LIONTRUST EUROPEAN INCOME FUND

Interim Report &
Financial Statements (unaudited)

For the period:
1 March 2019
to
31 August 2019

Managed in accordance with
The European Income Process

LIONTRUST FUND PARTNERS LLP

LIONTRUST

Contents

* Collectively, these comprise the Authorised Fund Manager's Report (from herein referred to as the Manager's Report).

Management and Administration

Authorised Fund Manager ("Manager")

Liontrust Fund Partners LLP
2 Savoy Court
London WC2R 0EZ

Administration and Dealing enquiries 0344 892 0349
Administration and Dealing facsimile 0207 964 2562
Email Liontrustadmin@bnymellon.com
Website www.liontrust.co.uk

The Manager is authorised and regulated by the Financial Conduct Authority ("FCA") and is a member of the Investment Association.
The ultimate holding company of the Manager is Liontrust Asset Management PLC ("LAM", "Liontrust" or the "Group") which is incorporated in England.

Investment Adviser

Liontrust Investment Partners LLP
2 Savoy Court
London WC2R 0EZ

Authorised and regulated by the FCA.

Trustee

The Bank of New York Mellon (International) Limited
1 Canada Square
London E14 5AL

Authorised by Prudential Regulation Authority ("PRA") and regulated by the FCA and the PRA.

Administrator and Registrar*

The Bank of New York Mellon (International) Limited
1 Canada Square
London
E14 5AL

(Authorised by PRA and regulated by the FCA and the PRA).

Independent Auditors

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

* Please refer to page 19 for details of the change.

Liontrust European Income Fund

Investment profile

The investment objective of the Liontrust European Income Fund (The "Fund") is to provide a high level of income, in order to meet this objective, it is intended that the yield of the Fund (the sum of all net distributions in an accounting period divided by the unit price at the end of said period) will be in excess of the net yield of the MSCI Europe ex UK Index each year but this cannot be guaranteed and the yield may also be adjusted in the light of market conditions although it is not expected that this will be a regular occurrence.

Liontrust Asset Management PLC

Liontrust Asset Management PLC (Company) is a specialist fund management company with £14.1 billion in assets under management as at 30 June 2019. The Company takes pride in having a distinct culture and approach to running money. We have two primary aims: to invest money on your behalf to try to help you reach your financial goals and to invest in what we believe are the best companies around the world, providing businesses with capital to grow. What makes Liontrust distinct?

- The company launched in 1995 and was listed on the London Stock Exchange in 1999.
- We are an independent business with no corporate parent, our head office is on the Strand in London and we have offices in Luxembourg and Edinburgh.
- We believe in the benefits of active fund management over the long term and all our fund managers are truly active.
- We focus only on those areas of investment in which we have particular expertise. We have eight fund management teams: five that invest in UK, European, Asian and Global equities, a Global Fixed Income team, a Sustainable Investment team and one team that manages Multi-Asset portfolios.
- Our fund managers are independent thinkers and have the courage of their convictions in making investment decisions.
- Our fund managers have the freedom to manage their portfolios according to their own investment processes and market views without being distracted by other day-to-day aspects of running a fund management company.
- Each fund management team applies distinct and rigorous investment processes to the management of funds and portfolios that ensure the way we manage money is predictable and repeatable.
- Staying true to their documented investment processes helps to create an in-built risk control for our fund managers, especially in more challenging environments, by preventing them from buying stocks for the wrong reasons.
- We aim to treat investors, clients, members, employees, suppliers and other stakeholders fairly and with respect. We are committed to the Principles of Treating Customers Fairly (TCF) and they are central to how we conduct business across all our functions.

Liontrust Asset Management PLC is the parent company of Liontrust Investment Partners LLP and Liontrust Fund Partners LLP which are authorised and regulated by the Financial Conduct Authority. All members of the Liontrust Group sell only Liontrust Group products.

Manager's Investment Report

Investment objective and policy

The investment objective of the Fund is to provide a high level of income, in order to meet this objective, it is intended that the yield of the Fund (the sum of all net distributions in an accounting period divided by the unit price at the end of said period) will be in excess of the net yield of the MSCI Europe ex UK Index each year but this cannot be guaranteed and the yield may also be adjusted in the light of market conditions although it is not expected that this will be a regular occurrence.

The Fund will predominantly invest in securities of companies incorporated in Continental Europe and Ireland or in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities or derivatives exchange. The Fund will not be restricted in choice of investment by either size, sector or country.

