LIONTRUST STRATEGIC BOND FUND (“the Fund”)

Taskforce for Climate-Related Financial Disclosures (TCFD) Product Report

Covering 1 January 2024 to 31 December 2024

Purpose of this report

Under the rules of the Financial Conduct Authority (FCA), Liontrust is required to publish information annually on product level (fund) TCFD disclosures so that investors may have a better understanding of the climate-related risks and opportunities associated with this fund and its underlying holdings. This report is published in line with the requirements of the FCA and TCFD. To understand the governance, strategy and risk management that Liontrust has in place to manage the risks and opportunities related to climate change, please refer to the Liontrust Entity TCFD report found at: www.liontrust.com/TCFD/entity-report. Where there are any material deviations in this report from the TCFD recommendations, they shall be clearly explained in the entity report.

The following report has been prepared using data from MSCI. In order to ensure that the data provided is representative of the Fund, Liontrust has only reported on data points where there is a minimum data coverage of 60%. Liontrust will review this minimum threshold and will look to increase its disclosures as MSCI data coverage levels improve.

Key Information

Fund Name	Fund Management Team	ISIN	Fund Size*	Fund Base Currency	Benchmark
Liontrust Strategic Bond Fund	Global Fixed Income ("the Team")	GB00BFX14R94	19,425,272	GBP	IA Sterling Strategic Bond

*As at 31 December 2024

Objective & Policy

- To maximise total return over the long term (5 years or more) through a combination of income and capital growth.
- The Fund invests in global bonds issued by corporates and governments, from investment grade through to high yield. Investments may be made in "hard" currencies, such as US Dollar, Euro and Sterling, but also in soft currencies, such as those of emerging markets. The Fund may also invest in other eligible asset classes as detailed within the prospectus.
- The Fund considers environmental, social and governance ("ESG") characteristics of issuers.
- The Fund is considered to be actively managed in reference to the benchmark(s) detailed above by virtue of the fact that it uses the benchmark(s) for performance comparison purposes. The benchmark(s) are not used to define the portfolio composition of the Fund and the Fund may be wholly invested in securities which are not constituents of the benchmark.
- The Fund will invest in derivatives, but it is not intended that their use will materially affect volatility. Derivatives are used to protect against currencies, credit and interest rate moves or for investment purposes. The use of derivatives may create leverage or gearing resulting in potentially greater volatility or fluctuations in the net asset value of the Fund. A relatively small movement in the value of a derivative's underlying investment may have a larger impact, positive or negative, on the value of a fund than if the underlying investment was held instead.

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 technicals (FVT).

These three factors are examined regardless of whether the managers are considering a duration position or an investment in a speculative grade rated company. In judging whether a company is an 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. While the Fund has neutral target levels of duration risk and asset allocation, the investment team takes a high conviction approach which can lead positioning to diverge significantly from neutral levels and benchmark profiles. This results in periods when investment performance diverges from benchmark indices.

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Fund Information

Climate-related commitments

The Fund is part of Liontrust's initial commitment to the Net Zero Asset Managers' (NZAM) Initiative which aims to achieve:

• By 2025: a 25% reduction in the fund's weighted average carbon intensity (WACI) compared to the fund's benchmark WACI as at end December 2019

• By 2030: a 50% reduction in the fund's WACI compared to the fund's benchmark WACI as at end December 2019

Governance of climate-related risks and opportunities

- Stewardship, engagement and governance activities are overseen by a stewardship and governance team. This includes funds' net zero commitments (where applicable), stewardship and engagement activities, and ESG-related regulatory reporting. For more information, please refer to the dedicated TCFD section on Liontrust's website (www.liontrust.com/TCFD/entity-report).
- A Board Committee, the Sustainability Committee, leads Liontrust's approach to meeting its wider corporate ESG responsibilities and reporting.
- Each of Liontrust's investment teams follows its own, well-documented investment process; each is overseen by the Portfolio Risk Committee (PRC) and is required to demonstrate how it is adhering to its processes. The PRC is responsible for monitoring portfolio risk for each of Liontrust's funds.
- The stewardship and governance team assists this fund with any ESG related engagements with holdings as required by the Team.

Strategy for managing climate-related risks and opportunities

Two parts of the investment philosophy behind the Fund combine to manage climate-related risks. Firstly, the Fund seeks to avoid large exposures to homogenous risks within credit, such as companies who are dependent on commodity or energy prices. Secondly, the philosophy is to examine risks to credit fundamentals arising from disruption. The transition to clean energy is a great example, with the move away from high carbon intensity industries likely to accelerate.

Management of climate-related risks and opportunities

The investment philosophy of the Fund ensures strong alignment with climate-related risks and opportunities. Ongoing management of exposures is driven by stock level analysis of exposures, using data from both bond issuers and external vendors.

Climate Metrics

Metric	2024 Data coverage (%)	2023	2024	2025
Scope 1 and 2 greenhouse gas emissions (tCO2e)	63.5%	741.1	357.4	
Scope 3 greenhouse gas emissions (tCO2e)	64.5%	13,325.8	5,719.0	
Total carbon emissions (1+2+3) (tCO2e)		14,066.9	6,076.3	
Total carbon footprint (tCO2e/$m invested)	63.5%	13.0	14.7	
Weighted average carbon intensity ("WACI") (tCO2e/$m sales)*	63.5%	41.5	52.2	

* WACI figure provided does not include sovereigns
Data for the climate-related information in this table is from MSCI. For further information on these metrics, including how they are defined and associated limitations, please refer to the Glossary at the end of this report.

The greenhouse gas (GHG) emissions and carbon metrics represent an aggregation of issuer level data across the Fund that should not be considered as performance indicators within the Fund and may not be taken into account in the management of the portfolio.
This document provides you with climate-related information for the Fund. It is not marketing material. The information is required by law.

