

LIONTRUST UK ETHICAL 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 UK Ethical Fund	Sustainable Investment ("the Team")	GB00B8HCSD36	471,007,435	GBP	MSCI UK

*as at 31 December 2024

Objective & Policy

- To deliver capital growth over the long term (5 years or more).
- The Fund invests in UK equities. The Fund may also invest in other eligible asset classes as detailed within the prospectus.
- All investments will be expected to conform to our most stringent social and environmental screening criteria and is available electronically at www.liontrust.com.
- 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 may, under certain circumstances, 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 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 22 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 key ESG factors that are important indicators of future success and assess how well these are managed, via the proprietary Liontrust Sustainability Matrix.

The fund managers aim to invest in companies that 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 seek to 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 exposed companies can make for attractive and sustainable investments.

With effect from 1 April 2025 the Objective & Policy were updated and the fund commenced use of the Sustainability Focus label under the FCA's Sustainability Disclosure Requirements (SDR) and investment labels regime. For the latest Key Investor Information Document (KIID), please refer to the website: www.liontrust.com

LIONTRUST UK ETHICAL FUND ("the Fund")

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

Covering 1 January 2024 to 31 December 2024

Fund Information

Climate-related commitments

The Fund is positioned for an aggressive shift towards an ultra-low carbon economy (as the Team believes the companies it invests in will gain a competitive advantage by adopting a progressive strategy and will be more successful as a result). The Team has committed to:

1. avoid investing in high emitting businesses where there are lower carbon alternatives [*], while
2. seeking to invest in solutions providers who reduce emissions for their customers (within the Team's greater resource efficiency sustainable investment themes [**]) as well as
3. engaging with businesses it is invested in to decarbonise in line with the science as it believes this will give them a competitive advantage. This engagement prioritises investments that contribute the most to the fund's direct emissions.

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.

[*] see p7, [**] see p5, p17 of Liontrust Sustainable Investment - How we invest <https://www.liontrust.com/fund-managers/sustainable-investment/sustainable-documents>

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).
- 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.
- Liontrust Sustainable Future funds make use of their Advisory Committee to guide their knowledge on sustainable trends, including the risks and opportunities arising from the climate crisis. (Liontrust Sustainable Investment - How we invest p12) <https://www.liontrust.com/fund-managers/sustainable-investment/sustainable-documents>

Strategy for managing climate-related risks and opportunities

In its thematic analysis, the Team works to better understand the big sustainable trends that are happening and analyse these themes to check which companies will be potential winners or losers from major multi-decade changes in different parts of the economy. The Team looks at the world through the prism of three megatrends, one of which is 'better resource efficiency'. This relates to using resources more efficiently (water, recycling of waste, lower-carbon energy sources and energy efficiency), all of which can result in reduced emissions.

Management of climate-related risks and opportunities

For each business, the Team determines the key ESG factors that are important indicators of future success and assesses how well these are managed via the Team's proprietary Sustainability Matrix. Each company held in the portfolio is given a matrix rating, which analyses product sustainability and management quality. This includes the risks and opportunities for the business in relation to the climate crisis. Only businesses which score better than the market median are eligible for investment in the Fund.

LIONTRUST UK ETHICAL FUND ("the Fund")

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

Covering 1 January 2024 to 31 December 2024

Climate Metrics				
Metric	2024 Data coverage (%)	2023	2024	2025
Scope 1 and 2 greenhouse gas emissions (tCO ₂ e)	94.9%	11,644.2	13,984.0	
Scope 3 greenhouse gas emissions (tCO ₂ e)	94.9%	79,477.6	95,935.1	
Total carbon emissions (1+2+3) (tCO ₂ e)		91,121.9	109,919.1	
Total carbon footprint (tCO ₂ e/\$m invested)	94.9%	17.9	23.7	
Weighted average carbon intensity ("WACI") (tCO ₂ e/\$m sales)*	94.9%	40.4	49.3	

* 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.

LIONTRUST UK ETHICAL FUND (“the Fund”)

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

Covering 1 January 2024 to 31 December 2024

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

Metric	Data coverage (%)	Orderly transition (%)	Disorderly transition (%)	Hothouse World (%)
Policy Climate VaR (Scope 1,2,3)	96.7%	-6.9%	-8.5%	-2.8%
Technology Opportunities Climate VaR	<60%	-	-	-
Physical Climate VaR**	90.1%	-1.9%	-1.9%	-3.6%
Aggregated Climate VaR		-	-	-

****Selected Scenario: Aggressive**

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.