The Fund may also invest in other transferable securities, money market instruments, warrants, cash and near cash and deposits. The Fund may also invest up to 10% of its property in units or shares in collective investment schemes. The Fund is permitted to use derivatives for the purposes of efficient portfolio management.

Manager's Investment Report (continued)

Performance of the Fund

In the six months to 31 August 2019, an investment in the Fund returned 8.4% (institutional, accumulation share class) and 8.0% (retail, accumulation share class). This compares with a return of 11.8% from the Fund's benchmark, the MSCI Europe ex-UK Index and an average return of 10.6% from the IA Europe ex-UK sector.

From the Fund's launch on 15 December 2005 to 31 August 2019, an investment in the Fund has risen 141.7% (institutional, accumulation share class) and 120.5% (retail, accumulation share class). This compares with a rise of 146.9% from the MSCI Europe ex-UK Index and an average return of 157.1% from the IA Europe ex-UK sector.

Source: Financial Express, bid-to-bid basis, accumulation share classes, total return (net of fees, income reinvested). In line with Investment Association guidance, performance since inception is shown for the primary share class.

Interim quarterly payments of 0.98 pence and 1.09 pence per unit (income units) and 1.83 pence and 2.05 pence per unit (accumulation units) were distributed to retail unitholders; and 1.07 pence and 1.20 pence (income units) and 2.01 pence and 2.24 pence per unit (accumulation units) to institutional unitholders at the end of July 2019 and October 2019 respectively.

The Fund's 12 month income yield was 4.6% at 31 August 2019. The index yielded 3.5% over the same period. The Fund targets an income level in excess of the yield on the MSCI Europe ex-UK Index, which was exceeded.

Source: Liontrust Fund Partners LLP. The yield is calculated using the sum of all net distributions in the accounting period divided by the unit price at the start of the period.

Past performance is not a guide to future performance. The value of investments and the income from them can fall as well as rise.

Manager's Investment Report (continued)

Risk and Reward profile

The Risk disclosures are in accordance with European Securities and Markets Authority (ESMA) guidelines and are consistent with the rating disclosed in the Key Investor Information Document (KIID).

Typically lower rewards, lower risk

Typically higher rewards, higher risk

1	2	3	4	**5**	6	7

Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in the Fund.

- The Synthetic Risk Reward Indicator (SRRI) is based upon historical data and may not be relied upon to gauge the future risk profile of the Fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Fund's risk and reward category has been calculated using the methodology set by the European Commission. It is based upon the rate by which the Fund or a representative fund or Index's value has moved up and down in the past.
- The Fund is categorised 5 for its exposure to European companies.
- The SRRI may not fully take into account the following risks:
  - That a company may fail thus reducing its value within the Fund; and
  - Any company which has high overseas earnings may carry a higher currency risk.
- The Fund may make use of derivative instruments but it is not intended that their use will materially affect volatility.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Fund may have a concentrated portfolio and therefore can lead to more risk than where investments are held more widely.

Further details may be found in the prospectus and information on the investment process may be found at www.liontrust.co.uk.

Manager's Investment Report (continued)

The Market

The MSCI Europe ex-UK Index returned 11.8% in sterling terms in the six months to 31 August 2019.

The US Federal Reserve's confirmation of a U-turn in its interest rate strategy was one of the key features of the review period. The central bank's sudden shift to a more "patient" approach to raising interest rates was cemented as its 'dot plot' of future rates suggested that 2019 would see no rate hikes, compared with its previous prediction of two rises.

It became plain to see in the following months that the market – as well as President Trump – demanded more monetary stimulus against the less certain economic background, partly caused by the ongoing trade wars. The Federal Open Market Committee eventually obliged, with its first interest rate cut in over a decade. Comments from Fed Chair Powell disappointed some investors who were hoping for the start of a new easing cycle, however. He characterised the cut as a "mid-cycle adjustment", although the ultimate trajectory of interest rates remains to be seen.

July also saw the nomination of Christine Lagarde, managing director of the International Monetary Fund, as the new European Central Bank (ECB) president, with Mario Draghi due to leave the post in October 2019. Ahead of that date, it looked as if he too may well steer the ECB back towards an easing course. Mr Draghi stated that the Bank is determined to act to reflect a "considerable mass of inflation expectations" which are moving lower. Both rate cuts and more quantitative easing appear to be policy options that the ECB will consider.