Climate Metrics (continued)

Exposure to carbon intensive sectors

The Fund is not determined to have high exposure to carbon intensive sectors.

Liontrust defines having ‘high exposures to carbon intensive sectors’ as those funds which have greater than 60% of investments, by portfolio weight, in the following sectors*: Agriculture, Forestry and Fishing; Mining and Quarrying; Manufacturing; Electricity, Gas, Steam and Air Conditioning Supply; Water Supply: Sewerage, Waste Management and Remediation Activities; Construction; Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles; Transportation and Storage; and Real Estate Activities.

Climate Scenarios

Data coverage from MSCI for the required data points is below Liontrust’s 60% minimum threshold. Climate scenario data has therefore not been disclosed for this fund.

Implied Temperature Rise (“ITR”)

The ITR for the fund is 2.2°C. It can therefore be categorised as misaligned with regard to the Paris Agreement.
Data coverage for the Fund is 63.5%

Data for this climate-related information is from MSCI. For further information on these metrics, including how they are defined and associated limitations, please refer to the Glossary at the end of this report.

***NACE codes are one of the commonly used classification systems to categorise the economic activities of firms and have been used to determine whether a holding within the portfolio falls within one of the 'carbon intensive' sectors noted above.**
MSCI ITR metrics provided in this report may not fully reflect future economic reality and are subject to measurement uncertainties resulting from limitations inherent in the nature and should not be construed to represent any belief regarding materiality or financial impact. ITR is being provided in this report for the purposes of complying with applicable ESG reporting requirements.

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Glossary – Climate-Related Metrics

Term used	Definition	Interpretation	Limitations
Scope 1 greenhouse gas (GHG) emissions*	Scope 1 emissions are direct emissions from owned or controlled sources. Emissions are measured in tonnes of carbon dioxide equivalent (tCO2e)	The higher the emissions of the fund, the greater the extent of the fund's underlying holdings' contribution to GHG emissions.	Data used may include estimates.
Scope 2 greenhouse gas (GHG) emissions*	Scope 2 emissions are indirect emissions from the generation of purchased energy. Emissions are measured in tonnes of carbon dioxide equivalent (tCO2e)	The higher the emissions of the fund, the greater the extent of the fund's underlying holdings' contribution to GHG emissions.	Data used may include estimates.
Scope 3 greenhouse gas (GHG) emissions*	Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. Emissions are measured in tonnes of carbon dioxide equivalent (tCO2e)	The higher the emissions of the fund, the greater the extent of the fund's underlying holdings' indirect contribution to GHG emissions.	Data used may be modelled.
Total carbon emissions	Total carbon emissions are the sum of Scope 1, Scope 2 and Scope 3 emissions	The higher the emissions of the fund, the greater the extent of the fund's underlying holdings' contribution to GHG emissions.	Data used may include estimates or may be modelled.
Total carbon footprint	Total carbon footprint is total Scope 1 and 2 carbon emissions for a portfolio normalized by the market value of the portfolio. Total carbon footprint is measured in tonnes of carbon dioxide equivalent per million USD invested (tCO2e/$m invested)	The higher the carbon footprint, the greater the extent of the fund's underlying holdings' contribution to GHG emissions. Total carbon footprint allows for comparison across funds.	Data used may include estimates or may be modelled. Total carbon footprint does not include Scope 3 GHG emissions.
Weighted average carbon intensity (WACI)	WACI is a measurement of a fund's exposure to the carbon intensity of its holdings. WACI is calculated by multiplying the carbon intensity of each holding by the weight of each holding in a portfolio. It is measured in tonnes of carbon dioxide equivalent per million USD of sales (tCO2e/$m sales) WACI figures provided do not include sovereigns	The larger the WACI, the higher the fund's exposure to the carbon intensity of its holdings. WACI allows for comparison across funds.	Data used may include estimates or may be modelled. WACI does not include Scope 3 GHG emissions.
Implied Temperature Rise (ITR)	ITR estimates the global temperature increase contribution from a fund's current GHG trajectory. It can show the estimated temperature alignment of funds with global climate targets.	The ambitions of the Paris Agreement are to keep a global temperature rise this century well below 2°C above preindustrial levels and to pursue efforts to limit the temperature even further to 1.5°C. In this context, the ITR of the fund can be interpreted according to the following Paris-alignment categories: **1.5°C aligned**- ITR of <= 1.5°C **2°C aligned**- ITR of >1.5°C- 2°C **Misaligned**- ITR of >2.0-3.2°C **Strongly Misaligned**- ITR of >3.2°C	Underlying GHG emissions data used may include estimates.

*The allocation base is Enterprise Value Including Cash (EVIC).

All of the metrics listed above are sourced from MSCI.

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Past performance does not predict future returns. You may get back less than you originally invested.

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Important information

This document provides information about the Fund and Liontrust Fund Partners. Liontrust Fund Partners LLP (2 Savoy Court, London WC2R 0EZ) is authorised and regulated in the UK by the Financial Conduct Authority (FRN 518165) to undertake regulated investment business. Liontrust Fund Partners does not give financial or investment advice. This document does not constitute or form part of, and should not be construed as, an invitation to buy or sell units and neither this document nor anything contained or referred to in it shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever. The value of units and the income generated from them can fall as well as rise and are not guaranteed; investors may not get back the amount originally subscribed. Investors should not purchase the Fund referred to in this document except on the basis of information contained in the Fund's Prospectus. We recommend that investors who are not professional investors should contact their professional adviser. The Fund's Prospectus and Key Investor Information Document (KIID) are available from www.liontrust.com or direct from Liontrust.

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