
Quality of service		
AFM costs		
Comparable market rates		
Economies of scale		
Comparable services		
Classes 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 -1.5% over the past five years, meeting its positive income objective although capital growth was negative over this period. It provided diversification away from equities and bonds with lower annualised volatility of 8.72% versus 17.54% for IA UK All Companies and 9.23% for IA UK Gilts. \*\*

Many of the main asset classes in which the Fund invests delivered positive returns over the five-year period, with cyclical real assets providing the strongest contribution. Within cyclical real assets, global infrastructure equity provided the largest contribution, and commodities also performed well.

Diversifiers were a positive contributor to returns, while offering protection during periods of market volatility. Gold led the way as the strongest contributor within this class, followed by development bonds, asset backed securities and cash. However, core property weighed heavily on returns, with specialist real estate investment trusts, such as those investing in social housing and commercial property dragging down returns.

The last 12 months has been a difficult period for the Fund; sudden interest rate increases in September 2022 significantly impacted the returns from real assets and from reduced demand for alternative income investment trusts as well as hitting their capital values as investors demanded higher yields. These holdings moved from pricing at a premium to a discount to net asset value. The Fund fell 15% in the 12 months to June 2023, in line with the UK Gilts return of -14.1%.



The Fund met its income and diversification targets but had a negative absolute return over the last five years. Considering that a number of real assets the Fund holds also failed to provide positive returns and the other targets were met, the Fund has been marked Amber.



### 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 ongoing charges figure (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 share 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 provides clarity of Fund costs to investors and enables 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 re-investment in the business.



### Comparable services

There are no Comparable services provided for this Fund.



### Classes of shares or units

Our assessment has considered whether investors are invested in the most appropriate share 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 OR CLOSED SINCE THE END  
OF THE ASSESSMENT PERIOD (30 JUNE 2023)



# Liontrust UK Equity Income Fund

Managed by Chris Field and Dan Ekstein of the Global Fundamental team, the Liontrust UK Equity Income Fund was a focused, high-conviction UK equity income fund which invests up to 20% in overseas equities. The Fund aims to deliver an income yield and total return in excess of its benchmark. To achieve these aims, the managers invest in high-quality dividend paying companies with

competitor powers. Their building blocks of quality include strong and improving returns on capital, clean cash generative financial models, prudent balance sheets, attractive underlying markets, and skilled and motivated management. Companies with at least one of seven competitor powers have strong strategic traits that underpin persistent and predictable profitability.



## 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 13 October 2023, Liontrust merged the Liontrust UK Equity Income Fund with the Liontrust Income Fund.

	Class X
	Wholesale
Performance	
Quality of service	
AFM costs	
Comparable market rates	
Economies of scale	
Comparable services	
Classes 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 performed how we and investors would expect it to, given the market conditions it has been operating under, and its investment philosophy, strategy and process.

The Fund has delivered a return of -3.1% over the last five years. The Fund's benchmark is the FTSE All Share Index, which returned 16.5% over the same period. The Income share class yielded 3.7% which is in excess of the benchmark yield.\*

Following a change in management of the portfolio in October 2022, the Fund's stated investment process evolved to focus on investing in durable 'quality' dividend stocks, evidenced through competitive powers, and balanced across two complementary investment silos: i) dividend growth at a reasonable price, and ii) repeatable cashflow.

The fund managers believe their high-quality, dividend strategy is a logical proposition for investors seeking attractive and resilient income today, with potential for above average future growth. They believe their investment process, identifying dividend paying companies with competitive powers, gives them a framework to capture superior risk adjusted returns

Positive contributions to the Fund's performance can be attributed to a wide variety of different stocks in a range of sectors that have made gains over the past five years. These include energy giant Shell; delivered wholesale business Kitwave; Mears, the energy infrastructure company; pharmaceuticals multinational Roche; and media group Daily Mail and General Trust.

Certain stocks detracted the most from the performance of the Fund, however, including boohoo, the online fashion retailer; electrical retailer Currys; and Essentra, the plastic and fibre products supplier.



[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 30.06.23, total return.



The most significant factor in the Fund's underperformance versus its benchmark was its overweight position in consumer discretionary stocks, which were adversely affected in 2022 by the combination of significant inflation in supply chains, squeezed consumer budgets and a broader unwind of Covid pandemic demand trends.

The UK Equity Income Fund has not met its investment objective over the five years with negative total returns behind both the sector and the index, although it has met its income objective. Due to a similar investment process and better opportunities to grow assets to produce economies of scale, the Fund is being merged into the Liontrust Income Fund, which has provided better performance over five years as well as met its income objectives.



### 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.



### 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.



### Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its 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 on to our investors. The OCF of the Fund is limited to the rate of the annual management charge (AMC) out of which the fund expenses are paid on behalf of investors.



### 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.

# Liontrust Institutional Small Cap Fund

The Liontrust Institutional UK Small Cap Fund invested primarily in UK Smaller companies and was managed by the Global Fundamental team.



## 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. Following a review of the Fund's viability, the Fund closed on 21 July 2023.



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

	Class B
	Internal
Performance	
Quality of service	
AFM costs	
Comparable market rates	
Economies of scale	
Comparable services	
Classes 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 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 -12.1% over the last five years. The Fund's benchmark is the Numis Smaller Companies plus AIM (ex-Investment Companies) Index, which returned -0.7% over the same period.\*

Due to the relative underperformance versus the index and sector over the period, the Fund was identified as Amber in the last assessment process and was reviewed. The Global Fundamental team that manages this Fund also took the investment decision to reallocate away from UK small companies and therefore a strategic decision was taken by Liontrust to close the Fund. During the first half of 2023, the Fund's holdings were sold and it closed on 21 July 2023.

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

\*Source: Financial Express, as at 30.06.23, 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.



### 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.



### Comparable market rates

We have assessed the charges of this Fund against comparable funds in its peer group. Our assessment has concluded that the ongoing charges figure (OCF) is less than, or in line with, other comparable funds in its 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 on to our investors. The OCF of the Fund is limited to the rate of the annual management charge (AMC) out of which the fund expenses are paid on behalf of investors.



### 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.

# ASSESSMENT OF FUNDS

FUNDS THAT ARE CURRENTLY SUSPENDED  
AS AT THE END OF THE ASSESSMENT PERIOD  
(30 JUNE 2023)



# Liontrust Russia Fund

The Fund is managed by Thomas Smith and aims to generate capital growth over the long term (five 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. At the moment, Liontrust is unable to say for how long the Fund will be

suspended. Liontrust will keep the suspension of the Russia Fund under continual review and we will update investors as soon as we can. Liontrust is waiving the Annual Management Charge (AMC) and Administration Fee for the Russia Fund while dealing in the Fund is suspended.



**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.

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.

	Class A	Class B	Class C	Class M
	Legacy Retail	Direct Retail	Wholesale	Institutional
Performance				
Quality of service				
AFM costs				
Comparable market rates				
Economies of scale				
Comparable services				
Classes 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 since 1 March 2022. In our assessment, we have considered the costs incurred by the Fund. Our assessment has concluded that the costs of services provided to the Fund are 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. In November 2022, the Fund benefited from a 0.01% 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 does not predict future returns. 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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## Who to contact for more information

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