As central bankers moved to support the global economy, actions by leaders of the US and China were damaging it. In May, negotiations between the two superpowers broke down and President Trump subsequently signed off additional tariffs of 25% on US$200bn worth of Chinese imports.

In August he launched another trade war offensive with the announcement of a 10% tariff on US$300bn of Chinese imports, effectively covering all remaining imports from China not already levied. Later in the month he raised the threatened tariff level to 15%, to be implemented from 1 September, but carved out a sub-list of goods which would benefit from a tariff delay in order to support US consumption ahead of Christmas. China said it would prepare retaliatory measures. It is difficult precisely to quantify the global impact of these additional trade barriers, but in general it can be said to have a dampening effect on corporate confidence, notably in those areas which export heavily to China, leading to delayed orders and investments. A negotiated solution would most likely have a very positive impact on sentiment.

The Fund

The Fund returned 8.4% (institutional, accumulation share class) in the six months to 31 August 2019.

The Fund's 12 month income yield was 4.6% at 31 August 2019. The yield is calculated using the sum of all net distributions in the accounting period divided by the unit price at the start of the period. The Fund targets an income level in excess of the yield on the MSCI Europe ex-UK Index, which was comfortably exceeded. The index yielded 3.5% over the same period.

The sector returns on the MSCI Europe ex-UK Index displayed investor preference for defensive areas. Consumer staples (+27.7%) was the best performing sector in sterling terms, followed by utilities (+23.5%) and health care (+16.9%). The worst performers were energy (-2.3%), financials (+0.4%) and real estate (+0.5%).

Meanwhile, long-dated US government bonds pushed down to record low yields, and the US yield curve inverted – a much discussed phenomenon due to its potential as a leading indicator of economic recession. The entire German yield curve was also pushed into negative yielding territory, part of over US$15 trillion of government debt worldwide with a negative yield, as investors yet again piled into bonds.

The Fund's value exposure, which typically does well in periods of rising yields, presented a strong headwind in this environment. This was most evident through its large allocation to financials, which is perhaps the most obvious 'loser' from lower interest rates. An outlook statement contained within Dutch banking group ING Groep's (-16.0%) Q2 results neatly encapsulated the challenge for the sector: although ING achieved loan growth and stable margins, the bank warned that the ongoing low interest rate environment is expected to put pressure on net interest income in future periods.

Manager's Investment Report (continued)

The Fund (continued)

Nordea Bank's (-17.4%) results included the announcement of an upcoming review of its capital and dividend policies in the autumn. The bank had almost accidentally locked itself into a progressive dividend policy, which was beginning to strain long-term credibility. A rebasing is therefore welcome, as it should be more sustainable in the future, although the uncertainty is likely to overhang the share price until we get better clarity.

Swedbank (-15.6%) was engulfed in a money laundering scandal following press reports which linked it with the similar Danske bank investigation. In March the company parted ways with its CEO as key investors accused her of having comprehensively mishandled the situation. It later announced a dividend payout ratio cut from 75% to 50%, despite its results being ahead of expectations. This is widely believed to be in preparation for potential money laundering fines, most notably from the US where the quantum and timing is largely speculative at present. The bank is still targeting a 15% return on equity, and remains one of the most profitable in Europe. We therefore see this move as precautionary one, rather than required by underlying fundamentals in the business.

Gjensidige Forsikring (+22.9%) was an outlier among the Fund's financials, ending the period as one of the better performers. The group completed the sale of its banking operations, leaving it as a purer play on Nordic general insurance. The deal generated an exceptional gain of NKr1.6bn, which distorts the comparison of this year's profits before tax of NKr3.0bn with last year's NKr600m. Stripping this out, it is clear that the company's ongoing insurance operations performed well. Earned premiums rose a modest 1.2%, but the underwriting result almost doubled to NKr798m as reflected in a combined ratio of 87 – down from 93 last year. The company implemented price rises across all its business lines and also benefitted from a lower loss ratio due to more favourable weather conditions.

French construction and infrastructure concessions giant **Vinci** (+27.5%) also performed well. It reported 10% revenue growth in the first half of 2019, with operating profit rising 9.1% to €2.1bn. Top-line growth was boosted by acquisitions to the tune of 3.7%, following the 2018 purchases of AWW airports and Belgrade airport and the May 2019 acquisition of London Gatwick. These deals boosted its Airports division's revenue by 44%.