Where MSCI data coverage is less than 60%, metrics have not been reported in line with Liontrust's minimum data coverage threshold.

Commentary

In both the orderly and disorderly transition scenarios, Policy Climate VaR is the most significant driver of impact. This is due to the anticipated costs borne by holdings to adhere to policy requirements to achieve a 1.5°C world eroding more capital. This trend is more pronounced in the disorderly transition as it is assumed that policy response is delayed and would therefore need to be more aggressive to achieve a 1.5°C world. Physical Climate VaR is the most significant driver of impact in the hothouse world scenario. This is due to increased physical risks from extreme weather events.

Implied Temperature Rise (“ITR”)



The ITR for the fund is 1.6°C. It can therefore be categorised as 2°C aligned with regard to the Paris Agreement.
Data coverage for the Fund is 94.9%

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 Climate VaR and ITR metrics provided in this report may not fully reflect future economic reality and are subject to measurement uncertainties resulting from limitations inherent in nature and should not be construed to represent any belief regarding materiality or financial impact. Climate VaR and ITR are being provided in this report for the purposes of complying with applicable ESG reporting requirements.

This document provides you with climate-related information for the Fund. It is not marketing material. The information is required by law.

LIONTRUST UK ETHICAL FUND (“the Fund”)

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

Covering 1 January 2024 to 31 December 2024

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 (tCO ₂ e)	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 (tCO ₂ e)	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 (tCO ₂ e)	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 (tCO ₂ e/\$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 (tCO ₂ e/\$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.
Climate Value at Risk (CVaR)	CVaR is a forward-looking quantitative model that forecasts the present value of future costs and benefits under different potential climate scenarios. Aggregated CVaR is made up of: Policy Climate VaR - The value of underlying holdings at risk of being lost due to climate change policies being enacted by countries. These policies will lead to higher carbon prices, which will then impact the business operations of different sectors. Technology Opportunities VaR - The profit opportunity available to underlying holdings who can take advantage of the costs that companies will face from 'policy risk'. MSCI measures companies' profit opportunity by assessing the quality of their low-carbon technology patent library. Physical Climate VaR - The costs of damage or loss of productivity to underlying holdings from increased incidence and severity of weather events because of climate change: e.g. wildfires, extreme heat, and flooding.	The more negative the CVaR, the higher the potential negative impact on the value of the fund's underlying holdings.	CVaR values reflect costs out to a horizon of 2100, which is not in line with fund investment horizons. Data used is modelled.
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.

LIONTRUST UK ETHICAL FUND (“the Fund”)

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

Covering 1 January 2024 to 31 December 2024

Glossary – Climate-Related Metrics

Scenario used	Definition
Orderly Transition	Climate scenario which assumes climate policies are introduced early and become gradually more stringent, reaching global net zero CO2 emissions around 2050 and likely limiting global warming to below 2 degrees Celsius on pre-industrial averages. The figure provided relates to the 1.5°C Regional Model of Investment and Development (REMIND) Network for Greening the Financial System (NGFS) Orderly scenario as provided by MSCI.
Disorderly Transition	Climate scenario which assumes climate policies are delayed or divergent, requiring sharper emissions reductions achieved at a higher cost and with increased physical risks in order to limit temperature rise to below 2 degrees Celsius on preindustrial averages. The figure provided relates to the 1.5°C REMIND NGFS Disorderly scenario as provided by MSCI.
Hothouse World	Climate scenario which assumes only currently implemented policies are preserved, current commitments are not met, and emissions continue to rise, with high physical risks and severe social and economic disruption and failure to limit temperature rise. The figure provided relates to the 3°C REMIND NGFS Nationally Determined Contributions (NDC) scenario as provided by MSCI.
Aggressive Scenario for Physical Climate VaR	A scenario which explores the severe downside risk of costs from weather extremes, using a probabilistic modelling framework from MSCI. This scenario was selected to provide a worst-case scenario view from a physical CVaR perspective.

LIONTRUST UK ETHICAL FUND (“the Fund”)

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

Covering 1 January 2024 to 31 December 2024

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

MSCI Notice and Disclaimer

Certain information contained herein (the “Information”) is sourced from/copyright of MSCI Inc., MSCI ESG Research LLC, or their affiliates (“MSCI”), or information providers (together the “MSCI Parties”) and may have been used to calculate scores, signals, or other indicators. The Information is for internal use only and may not be reproduced or disseminated in whole or part without prior written permission. The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund’s assets under management or other measures. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided “as is” and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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.