Swiss pharmaceutical company **Novartis** (+25.4%) benefited from the demand for defensive stocks. It also announced the much anticipated spin-off of its Alcon eye care business. The spin-off saw Novartis shareholders receive one Alcon share for every 5 Novartis shares they own. Although a good business, Alcon has few dividend credentials, and accordingly we disposed of our shares.

1&1 Drillisch (-24.3%) was the Fund's biggest detractor. The German telecoms company stated revenue in the first quarter edged 0.9% higher to €912.1m, which was lower than the consensus forecast for €933.8m. Revenue was weighed down by hardware sales, which fell 8.5% during the period. Trading was dominated by the company's participation in the German 5G spectrum auction, which clouded the company's future capex requirements.

Portfolio Activity

We disposed of the Fund's residual position in **Oriflame**, the Swedish cosmetic retailer, on concerns over its sales growth. We also sold **Correios de Portugal - CTT** due to a sustained inability to capitalise on the burgeoning parcels market seen elsewhere in Europe, combined with unhelpful government regulation.

Intesa Sanpaolo was sold as the Italian budget situation once again threatened to take centre stage, with the probability of an excessive deficit procedure being initiated by the European Commission against the Italian government. Although very highly yielding, it is difficult to see how the bank can continue to generate such payouts sustainably in the future.

We added a new holding in **NOS**, one of Portugal's largest domestic telecoms and media groups which was created through the merger of ZON and Optimus. The company has 4.8 million mobile customers, 1.6 million pay-TV subscribers and supplies broadband to 1.4 million households. NOS offers a substantial yield and benefits from a relatively benign domestic competitive situation.

We also initiated a position in **Fortum**, a Finnish clean power generator. The structure of the carbon credit market in Europe is changing, from oversupply to shortage, which implies higher long-term power prices. Clean generators such as Fortum benefit from this trend, as they do not have to buy carbon permits in the market to cover generation emissions, and hence margins can expand.

Manager's Investment Report (continued)

Outlook

It is no secret that the 'value' investing style has had a difficult time for some years. The main culprit for this has been the direction of bond yields – as bond yields have plummeted to ever lower levels, so has the relative performance of value versus 'growth'.

The Fed is on a cutting cycle now, so should we expect yields to continue to slide? In fact, US 10 year Treasury yields did initially plummet to a low of 1.46%, but have already started to rebound from what may turn out to be a panic low – and as we saw just six months or so ago, bond market received wisdom can turn on a sixpence.

We think a potential reversal in bond yields could be a catalyst for a value rally. Another catalyst could be European earnings. It is hard to remember a time when Europe was as reviled as it currently is by investors. There are of course political difficulties in Europe (which is not unusual) but it is a much better story at the corporate level. European earnings growth is expected to match the US next year following a sustained series of upgrades, whilst US expectations have faded. The market is also substantially cheaper than that of the US, with investor positioning much less crowded.

Olly Russ & Oisin O'Leary

Fund Managers

October 2019

Past performance is not a guide to future performance. The value of investments and the income from them can fall as well as rise.

Authorised Status

The Fund is an authorised unit trust scheme ("the Scheme") under Section 243 of the Financial Services and Markets Act 2000 (authorisation orders) and the Financial Conduct Authority's Collective Investment Schemes Sourcebook and is categorised as a UCITS scheme.

Certification of Financial Statements by Partners of the Manager

We certify that this Manager's Report has been prepared in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook.

John Ions

Chief Executive

Antony Morrison

Partner, Head of Finance

Liontrust Fund Partners LLP
24 October 2019

Performance Tables (unaudited)

as at 31 August 2019

Net Asset Value

Period end	Units in Issue	Net Asset Value (£'000)	Net Asset Value per unit (p)
31 August 2019			
Institutional Accumulation	13,534,264	32,713	241.70
Institutional Income	56,580,834	71,934	127.14
Retail Accumulation	4,782,905	10,547	220.52
Retail Income	7,152,096	8,259	115.47
28 February 2019			
Institutional Accumulation	13,505,978	30,114	222.97
Institutional Income	71,909,860	85,862	119.40
Retail Accumulation	5,541,851	11,316	204.18
Retail Income	8,154,004	8,877	108.87
28 February 2018			
Institutional Accumulation	15,455,337	37,127	240.22
Institutional Income	90,800,911	122,234	134.62
Retail Accumulation	6,208,812	13,761	221.63
Retail Income	10,214,019	12,632	123.67
28 February 2017			
Institutional Accumulation	12,096,667	26,051	215.35
Institutional Income	79,251,217	99,385	125.41
Retail Accumulation	7,141,011	14,295	200.18
Retail Income	19,827,717	23,018	116.09

Portfolio Statement (unaudited)

as at 31 August 2019

Holding	Stock description	Market value (£'000)	Percentage of total net assets (%)
	BELGIUM (0.62%)	**990**	**0.80**
122,113	Bpost	990	0.80
	DENMARK (0.92%)	**1,104**	**0.89**
52,916	ISS	1,104	0.89
	FINLAND (4.72%)	**7,629**	**6.18**
105,707	DNA OYJ	2,003	1.62
19,039	Fortum OYJ	345	0.28
33,203	KONE	1,588	1.29
232,841	Nordea Bank	1,199	0.97
76,058	Sampo	2,494	2.02
	FRANCE (19.56%)	**25,944**	**21.01**
36,126	Air Liquide 'prime fidelite'	4,140	3.35
53,880	Amundi	2,856	2.31
132,098	AXA	2,524	2.04
28,411	Danone	2,108	1.71
75,352	Kaufman & Broad	2,365	1.92
65,477	Nexity	2,517	2.04
52,041	Sanofi	3,706	3.00
58,621	SCOR	1,930	1.56
42,009	Vinci	3,798	3.08
	GERMANY (14.17%)	**15,926**	**12.90**
96,972	1&1 Drillisch	2,203	1.78
15,566	Allianz	2,839	2.30
39,545	BASF	2,166	1.75
53,784	Daimler	2,093	1.70
27,314	Deutsche Beteiligungs	779	0.63
118,404	Deutsche Post	3,223	2.61
13,260	Muenchener Rueckversicherungs-Gesellschaft	2,623	2.13

Portfolio Statement (unaudited) (continued)

as at 31 August 2019

Holding	Stock description	Market value (£'000)	Percentage of total net assets (%)
	ITALY (11.19%)	**10,640**	**8.62**
264,196	Anima	797	0.64
889,193	Banca Farmafactoring	3,725	3.02
35,028	De'Longhi	564	0.46
152,038	Eni	1,891	1.53
694,023	Terna	3,663	2.97
	NETHERLANDS (2.69%)	**3,982**	**3.23**
85,967	BE Semiconductor Industries	2,093	1.70
237,839	ING	1,889	1.53
	NORWAY (8.86%)	**10,994**	**8.91**
91,708	Equinor	1,292	1.05
188,250	Gjensidige Forsikring	2,995	2.43
202,397	MOWI	4,054	3.28
350,935	Orkla	2,653	2.15
	PORTUGAL (0.67%)	**685**	**0.55**
142,878	NOS	685	0.55
	SPAIN (5.26%)	**5,600**	**4.54**
178,551	Endesa	3,809	3.09
70,565	Inditex	1,791	1.45
	SWEDEN (15.45%)	**18,997**	**15.39**
158,298	Axfood	2,747	2.23
453,203	Coor Service Management	2,863	2.32
406,597	Dustin Group	2,708	2.19
570,736	Nobina	2,640	2.14
217,594	Swedbank	2,290	1.85
801,596	Telia	2,882	2.34
175,952	Thule	2,867	2.32

Portfolio Statement (unaudited) (continued)

as at 31 August 2019

Holding	Stock description	Market value (£'000)	Percentage of total net assets (%)
	SWITZERLAND (14.89%)	**18,591**	**15.06**
8,704	Komax Holding	1,369	1.11
52,454	Novartis	3,903	3.16
16,991	Roche Holding	3,817	3.09
38,188	Sunrise Communications	2,347	1.90
4,854	Swisscom	1,992	1.62
16,520	VAT Group	1,632	1.32
12,048	Zurich Insurance	3,531	2.86
	Portfolio of investments	**121,082**	**98.08**
	Net other assets	**2,371**	**1.92**
	Net assets	**123,453**	**100.00**

All securities are approved securities traded on eligible securities markets, as defined by the Collective Investment Scheme sourcebook, unless otherwise stated.

Comparative figures shown in brackets relate to 28 February 2019.

Financial Statements (unaudited)

Statement of Total Return

for the period ended 31 August 2019

	(£'000)	1.3.2019 to 31.8.2019 (£'000)	(£'000)	1.3.2018 to 31.8.2018 (£'000)
Income				
Net capital gains/(losses)		6,304		(6,618)
Revenue	5,729		7,245	
Expenses	(687)		(860)	
Interest payable and similar charges	(5)		(1)	
Net revenue before taxation	5,037		6,384	
Taxation	(716)		(1,127)	
Net revenue after taxation		4,321		5,257
Total return before distribution		**10,625**		**(1,361)**
Distribution		(2,680)		(3,368)
Change in net assets attributable to unitholders from investment activities		**7,945**		**(4,729)**

Statement of Change in Net Assets Attributable to Unitholders

for the period ended 31 August 2019

	(£'000)	1.3.2019 to 31.8.2019 (£'000)	(£'000)	1.3.2018 to 31.8.2018 (£'000)
Opening net assets attributable to unitholders		**136,169**		**185,754**
Amounts received on issue of units	9,025		14,791	
Amounts paid on cancellation of units	(30,437)		(39,975)	
		(21,412)		(25,184)
Dilution adjustment		–		41
Change in net assets attributable to unitholders from investment activities		7,945		(4,729)
Retained distributions on Accumulation units		751		811
Closing net assets attributable to unitholders		**123,453**		**156,693**

Comparative information is provided for the Statement of Change in Net Assets Attributable to Unitholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Financial Statements (unaudited) (continued)

Balance sheet

as at 31 August 2019

	31.8.2019 (£'000)	28.2.2019 (£'000)
Assets		
Fixed Assets		
Investments	121,082	134,809
Current assets		
Debtors	1,030	938
Cash and bank balances	2,979	2,418
Total other assets	**4,009**	**3,356**
Total assets	**125,091**	**138,165**
Liabilities		
Distribution payable	(757)	(1,547)
Other creditors	(881)	(449)
Total other liabilities	**(1,638)**	**(1,996)**
Net assets attributable to unitholders	**123,453**	**136,169**

Accounting Policies

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014.

Distribution Tables (unaudited)

for the period ended 31 August 2019

First interim distribution

Group 1 - Units purchased prior to 1 March 2019
Group 2 - Units purchased 1 March 2019 to 31 May 2019

Accumulation units	Net Revenue Pence per unit	Equalisation Pence per unit	Distribution paid 31.7.2019 Pence per unit	Distribution paid 31.7.2018 Pence per unit
Institutional - Group 1	2.01	–	2.01	1.92
Institutional - Group 2	0.00	2.01	2.01	1.92
Retail - Group 1	1.83	–	1.83	1.77
Retail - Group 2	0.00	1.83	1.83	1.77

Income units	Net Revenue Pence per unit	Equalisation Pence per unit	Distribution paid 31.7.2019 Pence per unit	Distribution paid 31.7.2018 Pence per unit
Institutional - Group 1	1.07	–	1.07	1.07
Institutional - Group 2	0.00	1.07	1.07	1.07
Retail - Group 1	0.98	–	0.98	0.98
Retail - Group 2	0.00	0.98	0.98	0.98

Distribution Tables (unaudited) (continued)

for the period ended 31 August 2019

Second interim distribution

Group 1 - Units purchased prior to 1 June 2019
Group 2 - Units purchased 1 June 2019 to 31 August 2019

Accumulation units	Net Revenue Pence per unit	Equalisation Pence per unit	Distribution payable 31.10.2019 Pence per unit	Distribution paid 31.10.2018 Pence per unit
Institutional - Group 1	2.24	–	2.24	2.06
Institutional - Group 2	0.00	2.24	2.24	2.06
Retail - Group 1	2.05	–	2.05	1.90
Retail - Group 2	0.00	2.05	2.05	1.90

Income units	Net Revenue Pence per unit	Equalisation Pence per unit	Distribution Payable 31.10.2019 Pence per unit	Distribution paid 31.10.2018 Pence per unit
Institutional - Group 1	1.20	–	1.20	1.16
Institutional - Group 2	0.00	1.20	1.20	1.16
Retail - Group 1	1.09	–	1.09	1.06
Retail - Group 2	0.00	1.09	1.09	1.06

Additional Information

Trust Deed: The Fund was established by a Trust Deed made between the Manager and the Trustee dated 14 April 2016.

Prospectus: Copies of the Fund's Prospectus are available free of charge from the Manager upon request, and from our website, www.liontrust.co.uk.

Unit type: The Fund issues accumulation and income units only. Investors can elect at any time to have any income either paid out or automatically reinvested to purchase units at no initial charge.

Pricing and dealing: A buying price (the price at which you have bought the units in the Fund and being the higher) and a selling price (the price at which you can sell the units back to the Manager and being the lower) are always quoted for the Fund. The buying price includes the Manager's initial charge.

Dealing in all unit trusts operated by Liontrust Fund Partners LLP may be carried out between 09.00 and 17.00 hours on any business day. Professional investors and advisers may buy and sell units over the telephone; private investors are required to instruct the Manager in writing for initial purchases, but can deal over the telephone thereafter. Prices are quoted on a 'forward' basis. This means that all deals are based on a price that is calculated at the next valuation point (which is 12.00 hours on each business day) following receipt of instructions. Instructions received before 12.00 hours will be priced at 12.00 hours that day, whilst those deals taken later in the day will receive the next dealing price which is fixed at 12.00 hours on the following business day.

The minimum initial lump sum investment in the Fund is £1,000, the minimum additional investment is £1,000 and the amount you may sell back to the Manager at any one time is £500. Please refer to the Prospectus for more details.

A contract note in respect of any purchase will be issued the day following the dealing date. Unit certificates will not be issued. Instructions to sell your units may be required to be given by telephone and then confirmed in writing to Liontrust Fund Partners LLP at, PO Box 373, Darlington DL1 9RQ. A contract note confirming the instruction to sell will be issued the day following the dealing day. Following receipt of a correctly completed Form of Renunciation, a cheque in settlement will be sent directly to you or your bank/building society, if proof of ownership of the account has been received by us, in four business days. Liontrust does not make or accept payments to or from third parties unauthorised by the Financial Conduct Authority and other financial regulator.

Management charges and spreads: The initial charge and annual management fees per unit class are detailed below.

Initial charge	%	Ongoing charges figure*	%	Included within the OCF is the Annual Management Charge**	%
Institutional class	Nil	Institutional class	0.93	Institutional class	0.75
Retail class	up to 5	Retail class	1.68	Retail class	1.50

Certain other expenses are met by the Fund, all of which are detailed in the Prospectus.

* The OCF covers all aspects of operating a fund. These include the annual charge for managing the Fund, administration and independent oversight functions, such as trustee, custody, legal and audit fees. The OCF excludes portfolio transaction costs except for an entry/exit charge paid by the Fund when buying or selling units in another fund.

** These are the annual costs of managing the Fund.

Additional Information (continued)

Publication of prices: The price of units in the Fund is quoted on our website, www.liontrust.co.uk and other industry websites such as www.trustnet.com. Daily and historic Fund prices are available from our Dealing and Administration team on 0344 892 0349.

Capital Gains Tax: As an authorised unit trust, any capital gains made within the Fund is exempt from UK Capital Gains Tax. An individual investor is subject to capital gains tax on gains made on their investment, however an individual's first £12,000 of net gains on disposals in the 2019-2020 tax year are exempt from tax (2018-2019: £11,700).

Income Tax: UK tax resident individuals are now entitled to a new tax-free dividend allowance in place of the dividend tax credit. Consequently, all income from dividend distributions is now regarded as gross income.

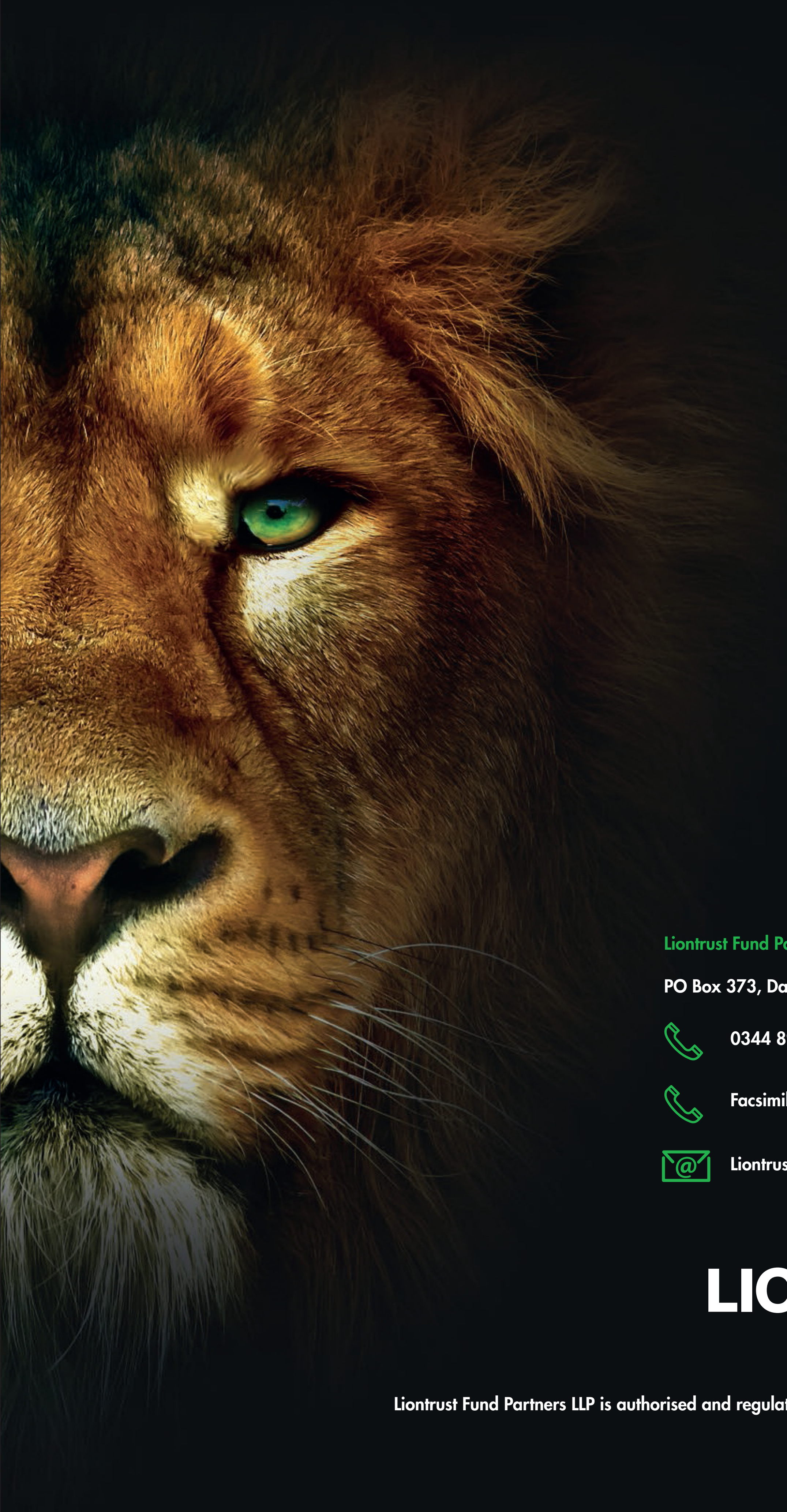
UK resident individuals who are not liable to tax are not able to reclaim the tax credits from the HM Revenue and Customs. In the case of UK resident individuals who are liable to starting or basic rate tax only, the tax credit will match his or her liability on the distribution and there will be no further tax to pay and no right to claim repayments from the HM Revenue and Customs. In the case of a higher rate tax payer, the tax credit will be set against, but not fully match, his or her tax liability on the distribution. Such people will have an additional tax liability to pay.

Securities Financing Transactions Regulation: The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) or total return swaps will be required on all reports & accounts published after 13 January 2017. During the period to 31 July 2019 and at the balance sheet date, the fund did not use SFTs or total return swaps, as such no disclosure is required.

Changes to the Company: From 1 May 2019, the following change took effect:

- Change of Registrar - The Registrar changed from DST Financial Services Europe Limited to the Bank of New York Mellon (International) Limited (part of the Bank of New York Mellon Corporation).

Important information: It is important to remember that the price of units, and the income from them, can fall as well as rise and is not guaranteed and that investors may not get back the amount originally invested. Past performance is not a guide to future performance. The issue of units may be subject to an initial charge and this is likely to have an impact on the realisable value of your investment, particularly in the short term. You should always regard unit trust investment as long term. The annual management fee of the Fund is deducted from capital. Whilst this results in the dividend paid to investors being higher than would be the case were the annual management fee charged to income, the potential for capital growth may be reduced.



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